

Core growth rebounds to a 3-mth high in Mar

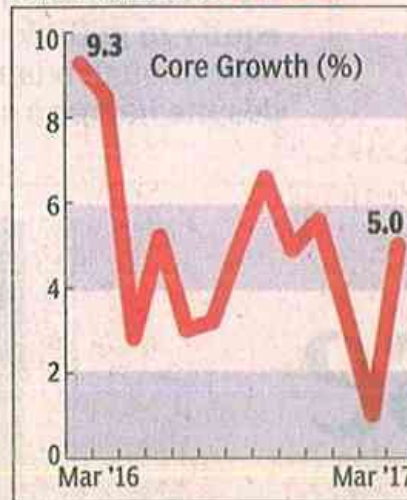
TIMES NEWS NETWORK

New Delhi: Growth in the key core sector rebounded in March to a three-month high on the back of double digit expansion in coal and steel, data showed on Monday.

The eight core sectors spanning coal, steel, crude oil, natural gas, refinery products, fertilizers, cement and electricity grew an annual 5% in March, faster than the previous month's 1% expansion but lower than the 9.3% growth in March 2016.

The eight core industries comprise nearly 38% of the weight of items included in the index of industrial production (IIP). The core sector growth in 2016-17 was 4.5 %, marginally above the 4% expansion recorded in 2015-16.

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The steel sector rose an impressive 11% in March, faster than the previous month's 8.7% growth, while coal output shot up 10% during the month compared to the 7.1% growth in February. Three sectors—fertilizers, refinery products and cement—were

the laggards, contracting in March. The cement sector has contracted for the fourth consecutive month.

"All eight constituents recorded a sequential improvement in year on year growth in March 2017, although three sectors, namely cement, refinery products and fertilizers, continued to record a year on year contraction in that month," Aditi Nayar, principal economist at ratings agency ICRA, said.

"Notwithstanding the considerable improvement relative to the previous month, the 6.8% contraction in cement output in March 2017 signals that the construction sector is yet to fully recover from the disruption that had set in after the note ban," she said.