

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

STARRED QUESTION NO:489
ANSWERED ON:20.04.2001
DECLINE IN THE INDUSTRIAL GROWTH
JASWANT SINGH YADAV;SADASHIVRAO DADOBA MANDLIK

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the target of industrial growth during 2000-2001 could not be achieved due to sharp decline in the industrial production in several sectors;
- (b) if so, the facts in this regard;
- (c) the sectors in which positive industrial growth has been registered during 2000-2001 as compared to the last year and upto what extent;
- (d) the sectors which have shown negative growth during the above period particularly in the months of January-February, 2001 alongwith the reasons therefor; and
- (e) the steps being taken by the Government to boost the industrial growth?

Answer

THE MINISTER OF COMMERCE AND INDUSTRY (Shri Murasoli Maran)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO.489 FOR ANSWER ON 20.4.2001

(a) & (b): The Planning Commission has set an annual average growth target of 8.2% for industrial sector, whereas, the cumulative growth rate of industrial production during April -February 2000-01 has been 5.1%.

(c) & (d): Sector-wise growth rates for the period April-February 2000-01 are given below:

JAN` 00 JAN`01 FEB`00 FEB`01 APR-FEB1999-00 APR-FEB 2000-01

MINING	0.4	3.5	3.9	2.5	0.8	4.2
MANUFACTURING	5.6	2.9	8.5	0.6	7.0	5.3
ELECTRICITY	3.2	1.4	8.8	-1.1	7.4	4.1
GENERAL	4.9	2.8	8.2	0.6	6.5	5.1

(e): The Government has initiated following steps to boost industrial growth:

Â\$ Basic custom duty in case of raw materials and intermediate goods has been reduced.

Â\$ Excise duty has been rationalized, with one rate of Cenvat and one rate of SED.

Â\$ Budgetary provisions under Technology Upgradation Fund Scheme (TUFS) have been raised to speed up the modernization of textile.

Â\$ Interest rate on small savings has been reduced.

Â\$ RBI has reduced Cash Reserve Ratio and Bank Rate to increase liquidity and reduce the lending cost.

Â\$ In the new EXIM policy, care has been taken to ensure level playing field to domestic producers vis-a-vis imports.

Â\$ Proposals have also been made for suitable legislative changes to improve the operating environment for industry.

