

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

UNSTARRED QUESTION NO:1766

ANSWERED ON:08.03.2010

INDUSTRIAL MANUFACTURING GROWTH

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

- (a) whether the contribution of manufacturing sector for calculating the Gross Domestic Product (GDP) has come down in the last ten years;
- (b) if so, the details thereof alongwith the contribution made by other sector to the GDP during this period;
- (c) whether the Government proposes to formulate the manufacturing policy/ Manufacturing Zone specifically for those traditional industries which have potential for maximum generation of employment;
- (d) if so, the details thereof;
- (e) whether the global slowdown has adversely affected several industries ; and
- (f) if so, the details thereof alongwith the sector-wise growth rate including core sector during the current year vis-À-vis last year?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY(SHRI JYOTIRADITYA M. SCINDIA)

(a) & (b): The contribution of manufacturing sector to the Gross Domestic Product has increased from 14.8 percent in 1999-2000 to 15.6 percent in 2009-2010. Contribution of other sectors to the Gross Domestic Product in 1999-2000 and 2009-2010 is given below.

Sectoral contribution to Gross Domestic Product at current prices

(in Percent)		
Sector	1999-2000	2009-2010 (A.E.)
Agriculture, Forestry & Fishing	25.0	17.0
Mining & Quarrying	2.3	2.4
Manufacturing	14.8	15.6
Electricity, Gas & Water Supply	2.5	1.6
Construction	5.7	8.6
Trade, Hotels, Transport & Communication	21.7	24.1
Financing ,Insurance,real estate	13.1	16.2

& business services

Community, social & personal services 14.9 14.6

GDP at factor cost 100.0 100.0

A.E. – Advanced Estimates

Source : Central Statistical Organization

(c) & (d): The Government has decided to formulate a National Manufacturing Policy to accelerate industrial growth. No specific industries have been identified for coverage under the proposed Manufacturing policy/ Manufacturing zone.

(e) & (f): The global recession affected some of the export oriented industries in India, such as textiles, handicrafts, leather, and gems and jewellery. Slowdown in the demand for automobiles and its ancillaries, steel etc. was also seen. Industry- wise quarterly growth rates during the current year vis-À-vis last year are as follows:

Rate of Growth of Industries (per cent)

2008-09				2009-10			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	

Food Products	-7.1	7.6	0.6	-25.2	-17.2	-5.2	-0.6
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Beverage, tobacco & Products	30.7	9.8	12.2	12.5	-6.2	2.1	0.7
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Cotton Textiles	3.6	-3.2	-3.4	-4.4	-1.7	4.3	7.5
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Wool, Silk and Man made fibre textile	7.3	-8.9	1.3	0.5	4.8	21.2	11.7
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Jute and other vegetable fiber textiles	-8.1	-2.9	-23.3	-6.3	-16.2	-18.3	-10.4
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Textile Products	6.3	4.0	3.8	8.7	8.2	11.0	10.2
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Wood & Wood Products.& furniture & fixture	-11.9	-0.5	-10.0	-16.3	14.6	1.3	11.0
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Paper & Paper Products	1.3	7.7	1.3	-2.8	3.6	-0.6	3.8
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Leather & fur Products	5.8	-8.8	-10.5	-13.0	-3.5	4.9	1.1
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Basic Chem.& chemical products	11.2	1.2	-4.6	8.8	2.0	13.8	21.8
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Rubber, plastic, petroleum and coal products	-3.5	-4.5	-0.9	2.7	10.6	14.3	18.4
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Non-metallic mineral	1.0	0.1	1.9	1.7	8.3	4.9	6.3
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Basic metals & alloy industries 4.9 8.4 5.0 -2.0 7.7 2.6 3.4

Metal Products & Parts 2.0 1.8 -0.4 -16.8 -4.8 4.9 15.6

Machinery and equipment 7.9 12.3 4.7 10.3 7.2 15.0 24.7

Transport Equipment & parts 10.3 13.9 -10.9 -1.5 6.9 12.0 43.6

Other Manufacturing Industries -9.5 6.5 5.6 -2.7 14.9 12.3 1.6

Total Manufacturing 5.8 4.9 0.5 0.3 3.4 9.2 14.3

Source: Central Statistical Organization

The growth of Core sector measured by the index of six core industries namely; crude oil, petroleum refinery products, coal, electricity, cement and steel was 5.4 per cent (Provisional) during April - January, 2009-10 as against 3.0 per cent during the corresponding period of the previous year i.e. April - January, 2008-09.