

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

UNSTARRED QUESTION NO:1310  
ANSWERED ON:02.08.2005  
FALL IN INDUSTRIAL GROWTH  
Saradgi Shri Iqbal Ahmed

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

- (a) whether the Index for Industrial production fell to 4.9% during February, 2005 as compared to 8.3% increase registered in February, 2004;
- (b) if so, the reasons therefore; and
- (c) the steps taken by the Government to improve the industrial growth during 2005-06?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGO VAN)

(a) & (b): As per the Press Note on the Quick Estimate of Index of Industrial Production (IIP) with base 1993-94, for the month of February 2005, released by the Central Statistical Organisation, the growth in the overall industrial production was 4.9% in February 2005 compared to 8.3% in February 2004. The fall in the growth in February 2005 was contributed by a fall in the growth of output of mining & quarrying (weightage 10.47%) and electricity generation (weightage 10.17%) and also by negative growth in the industry groups – food products (weightage 9.08%) and wool, silk and man-made fibres (weightage 2.26%).

(c): Government has put in place various policies to promote industrial growth. Besides delicensing of industrial capacity, liberalization of foreign trade regime to provide better access to inputs at competitive prices, in the budget 2005-06 rationalization and reduction in duty rates of customs and central excise were carried forward. The Budget for 2005-06 also contains a number of measures related to manufacturing and infrastructure, envisaging favourable impact on industrial growth. Besides, Industrial Infrastructure Upgradation Scheme (IIUS) has been launched to enhance international competitiveness of the domestic industry by providing quality infrastructure in functional clusters.