



## Core Sector Growth at 5.5%

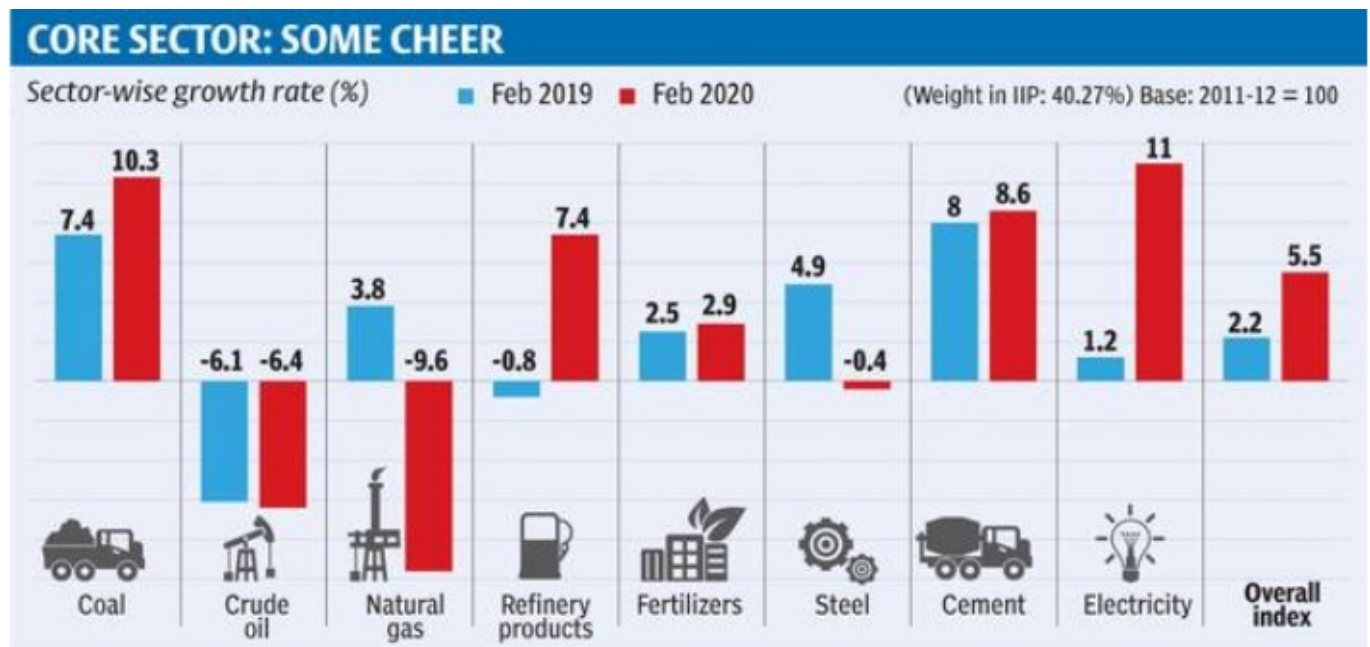
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### Why in News

According to the data released by the **Ministry of Commerce and Industry**, the eight core sector industries **recorded a growth of 5.5% in February, 2020** which is **highest in 11-months**.

### Key Points

- This spike is because of growth in **refinery products, electricity, fertiliser, cement and coal production**.
- However, **crude oil, natural gas, and steel** recorded negative growth rate in February.
- This was the **fourth consecutive month** when the index of eight core industries reported growth.
- The outlook may not be very bright for March 2020, as the **lockdown to check the spread of Covid-19** has disrupted the production process in the country and globally.



## Core Sector Industries

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- The **eight core sector industries** include coal, crude oil, natural gas, refinery products, fertiliser, steel, cement and electricity
- The eight core industries **comprise 40.27% of the weight of items** included in the **Index of Industrial Production (IIP)**.
- The eight Core Industries in **decreasing order** of their weightage: **Refinery Products> Electricity> Steel> Coal> Crude Oil> Natural Gas> Cement> Fertilizers**.

| <b>Industry</b>                 | <b>Weight (In percentage)</b> |
|---------------------------------|-------------------------------|
| Petroleum & Refinery production | 28.04                         |
| Electricity generation          | 19.85                         |
| Steel production                | 17.92                         |
| Coal production                 | 10.33                         |
| Crude Oil production            | 8.98                          |
| Natural Gas production          | 6.88                          |
| Cement production               | 5.37                          |
| Fertilizers production          | 2.63                          |

### Index of Industrial Production

- The Index of Industrial Production (IIP) is an index which details out the growth of various sectors in an economy such as mineral mining, electricity, manufacturing, etc.
- It is compiled and published monthly by the **Central Statistical Organisation (CSO), Ministry of Statistics and Programme Implementation** six weeks after the reference month ends, i.e a **lag of six weeks**.
- The Base Year of the Index of Eight Core Industries has been revised from the year 2004-05 to 2011-12 from April, 2017.

**Source: TH**