

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

STARRED QUESTION NO:231

ANSWERED ON:07.03.2006

INDUSTRIAL PRODUCTION

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

- (a) the industrial production during last two years, till date, sector-wise;
- (b) whether the Industrial Production Index in some sectors especially in mining and agriculture sector, had gone down during the said period;
- (c) whether the industrial growth in some States has also gone down;
- (d) if so, the details thereof alongwith the reasons therefor;
- (e) whether the Prime Minister had called a meeting of National Manufacturing Competitiveness Council recently;
- (f) if so, the matters discussed and the outcome thereof; and
- (g) the steps taken by the Government to boost industrial production during 2006-07?

Answer

THE MINISTER OF COMMERCE & INDUSTRY (SHRI KAMAL NATH)

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

Statement referred to in reply to Lok Sabha Starred Question No.231 for answer on March 7, 2006 regarding Industrial Production.

(a) : As per the Quick Estimates of Index of Industrial Production (IIP), released by the Central Statistical Organisation(CSO), the sector-wise Index and the growth rate, over the previous period, is indicated below:

Sector	Index of Industrial Production			Growth Rate (%)		
	(Base year 1993-94)					
	2003-04	2004-05	(Apr-Dec)	2003-04	2004-05	(Apr-Dec)
	2005-06	2005-06				

Mining	146.9	153.4	150.0	5.2	4.4	0.4
Manufacturing	196.6	214.6	227.4	7.4	9.2	8.9
Electricity	172.6	181.5	189.6	5.1	5.2	4.8
General/Overall	189.0	204.8	215.4	7.0	8.4	7.8

(b): There has been decline in the growth rate of the mining sector in the year 2004-05 and during the current year. The contribution of agriculture sector is not counted in the Index of Industrial Production.

(c) & (d): As per the CSO data, Rajasthan, Himachal Pradesh, Jammu & Kashmir, Kerala, Madhya Pradesh, Meghalaya, Orissa, Pondicherry and Chandigarh recorded a decline in 2004-05 in the industrial growth rate compared to the previous year. The general reasons for declining industrial growth rate in some of these States were slow physical infrastructure development, difficulties in obtaining requisite raw materials and the relatively less favourable industrial climate.

(e) & (f): Ways and means to hasten the pace of development of the manufacturing sector was one of the issues discussed when the members of the National Manufacturing Competitiveness Council had called on the Prime Minister on 13th January, 2006.

(g): Measures being taken to step up industrial production in 2006-07, inter-alia, include improving the physical infrastructure of power, roads, ports, telecommunication etc. required by the industrial undertakings. Rationalisation of both direct and indirect taxes, including excise and customs duties is also aimed at giving a boost to the pace of industrialization. Also in the Budget proposals for 2006-07, besides announcing several new measures, the Government has proposed higher provisions for sector-specific schemes pertaining to textiles, jute, handloom, food processing, plantation and small and medium enterprises.