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Core sector growth slows to a 9 month low of 0.7 % in May on oil, gas and fertilizers

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Context

- Growth in the **eight core sectors** slowed to a nine-month low of 0.7% on contractions in crude oil, natural gas, fertiliser and electricity sectors.
- The **Index of Eight Core Industries (ICI)** for May, **released by the Ministry of Commerce and Industry**, was last lower in August 2024 when it contracted 1.4%. The pace of growth also marks two consecutive months of slowing growth in the index.

Index of Eight Core Industries (ICI)

- The eight core industries make up about **40% of the overall Index of Industrial Production (IIP)**.
- The Index of Eight Core Industries (ICI) is released by the **Office of Economic Advisor, under the Ministry of Commerce and Industry**.
- The ICI measures the combined and individual performance of production of eight core industries viz. **Coal, Crude Oil, Natural Gas, Refinery Products, Fertilizers, Steel, Cement and Electricity**.

Index of Industrial Production (IIP)

- It is an index that measures **short-term changes** in the volume of **production** across key economic sectors like **mining, electricity, and manufacturing** in India.
- It is published monthly by the **National Statistical Organisation (NSO) under MoSPI (Ministry of Statistics and Programme Implementation)**
- Reflects production changes compared to a **base year (2011-2012)**.