



Core Sector Output

Why in News?

India's eight core sector industries **showed a robust growth of 8.4% in April** compared to 4.9% in March 2022.

- The [eight core sector industries](#) 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 are:** Refinery Products> Electricity> Steel> Coal> Crude Oil> Natural Gas> Cement> Fertilizers.

What is the Index of Eight Core Industries?

- **About:**
 - [Index of Eight Core Industries \(ICI\)](#) refers to the **production volume index**.
 - It evaluates the **combined as well as individual performance of production** in selected eight core industries.
 - **The current weightage (April 2021), of eight core industries is given below:**
 - Petroleum Refinery production (**28.04%**), Electricity (**19.85%**), Steel (**17.92%**), Coal production (**10.33%**), Crude Oil (**8.98%**), Natural Gas production (**6.88%**), Cement production (**5.37%**), Fertilizer production (**2.63%**).
 - ICI is compiled and released by the **Office of Economic Adviser (OEA)**, [Department for Promotion of Industry and Internal Trade \(DPIIT\)](#), Ministry of Commerce and Industry.
- **Significance:**
 - ICI provides **advance indication on production performance** of industries of 'core' nature prior to the IIP release by the [National Statistical Office, NSO](#).
 - **General economic activities and industrial activities** are likely to get impacted by the eight core industries.

What is the Index of Industrial Production?

- **About:**
 - **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 [National Statistical Office \(NSO\)](#), 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** [Gross Domestic Product \(GDP\) estimates](#).

UPSC Civil Services Examination, Previous Year Question (PYQ)

Q. In the 'Index of Eight Core Industries', which one of the following is given the highest weight? (2015)

- (a) Coal production
- (b) Electricity generation
- (c) Fertilizer production
- (d) Steel production

Ans: (b)

Exp:

- **In 2015, Electricity was having the highest weightage in the index of 8 core industries. Therefore, option (b) is correct.**
- **The Eight Core Industries comprise 40.27% of the weight of items included in the Index of Industrial Production (IIP).**
- **The current weightage (April 2021), of eight core industries is given below:**
 - Petroleum Refinery production (**28.04%**), Electricity (**19.85%**), Steel (**17.92%**), Coal production (**10.33%**), Crude Oil (**8.98%**), Natural Gas production (**6.88%**), Cement production (**5.37%**), Fertilizer production (**2.63%**).
- **Index of Industrial Production:**
 - The Index of Industrial Production (IIP) is an **index which provides details regarding the growth of various sectors in an economy** such as mineral mining, electricity, manufacturing, etc.

Source: PIB

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