

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

UNSTARRED QUESTION NO:458

ANSWERED ON:23.02.2001

INDUSTRIAL GROWTH

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

- (a) the present industrial growth in the country at domestic as well as international level;
- (b) the percentage of increase/decrease in the industrial growth rate as compared to previous three years;
- (c) whether the industrial growth rate in the country during the current year has also slow-downed in comparison to the last year;
- (d) if so, the estimated industrial growth rate during current year and the extent to which it is less than the targets fixed alongwith the reasons therefore;
- (e) the sectors where production has shown downtrend; and
- (f) the steps being taken by the Government to boost the industrial growth?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (Dr. Raman Singh)

(a) to (f) : A Statement is enclosed.

Statement referred to in reply to parts (a) to (f) of the Lok Sabha Unstarred Question no. 458 for answer on 23rd February, 2001

(a) The industrial growth rate during April-December, 2000 has been 5.7%. The industrial growth rate during 1990-99 for India & selected group of countries as per World Development Report 2000-01 is given below:

Country Group Average annual industrial Growth (1990-1999)

Low Income	1.1
Middle Income	4.4
High Income	2.6
India	6.7

(b) The percentage increase in the industrial production during the previous three years has been as below:

1997-1998	6.7
1998-1999	4.1
1999-2000	6.5

(c) & (d) The industrial growth rate in the country during the current year (April-December, 2000) has declined to 5.7% from the growth rate of the 6.4% in the corresponding period of the previous year. The slow down during the current year has been mainly due to lack of aggregate demand, infrastructure bottle necks and increasing cost of energy, particularly in the wake of the increase in international crude oil prices.

(e) Manufacturing and Electricity sectors have shown down trend during April-December, 2000.

(f) To boost the industrial growth the government has taken the following steps:

- Delicensing of all industries other than six for strategic and safety consideration.
- Reduction in the bank rate and cash reserve ratio announced by RBI.
- Liberalisation of Technology imports.
- Rationalization of the excise and custom duty regime.
- Liberalisation of FDI, with a number of sectors being put on automatic route.
- Replacement of Foreign Exchange Regulation Act (FERA) by Foreign Exchange Management Act (FEMA)