



Core Sectors Industries

Why in News

The output of [Eight Core Industries](#) grew at 3.1 %, the slowest pace in eight months in November, indicating slowing momentum in the Indian economy. Barring crude oil and cement, all other sectors recorded positive growth.

- **Eight core sectors are:** Coal, crude oil, natural gas, refinery products, fertiliser, steel, cement and electricity.

Key Points

▪ About Eight Core Sectors:

- These comprise 40.27% of the weight of items included in the Index of Industrial Production (IIP).
- The eight core sector industries in decreasing order of their weightage: Refinery Products> Electricity> Steel> Coal> Crude Oil> Natural Gas> Cement> Fertilizers.

▪ Index of Industrial Production:

- IIP is an indicator that measures the changes in the volume of production of industrial products during a given period.
- It is compiled and published monthly by the [Central Statistical Organization \(CSO\)](#), Ministry of Statistics and Programme Implementation.
- It is a composite indicator that measures the growth rate of industry groups classified under:
 - Broad sectors, namely, Mining, Manufacturing, and Electricity.
 - Use-based sectors, namely Basic Goods, Capital Goods, and Intermediate Goods.
- Base Year for IIP is 2011-2012.
- **Significance of IIP:**
 - It is used by government agencies including the Ministry of Finance, the Reserve Bank of India, etc, for policy-making purposes.
 - IIP remains extremely relevant for the calculation of the quarterly and advance [GDP \(Gross Domestic Product\)](#) estimates.

[Source: ET](#)