

Core infrastructure sector growth slips to 3.7 percent

India's core infrastructure industries like crude oil production logged a sluggish growth of 3.7 percent in April-July of the current fiscal against 6.6 percent in the last corresponding period, according to official data released here Wednesday.

These sectors with a combined weight of 26.7 percent in the index of industrial production (IIP) grew at 4.3 percent in July this year, against 7.2 percent in the corresponding month last year.

What has come as a shock is the negative growth of three percent in the country's crude oil production in July, as compared to a growth rate of 0.9 percent in the last corresponding month.

The commerce and industry ministry said the index of six core infrastructure industries with a combined weight of 26.7 percent in the IIP stood at 240.1 (provisional) in July.

"These sectors registered a growth of 4.3 percent (provisional) as compared to a growth of 7.2 percent in July 2007," the ministry said in a statement.

The six core infrastructure industries consist of crude oil, electricity, petroleum refinery products, coal, finished steel and cement.

Finished (carbon) steel production registered a provisional growth of only 1.9 percent in July as compared to an estimated 10.8 percent growth the same month last year.

During the first four months of the current fiscal, finished steel production grew 3.8 percent (provisional) as compared to 6.8 percent in the last fiscal.

The crude oil production registered a negative provisional growth of 0.9 percent during April-July of the current fiscal, as compared to a negative growth of 0.3 percent during the same period last fiscal.

Though petroleum refinery production registered a provisional growth of 11.8 percent in July this year against 4.7 percent in the last corresponding period, between April and July this was only 5.4 percent as compared to 11 percent in the same period last year.

Coal production grew at 5.5 percent (provisional) in July, against 1.1 percent in the last corresponding month, and clocked 7.7 percent growth during April-July of the current fiscal.

The provisional growth in electricity generation was also sluggish at 4.5 percent compared to 7.5 percent last July.

In the first four months of the current fiscal, it was a meagre 2.6 percent as against 8.1 percent in the same period last fiscal.

The only sector that maintained some sort of parity with last year was cement, production growth of which was estimated at 8.8 percent in July, slightly lower than 9.4 percent in July 2007.

In the April-July period, steel production grew by 6.5 percent as compared to 7.7 percent during the

same period last year.

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