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Core Sector Growth Slows to 2.6%

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The government has released data on output growth of **eight core industries** which fell for the second straight month to touch **2.6% in December 2018**.

Core Industries

- Core industry can be defined as the main industry which has a **multiplier effect** on the economy.
- In most countries, there is particular industry that seems to be backbone of all other industries and it qualifies to be the core industry.
- The **Eight Core Industries comprise 40.27%** of the weight of items included in the **Index of Industrial Production (IIP)**.

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**.
- The eight Core Industries in **decreasing order of their weightage: Refinery Products > Electricity > Steel > Coal > Crude Oil > Natural Gas > Cement > Fertilizers**.
- Earlier in July, 2018 a report by **V.K Saraswat (NITI Aayog member)** had recommended that the government should consider classifying the **aluminium sector as India's ninth core industry**.

Industry

Weight (In percentage)

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
