

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

STARRED QUESTION NO:186  
ANSWERED ON:01.12.2000  
INDUSTRIAL GROWTH  
GANTA SRINIVASA RAO;JASWANT SINGH YADAV

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

- (a) Whether industrial growth during the first half of the current year has slipped to 4.8% from 7.3% as compared to the corresponding period of the previous year;
- (b) If so, the sector-wise details alongwith the reasons therefor;
- (c) Whether the Government have fixed any target of industrial growth for the Ninth Five Year Plan;
- (d) If so, the year-wise and sector-wise targets fixed;
- (e) The extent to which target has been achieved in each year till date and the factors responsible for low performance, if any; 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 laid on the Table of the House.

Statement referred to in reply to parts (a) to (f) of the Lok Sabha Starred Question No. 186 for answer on 01.12.2000.

(a) & (b) As per the quick estimates of Index of Industrial Production (IIP) (Base:1993=100) during the first half of the current year overall growth rate of industrial production was 5.5% as compared to 6.4% for the corresponding period in the previous year. Sector-wise details of industrial growth rates are as follows:

Sector	Weight (%age)	1999-2000 (April-Sept)	2000-2001 (April-Sept)
Mining & Quarrying	10.47	0.5	6.6
Manufacturing	79.36	6.8	5.6
Electricity	10.17	7.7	3.4
Overall	100.00	6.44	5.5

The slowdown in industrial production in the current year can be attributed to poor performance of the `Manufacturing` and `Electricity` sectors.

Sector	Target	Achievement
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Mining & Quarrying	7.2%	1.6%
Manufacturing	8.2%	6.6%
Electricity	9.3%	6.4%
Overall	8.2%	6.2%

+ Average of first three year (1997-2000) of Ninth Five Year Plan.

(e) Average overall Growth Rate of Industrial Production during the first three years of Ninth Plan stands at 6.2% against the target of 8.2%. As per the highlights of the Mid-Term Appraisal of the Ninth Five Year Plan of the Planning Commission the reasons for slowdown in industrial growth are:

- Slackening in aggregate demand coupled with decline in rural demand owing to low agriculture output in 1997-98,
- Slowdown in general investment climate,
- Erosion of competitive advantage of Indian exports due to steep depreciation of South-East Asian currencies,
- Persistence of infrastructure bottlenecks, and
- Indian industry will have to gear itself up to face increasing competition from imports which are already beginning to affect some sectors as a result of the opening of the economy.

(f) The Government has been taking various policy initiatives to accelerate the industrial growth rate supported by continued reforms in industry including Foreign Direct Investment Policy, EXIM Policy, infrastructure, information technology and financial sectors to help industry to improve its efficiency, productivity and international competitiveness.