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Frequently Asked Questions (FAQs)

on

New Series of Index of Core Industries

(Base Year 2022-23)

Office of the Economic Adviser
Department for Promotion of Industry and Internal Trade
Ministry of Commerce and Industry
Government of India

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1. What is a volume index?

Ans. A volume index is a measurement of the average change in a set of quantity produced (volume) of goods over time.

2. What is Index of Core Industries?

Ans. The Index of Core Industries (ICI) is a monthly production volume index that measures the combined and individual performance of key infrastructure-based industries. It serves as a lead indicator for overall industrial performance.

3. What is meant by Base Year of a Volume Index?

Ans. A Base Year is the benchmark reference year, used to compare change in quantity produced (volume) of goods over time. Any increase or decrease in a volume index shows how much volume has shifted relative to that base year. Base Year production data is used to prepare item basket, and compute its weighing diagram. Thus, the data of the Base Year is used to finalize the structure of the indices.

4. What is the purpose of Base Year revision of ICI?

Ans. Since 2011-12, the economy has undergone significant structural changes, making it essential to review the coverage of commodities, the weighing pattern, and other aspects related to the current series of ICI. This revision is in line with Base Year revision of key macroeconomic indicators, namely GDP, WPI, and IIP, etc. Aligning the ICI with the new common base year will ensure comparability across datasets, improve coherence in macroeconomic analysis, and better capture contemporary production patterns. This revision will further strengthen the role of the ICI as a timely and reliable indicator of industrial performance.

5. Whether any Committee for Base Year revision of ICI was constituted?

Ans. A Committee under the Chairmanship of the then Principal Economic Adviser, Office of the Economic Adviser, Department for Promotion of Industry and Internal Trade was set up on 7th November 2025 to revise the base year of ICI, review the item basket, methodology of index compilation, and also to look in to other issues for improving the index as a whole.

6. What was the composition and Terms of Reference of the Committee?

Ans. The composition of the Committee is as follows: -

(i) Principal Economic Adviser, Chairperson
(ii) Deputy Director General, Economics and Statistics Division, National Statistics Office, MoSPI
(iii) Deputy Director General, Ministry of Coal
(iv) Deputy Director General, Ministry of Steel
(v) Executive Secretary, Joint Plant Committee, Kolkata
(vi) Deputy Director General, Ministry of Petroleum and Natural Gas
(vii) Economic Adviser, Central Electricity Authority
(viii) Director (Movement), Department of Fertilizers
(ix) Director (Cement), DPIIT
(x) Deputy Director General, DPIIT, Member Convener

The Committee co-opted Deputy Director General, Ministry of New and Renewable Energy; Associate Director (CP&PM), Nuclear Power Corporation of India Limited (NPCIL).

Terms of Reference of the Committee are as follows: -

(i) Methodology for compilation of the Index;
(ii) Review the mechanism for submission of information by source agencies, and minimize the gap between provisional and final data;
(iii) Review the present eight core industries for any change in the ICI composition; and
(iv) Any other issue that may have relevance to the core index.

7. What are the features of new ICI series?

Ans. The features of new ICI series at base year 2022-23 are as follows: -

(i) Owing to intensive use of Iron ore in the production process, and its contribution to industrial development, it has been included in the list of core industries as a new item in the revised series of ICI (Base Year 2022-23). Accordingly, the number of core industries have increased from eight to nine in the new series.

(ii) Gross production data has been used for compilation of the Steel index in the new ICI series, replacing the use of net production data in ICI (2011-12) series, to make it consistent with Index of Industrial Production (IIP[1]).

(iii) Only Raw Coal has been retained in the new series of ICI, by excluding Coal Middling and Washed Coal in order to remove double counting, since Coal Middling and Washed Coal are made from Raw Coal.

(iv) Following the earlier practice, the weights of the ICI (2022–23) series have been derived from the weights of the corresponding items of IIP (2022–23) series, which have been pro-rata distributed to 100.

8. What is the reason for including Iron Ore in ICI 2022-23 series?

Ans. Owing to intensive use of Iron Ore in the production process, and its contribution to industrial development, it has been included in the list of core industries in the new ICI series. Accordingly, the number of core industries have increased from eight to nine in the new series.

9. Why has there been a change in the methodology for compilation of steel index?

Ans. Gross production data has been used for compilation of the Steel index in the new ICI series, replacing the use of net production data in ICI 2011-12 series. This would ensure consistency with other items of ICI as well as with IIP.

[1] IIP is compiled and released by Ministry of Statistics and Programme Implementation (MoSPI)

10. What has there been a change in item basket of Coal in new ICI series?

Ans. Only Raw Coal has been retained in the new ICI series, by excluding Coal Middling and Washed Coal in order to remove double counting, since Coal Middling and Washed Coal are made from Raw Coal.

11. How are ICI weights calculated?

Ans. Following the earlier practice, the weights of the ICI 2022–23 series have been derived on the basis of weights of these items in the basket of IIP with Base Year 2022–23. The IIP weights of items in ICI basket are distributed on a pro-rata basis to 100.

12. What is the weighing structure of items in ICI 2022-23 series vis-à-vis 2011-12 series?

Ans. Weighing diagram of ICI items in 2022-23 series vis-à-vis 2011-12 series is present in the table below: -

Industry	**ICI weights (Base Year 2011-12)**	**ICI weights (Base Year 2022-23)**
Coal	10.334	5.596
Natural Gas	6.877	3.841
Crude Oil	8.983	7.430
Refinery Products	28.037	22.572
Fertilizers	2.628	2.731
Steel	17.917	17.584
Cement	5.372	4.410
Electricity	19.853	30.932
Iron Ore	-	4.905
Total	**100.000**	**100.000**

The increase in Gross Value Added (GVA) of Coal, Natural Gas, Crude Oil, Refinery Products, and Cement in 2022-23 over 2011-12 was less than the growth observed in overall GVA of the ICI basket during the same time period.

13. What is the reason for huge increase in the weight of electricity in new ICI series?

Ans. The weight of electricity has increased from 19.853 per cent in 2011-12 series to 30.932 per cent in 2022-23 series, owing to a large rise in Gross Value Added of electricity sector from 2011-12 to 2022-23, and inclusion of renewable sources of energy (compared to only conventional sources of energy used in 2011-12 series) in calculation of electricity weights in IIP 2022-23 series.

14. How is ICI calculated?

Ans. ICI is calculated in two stages: -

Stage 1: Elementary/item-index is compiled by multiplying production relative with 100

Stage 2: Elementary indices are aggregated as per their respective weights.