

## Macro Insights

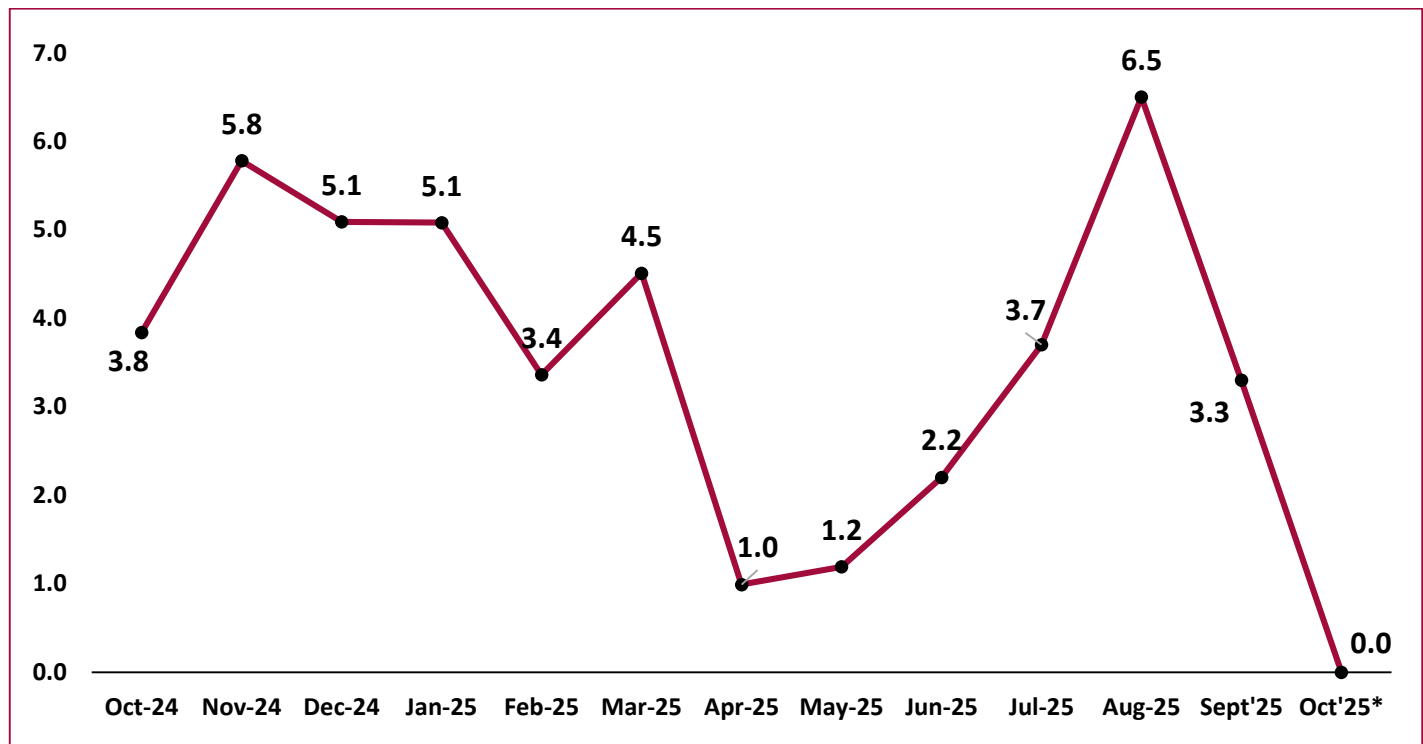
### Core Sector witnessed flat growth of 0.0% in October 2025

Growth in the Index of Eight Core Industries was flat at 0.0% (YoY) marking a 14-month low in Oct 2025, vis-à-vis 3.3% in the previous month. The index grew by 3.8% in Oct last year.

### Highlights:

- ☞ Four out of eight core sectors i.e. Coal, Crude Oil, Natural Gas, and electricity production accounting for 46% of the index weight, witnessed contraction in October 2025.
- ☞ Steel and cement production showed a YoY growth of 6.7% and 5.3% respectively.
- ☞ Fertilizer sector showed the highest YoY growth in Oct'25, registering 7.4% YoY growth, as against only 1.6% growth recorded in Sept'25.
- ☞ Refinery products grew by 4.6% YoY in Oct'25, improving drastically from 3.7% YoY decline in Sept'25.

Eight Core Industries – October 2025 (YoY Growth in %)



\*Provisional

Source: Office of Economic Adviser

### Components of Eight Core Sector (YoY Growth in %)

Sr. No	Sector	Weight	Oct-2024	Apr-2025	May-2025	Jun-2025	Jul-2025	Aug-2025	Sept-2025	Oct-2025
1	Coal	10.3	7.8	3.5	2.8	-6.8	-12.3	11.4	-1.2	-8.5
2	Crude Oil	9.0	-4.8	-2.8	-1.8	-1.2	-1.3	2.4	-1.3	-1.2
3	Natural gas	6.9	-1.2	-0.9	-3.6	-2.8	-3.2	-2.2	-3.8	-5.0
4	Refinery Products	28.0	5.2	-4.5	1.1	3.4	-1.1	3.0	-3.7	4.6
5	Fertilizers	2.6	0.4	-4.2	-5.9	-1.2	2.0	4.6	1.6	7.4
6	Steel	17.9	5.7	4.4	7.4	9.7	16.6	13.6	14.4	6.7
7	Cement	5.4	3.1	6.3	9.7	8.2	11.6	5.4	5.0	5.3
8	Electricity	19.8	2.0	1.7	-4.7	-1.2	3.7	4.1	3.1	-7.6
	<b>Overall Index</b>	<b>100.0</b>	<b>3.8</b>	<b>1.0</b>	<b>1.2</b>	<b>2.2</b>	<b>3.7</b>	<b>6.5</b>	<b>3.3</b>	<b>0.0</b>

\*Provisional

Source: Office of Economic Adviser

### Views & Outlook:

- India's core sector growth stagnating at 0% in October 2025 signals a temporary loss of industrial momentum, largely driven by steep declines in coal, electricity, and natural gas output.
- From April to Oct 2025, core sector growth stood at 2.5% (provisional) significantly lower than the corresponding period for the last financial year, when the core sector growth was 4.3%. Weather disruption is a major factor behind the slowdown, including excess rainfall impacting mining activity and power demand in October, with coal output and electricity generation contracting sharply.
- Among the sectors that witnessed contraction in Oct'25, Coal production contracted by 8.5% which is a sharp drop from the 7.8% growth recorded in Oct'24. Crude oil production also slipped by 1.2%. Natural Gas production declined by 5.0% YoY while refinery products expanded by 4.6%.
- Cement maintained steady growth, benefiting from ongoing infrastructure activity and real estate demand, while fertiliser output rose due to improved supply and agricultural demand conditions during the rabi season.
- The flat core sector reading doesn't automatically signal alarm bells, but it does highlight stress points, especially in energy and fuel-related industries. These sectors are critical for sustaining industrial and economic expansion, and their continued weakness could weigh down infrastructure projects, raise manufacturing costs and depress growth. Looking ahead, recovery will depend on stabilising energy supply, leveraging infrastructure spending, and boosting demand through policy support, with medium-term prospects anchored in renewable energy expansion and government-led investment initiatives.

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