Index of Eight Core Industries, Significance, Index of Industrial Production (IIP)

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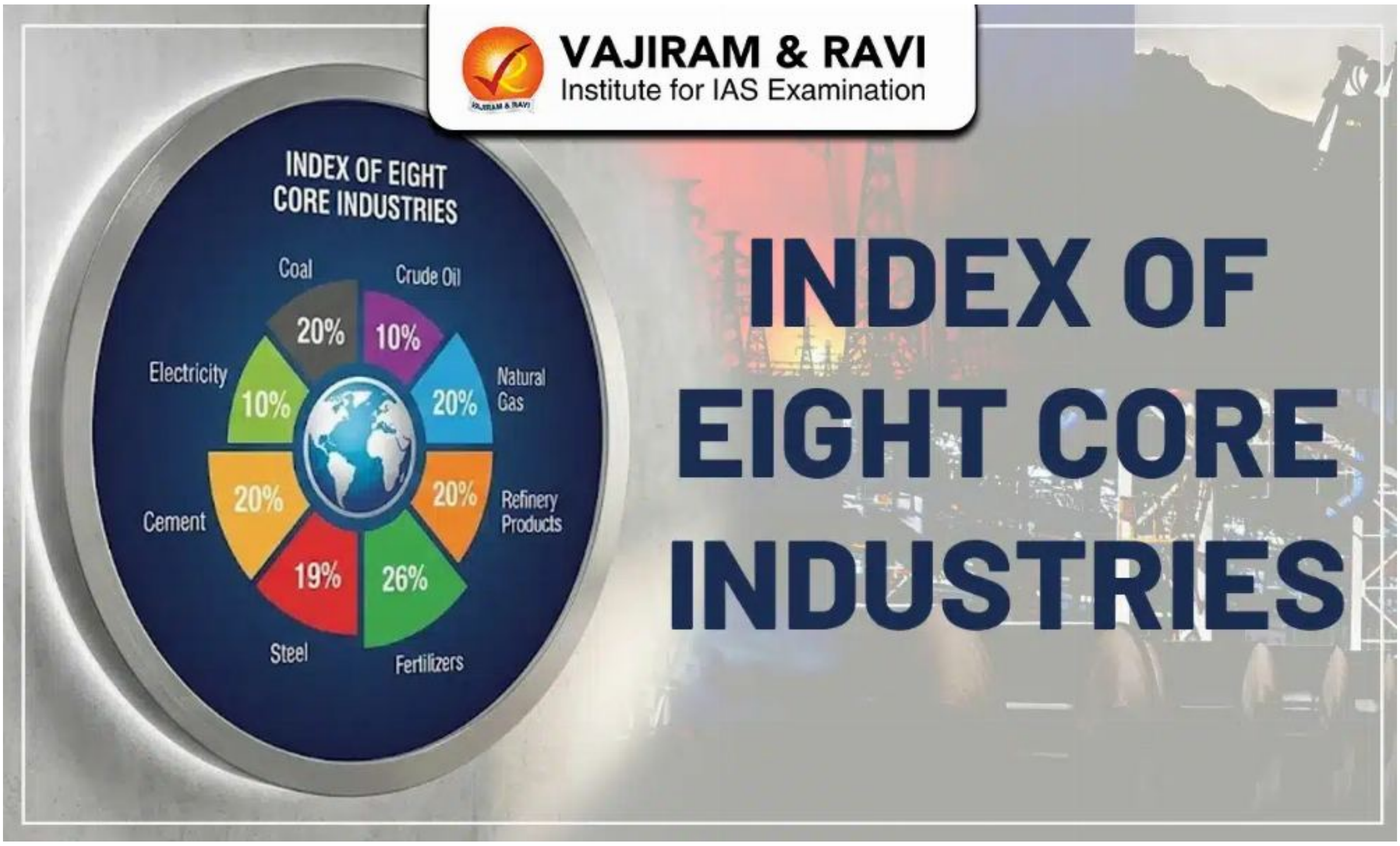

The **Index of Eight Core Industries (ICI)** measures the production performance of eight key sectors that drive India's industrial growth, including Coal, Steel, Electricity, and Refinery Products. These core industries are significant as they contribute **40.27% to the IIP** and influence overall economic activity and other industries.

The **Index of Industrial Production (IIP)** complements the ICI by tracking short-term changes in the volume of production across **manufacturing, mining, and electricity sectors**. Together, the ICI and IIP provide a clear picture of **industrial trends and economic health** in India. The Index of Industrial Production (IIP) in India is compiled and published monthly by the **National Statistical Office (NSO), under the Ministry of Statistics and Programme Implementation (MoSPI).**

The Eight Core Industries

The eight core industries are considered drivers of industrial growth due to their large contribution to economic activity. These industries collectively account for **40.27%** of the weight of items in the **Index of Industrial Production** (IIP).

1. Refinery Products
2. Electricity
3. Steel
4. Coal
5. Crude Oil
6. Natural Gas
7. Cement
8. Fertilizers

Index of Eight Core Industries

The weightage of the eight core industries in the ICI indicates their relative contribution to overall industrial production, with Refinery Products having the highest weightage (28.04%) and Fertilisers the lowest (2.63%). These weights help assess the impact of each sector on the economy.

Index of Eight Core Industries	
Industry	**Weightage (%)**
Refinery Products Industry	28.04
Electricity Industry	19.85
Steel Industry	17.92
Coal Industry	10.33
Crude Oil Industry	8.98
Natural Gas Industry	6.88
Cement Industry	5.37
Fertilizers Industry	2.63

Significance of the Eight Core Industries in India

The eight core industries are considered the backbone of India’s industrial sector, as they have a direct impact on overall economic growth and industrial output.

- These industries form the **backbone of India’s industrial sector**.
- They contribute **40.27% to the Index of Industrial Production (IIP)**.
- Their performance acts as a **leading indicator of economic health**.
- Growth in these sectors supports **employment, energy supply, and manufacturing**.
- They have a **major influence on other industries** in the economy.
- Performance impacts **GDP growth, inflation, and trade balance**.

About Index of Industrial Production (IIP)

The Index of Industrial Production (IIP) is an economic indicator that measures the short-term changes in the volume of production of a basket of industrial goods in India. It reflects the performance of the industrial sector, which includes manufacturing, mining, and electricity.

- **Published by:** National Statistical Office (NSO), Ministry of Statistics and Programme Implementation (MoSPI), Government of India.
- **Base Year:** 2011-12 (revised from earlier 2004-05).
- **Sectors Covered:** Mining, Manufacturing, and Electricity.
- **Purpose:** To monitor **industrial performance**, inform **policy decisions**, and act as a **leading indicator of economic activity**.
- **Release Frequency: Monthly**, with a **one-month lag**.
- **Use in Economy:** Helps in analysing **sectoral growth, inflation trends, and overall industrial development**.

Source: https://vajiramandravi.com/current-affairs/index-of-eight-core-industries/