



## Aluminium as Ninth Core Industry

- Recently a report by V.K Saraswat (NITI Aayog member) has recommended that the government should consider classifying the aluminium sector as India's ninth core industry.
- Currently, there are eight core industries viz. coal, crude oil, natural gas, refinery products, fertiliser, steel, cement and electricity.
- The aluminium sector contributes to nearly 2 percent of manufacturing GDP. Most of the aluminium plants are generally based in the hinterlands of the country and aid in generating peripheral employment and economic development of the region. It is a direct and an indirect employment multiplier creating close to 800,000 jobs.

## 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 per cent of the weight of items included in the Index of Industrial Production (IIP).
- 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.
- According to the Index of Eight Core Industries, March 2018, the maximum and minimum contribution to the IIP was from the Petroleum & Refinery production and Fertilizers production respectively.

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

## Aluminium

- From an economic point of view, the third-most-important base metal is Aluminium (with an annual \$90 billion industry). First being Iron-ore, followed by Copper.
- India is placed at 7th position in the world in terms of bauxite reserve base. Bauxite is the basic raw material for aluminium production. The largest producer is China, followed by Russia, Canada, and the United Arab Emirates.

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