

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

STARRED QUESTION NO:79
ANSWERED ON:22.11.2001
EFFECT ON GROWTH OF INDIAN ECONOMY
HARIBHAI PARTHIBHAI CHAUDHARY;LAXMAN GILUWA

Will the Minister of POWER be pleased to state:

- (a) whether the shortage of power has been adversely affecting the growth of Indian economy;
- (b) if so, the reaction of the Government thereto; and
- (c) the efforts made by the Government to make up the shortage of power?

Answer

THE MINISTER OF POWER (SHRI SURESH P. PRABHU)

(a) to (c) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF STARRED QUESTION NO. 79 TO BE ANSWERED IN THE LOK SABHA ON 22.11.2001 REGARDING EFFECT ON GROWTH OF INDIAN ECONOMY.

(a) to (c) : Energy is an essential input for economic development and power shortages may have negative impact on the growth of Indian economy. However, there has been significant growth in the power sector in the past 50 years. The installed generating capacity has increased from about 1350 MW in 1947 to over 1 lakh MW as on 30th September, 2001. Similarly, energy generation in the country almost doubled within a span of last 11 years from 245.4 BU during 1989-90 to 499.45 BU during 2000-01. Though the growth in power sector has been quite impressive it has not kept pace with the growing demand. Energy shortages during the year 2000-01 was of the order of 7.8% and peak deficit 13%. Various State Governments impose restrictions and power cuts on industry and agriculture sector specially during peak hours. In spite of these constraints Indian Economy as a whole has generally shown positive growth rate. The annual average rate of growth of GDP during the first four years of the Ninth Plan (1997-2001) was 5.7% as against the Plan target of 6.5%. During the same period the annualized average growth in electricity generation was 6.0%. In order to make good the shortfall in power supply, Government has taken the following major initiatives: -

(i) Renovation and modernization (R&M) and life extension of existing, old and inefficient generating units. Special funds under the Accelerated Power Development Programme for undertaking R&M schemes are being provided to States.

(ii) Speedy implementation of reform and restructuring in the power sector.

(iii) Strengthening/augmentation of sub-transmission and distribution systems through funds from APDP to the States.

(iv) Promoting energy efficiency and conservation measures.

(v) Maximizing the inter-state and inter-regional power transfer by construction of missing transmission links and system improvement and finally development of the National Grid.

(vi) Early stabilization of newly commissioned units and overall increase in plant load factor of thermal units.

(vii) Expedient implementation of capacity addition programme to enable doubling of the existing generation capacity by 2012.

(vii) Formulation of a hydel policy for exploitation of hydro potential in the country at a faster pace.