



Core Sector Growth at 5.5%

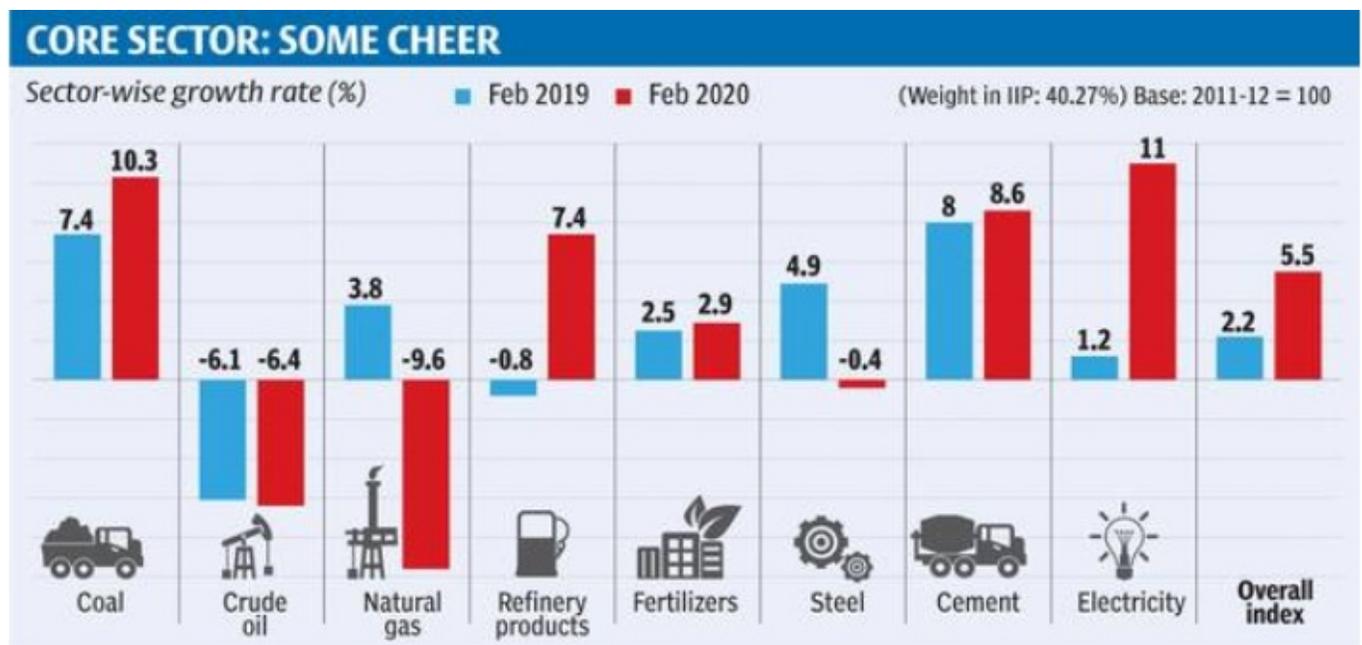
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Why in News

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

- 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.**

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

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