Index of Core Industries, September 2026

Prelims: *Current events of National and International Importance| Indian Economy*

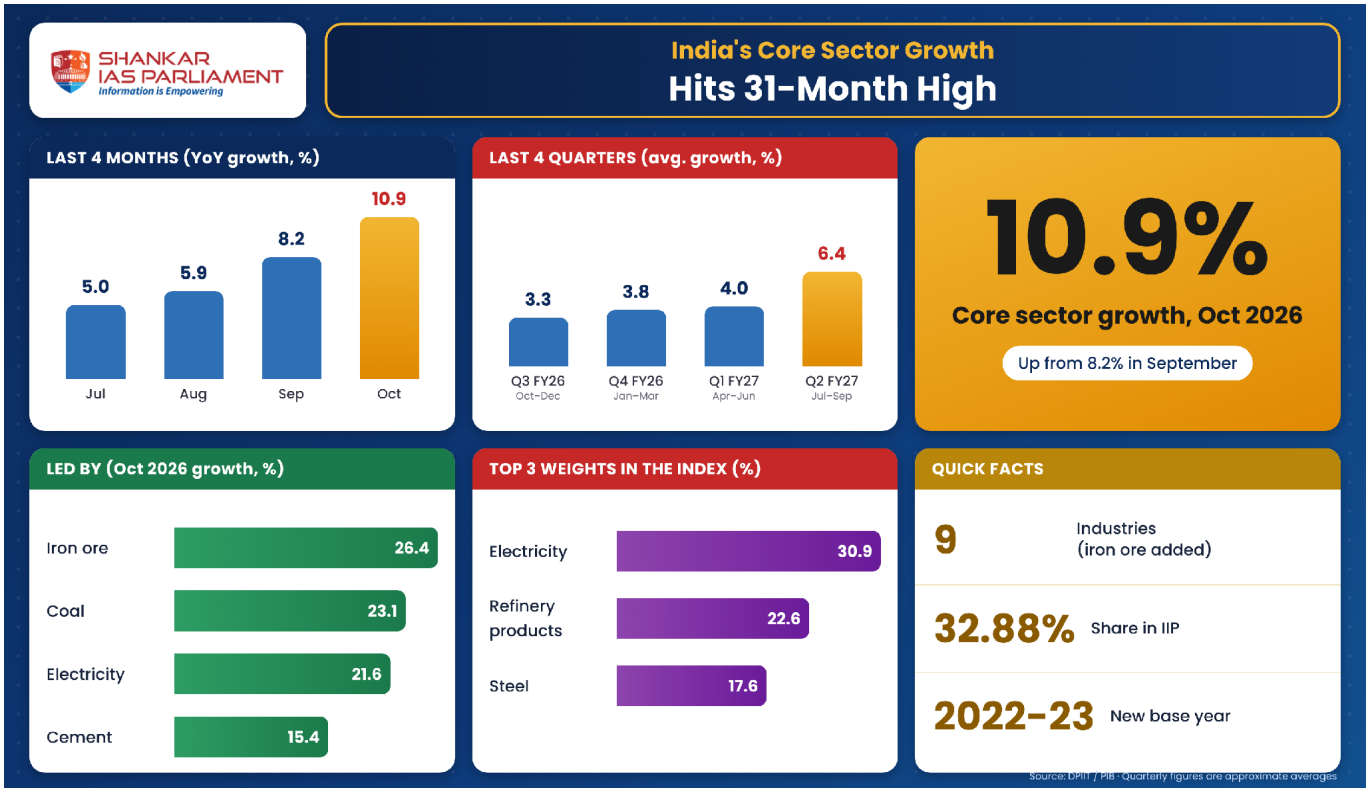
Why in News?

*India's core sector growth rose to a 31-month high of **10.9%** in October 2026, up from 8.2% in September, as per the index of core industries.*

- **Index of Core Industries (ICI)** – A monthly production-volume index and lead indicator for the Index of Industrial Production (IIP).
- **Released by** – **Office of the Economic Adviser, DPIIT**, on the 20th of every month.
- **Base year** – 2022-23.
- **Core Industries** – Key infrastructure industries whose output feeds other sectors.
- **Industries** – Eight became nine; iron ore added (weight 4.905%) makes it 9 now.
  - **Nine industries** – Electricity, Refinery products, Steel, Crude oil, Coal, Iron ore, Cement, Natural gas and Fertilisers.

Key findings

- **Six of the nine industries expanded**, led by **iron ore (26.4%)**, **coal (23.1%)** and **electricity (21.6%)**.
- **Cumulative growth** – During April–October 2026, it stood at 6.0%, compared with 2.3% in the corresponding period of the previous year.
- **Share in IIP** – They make up **32.88%** of the Index of Industrial Production (IIP).
- **Top 3 sectoral weights** – Electricity (30.932%), Refinery products (22.572%), Steel (17.584%).
- **Low base** – October 2025 growth was just 0.8% (coal –8.4%, electricity –7.0%); ICRA calls the jump partly "optical".
- **Iron ore** – It registered the highest growth among core sectors at 26.4%, emerging as the best performer, followed by electricity (11.8%) and cement (10.9%).
- **Coal Output** – Coal production grew by 23.1% compared to October 2025.
- **Electricity generation surges** – Electricity output expanded by 21.6%, reflecting strong energy demand.
- **Cement** – Double-digit growth for four straight months, showing steady construction demand.
- Cement production increased by 15.4%, while steel output rose 7.3%.
- **Contraction sectors** – Natural gas output declined by 7.6%, crude oil by 4.1%, and fertiliser production by 12.2%.



Growth Trends

Month	Jul 2026	Aug 2026	Sep 2026	Oct 2026
YoY growth	5.0%	5.9%	8.2%	**10.9%**
Quarter	**Q3 FY26**	**Q4 FY26**	**Q1 FY27**	**Q2 FY27**
Avg. growth	3.3%	3.8%	4.0%	**6.4%**

Significance for India

- Signals strong infrastructure and construction activity.
- As a lead indicator of IIP, it hints at firmer industrial output ahead.
- Growth is **uneven** – crude oil (–4.1%), natural gas (–7.6%) and fertilisers (–12.2%) contracted.
- ICRA expects moderation to mid-single digits in November; the 6.0% cumulative growth is a steadier gauge.

References

1. The Tribune| India’s Core Sector Growth Hits 31-Month High of 10.9% in October
2. DD News | India’s core industries output grows 10.9% in October.

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