Analysis of Index of Eight Core Industries (ICI) for May 2026

ICI Records 0.5% Growth in May 2026; Steel, Cement and Electricity Drive Positive Performance

The combined Index of Eight Core Industries (ICI) increased by 0.5 per cent (provisional) in May 2026 compared to May 2025, as per data released by the Ministry of Commerce & Industry, Government of India on 22 June 2026. Of the eight constituent sectors, Steel, Cement and Electricity recorded positive growth, offsetting broad-based contraction in energy-related sectors including Coal, Crude Oil, Natural Gas, and Petroleum Refinery Products.

The ICI covers eight core infrastructure industries, i.e.: Coal, Crude Oil, Natural Gas, Refinery Products, Fertilizers, Steel, Cement and Electricity which constitutes 40.27 per cent of the weight of items included in the Index of Industrial Production (IIP). The final growth rate of ICI for April 2026 was revised to 1.8 per cent. The cumulative growth rate of ICI during April–May 2026-27 stands at 1.1 per cent (provisional), the same as in the corresponding period of the previous year.

Eight Core Industries – Sector-wise Performance, May 2026

Industry	Weight (%)	Index May-25	Index May-26*	YoY Growth May-26 (%)	Cumulative Apr-May 26-27 (%)
Coal	10.33	189.8	**172.1**	**-9.3%**	**-9.1%**
Crude Oil	8.98	76.5	**73.0**	**-4.6%**	**-4.2%**
Natural Gas	6.88	75.9	**72.2**	**-4.9%**	**-4.5%**
Refinery Products	28.04	143.3	**130.9**	**-8.7%**	**-4.7%**
Fertilizers	2.63	127.9	**126.7**	**-0.9%**	**-4.5%**
Steel	17.92	225.3	**236.5**	**+5.0%**	**+5.2%**
Cement	5.37	209.0	**226.6**	**+8.4%**	**+8.3%**
Electricity	19.85	218.5	**237.5**	**+8.7%**	**+7.1%**
Overall ICI	100.00	170.7	**171.0**	**+0.5%**	**+1.1%**

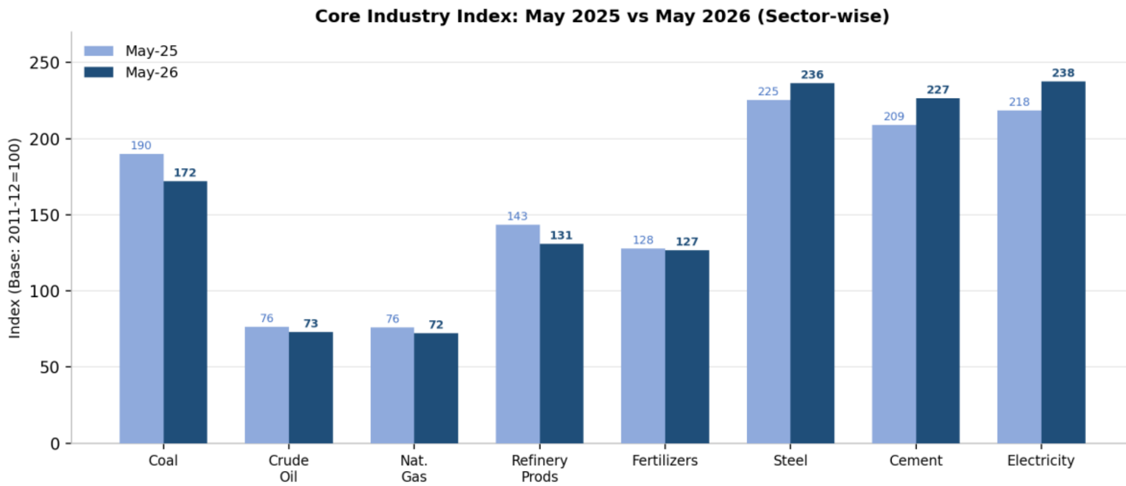
*(Source: MoCI, PIB, GoI; 22 June 2026) *Provisional. Base Year: 2011-12=100.*

Sector-wise Growth Trend, May 2026 over May 2025

The growth pattern in May 2026 reflects a structural split in core sector performance. Energy and feedstock sectors together carry close to 56 per cent of the ICI weight and recorded broad-based contraction led by Petroleum Refinery Products (-8.7%), Coal (-9.3%), Natural Gas (-4.9%), and Crude Oil (-4.6%). In contrast, downstream industries including Electricity (+8.7%), Cement (+8.4%), and Steel (+5.0%) sustained strong expansion momentum, limiting overall ICI growth to a marginal 0.5 per cent.

May 2025 vs May 2026: Sector Index Comparison

A comparison of sector-level index values between May 2025 and May 2026 illustrates the divergence clearly. Steel (236.5 vs 225.3), Cement (226.6 vs 209.0) and Electricity (237.5 vs 218.5) registered higher indices in May 2026. In contrast, Coal (172.1 vs 189.8), Refinery Products (130.9 vs 143.3) and Natural Gas (72.2 vs 75.9) declined, weighed down partly by a high base and partly by structural production-side constraints.



(Source: MoCI, PIB, GoI)

ASSOCHAM Perspective

Infrastructure-related sectors like Electricity, Cement and Steel are performing well, clearly showing the effect of ongoing government spending on highways, ports, railways and housing. The 8.7% increase in electricity generation, driven by high summer demand and growing renewable energy capacity, is positive.

However, the 9.3% decrease in coal production and 8.7% fall in refinery products, which make up the biggest parts of the index, are the main reasons overall ICI growth is limited to 0.5%. Coal's drop is partly because May 2025 had high output and reduced demand by CIL after a mild early summer. The drop in refinery output is due to planned maintenance shutdowns at major refineries during the month. This usually causes only a short-term slowdown.

The small drop in fertilizer production (-0.9%) also deserves attention because of reports about raw material supply problems linked to the ongoing West Asia conflict. ASSOCHAM sees the overall result as showing a temporary slowdown in energy output rather than a long-term demand issue. It expects the ICI to improve as refinery capacity returns and coal shipments return to normal in the coming months.

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