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**'IIP GROWTH FOR MAR SEEN AT 2.5-3%'**

## **March Core Growth Slows, but Index Hits Series High in FY22**

MoM, output of the 8 infra sectors grew 14.5% in March

### **Our Bureau**

**New Delhi:** India's core sector growth slowed to 4.3% in March from 6% in February and a high base of 12.6% in the year-ago period, as the production of coal, steel, refinery products and natural gas moderated, data released by the commerce and industry ministry showed on Friday. However, month-on-month, the output of the sectors grew 14.5%.

The cumulative growth of the eight infrastructure industries was 10.4% in FY22 compared to a 6.4% contraction in FY21, making the annual index hit a series high.

"Disaggregated data remained quite mixed, with a discordant contraction in coal and crude oil, interspersed with a double-digit expansion in fertilisers in March," said ICRA chief economist Aditi Nayar.

The fertiliser sector expanded 15.3% in March against a contraction of 5% in March 2021 and a contraction of 1.4% in February 2022. "The bounce-back in fertilizers may be attributed to a decline of 5% last year as companies gear up for re-stocking in preparation for kharif," said Bank of Baroda chief economist Madan Sabnavis.

Also the rise in prices of fertilisers after the Russia-Ukraine war has also helped in providing incentive to producers, he said.

The core sector makes up 40.27% of the Index of Industrial Production (IIP).

"We may expect growth in IIP this month to be around 2.5-3%. Higher inflation with high fuel prices would come in the way of revival of consumption," said Sabnavis.

As per CareEdge chief economist Rajani Sinha, the overall outlook has got subdued by the soaring raw material prices in international markets that could pressure profit margins for domestic producers and constrain private sector investment.