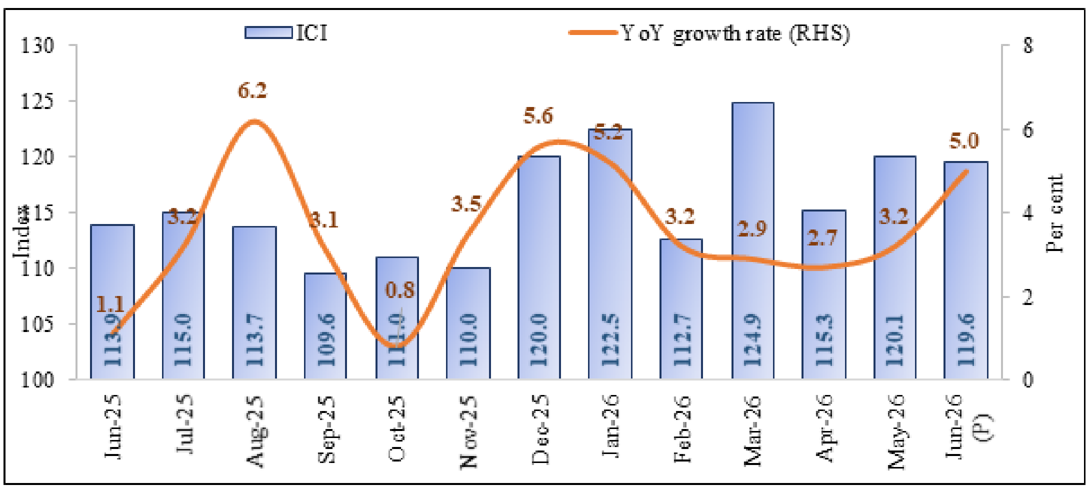
Index of Core Industries (ICI) July 2026: Strong Infrastructure Momentum Continues under the Revised Series

The Index of Core Industries (ICI), released monthly by the Office of the Economic Adviser (OEA), DPIIT, the performance of the country's core infrastructure sectors that supply essential inputs to manufacturing, construction and services. Beginning June 2026, the index has shifted to a new base year of 2022-23 and now covers nine core industries instead of eight with the inclusion of Iron Ore.

Industrial growth gains momentum

The Index of Core Industries recorded **5.0 per cent year-on-year growth in June 2026**, improving from **3.2 per cent in May 2026**. This is the strongest growth recorded since January 2026. The cumulative growth during **April–June 2026** stood at **3.6 per cent**, compared with **1.0 per cent** during the corresponding period of the previous year.

Chart 1: ICI and growth rate



Source: Office of Economic Advisor

Growth was broad-based but uneven

The latest data shows a clear divergence between infrastructure-linked sectors and energy-producing sectors.

Sector	Weights as per new series	YoY Growth (May 2026)	YoY Growth (June 2026)	Plausible Reasons
Iron Ore	4.905	19%	43.9%	Growth accelerated sharply, making Iron Ore the single largest contributor to overall ICI growth.
Electricity	30.932	11.2%	9.8%	Growth remained robust despite a slight moderation, indicating continued

Sector	Weights as per new series	YoY Growth (May 2026)	YoY Growth (June 2026)	Plausible Reasons
				strength in industrial activity and seasonal electricity demand.
Cement	4.41	8.4%	9.8%	Reflects healthy construction activity
Steel	17.584	5.1%	4.6%	Continued manufacturing and infrastructure demand
Coal	5.596	-9.5%	1.4%	Coal production recovered significantly which provided additional support to overall industrial output.
Fertilizers	2.731	-1%	-3.3%	Production contracted further, possibly reflecting seasonal factors and lower production during the month.
Crude Oil	7.43	-4.2%	-4.2%	Production remained weak with no improvement, indicating persistent structural challenges in domestic crude oil output.
Refinery Products	22.572	-8.2%	-4.7%	Lower refinery output
Natural Gas	3.841	-5.0%	-7.4%	Continued contraction

Iron Ore and Electricity together contributed significantly to the overall increase in the index, while declines in crude oil, natural gas and refinery products partly offset the gains.

ASSOCHAM Assessment

The latest ICI numbers suggest that **India's industrial demand remains resilient**.

Higher production of steel, cement and electricity indicates continued momentum in infrastructure projects, manufacturing activity and construction. These sectors generally respond quickly to higher investment spending, making them useful indicators of economic activity.

At the same time, weakness in crude oil, natural gas and refinery products points towards supply-side constraints rather than weak demand. Since refinery products carry a relatively large weight in the index, their decline limits the overall growth rate.

Overall, the data indicates that domestic investment and infrastructure activity continue to support industrial growth despite weakness in parts of the energy sector.

Revision of the Index (Base Year 2022-23)

The Office of the Economic Adviser has revised the ICI series by changing the base year from **2011–12 to 2022–23**. Periodic revision of the base year is a standard statistical practice that ensures economic indicators remain aligned with the changing structure of the economy.

The revised series incorporates several methodological improvements to better reflect present-day industrial production patterns.

Major changes in the revised series

Earlier Series (2011–12)	**Revised Series (2022–23)**
Eight core industries	Nine core industries
Iron Ore excluded	Iron Ore included
Steel based on net production	Steel based on gross production
Included Raw Coal, Washed Coal and Coal Middlings	Only Raw Coal retained to avoid double counting
Old sector weights	Updated weights based on revised IIP
Base Year: 2011–12	Base Year: 2022–23

The revised series now assigns the highest weight to **Electricity (30.93%)**, followed by **Refinery Products (22.57%)** and **Steel (17.58%)**. These three sectors together account for over 70 per cent of the overall index, making them the key drivers of monthly movements in ICI.

The revised methodology also introduces a **linking factor of 1.47**, enabling comparison between the old and new series while maintaining continuity in long-term analysis.

Conclusion

The latest ICI data indicates that India's industrial activity remains on a steady growth trajectory, supported by sustained expansion in infrastructure and manufacturing-related sectors. The revised ICI series, with an updated base year and broader sectoral coverage, provides a more representative measure of the country's evolving industrial structure.

While the strong performance of electricity, cement, steel and iron ore reflects continued investment-led growth, the persistent weakness in crude oil, natural gas and refinery products highlights the need to strengthen domestic energy production and improve supply-side efficiency. Going forward, maintaining momentum in infrastructure development while addressing challenges in the energy sector will be essential for ensuring broad-based and sustainable industrial growth.