

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

STARRED QUESTION NO:437

ANSWERED ON:26.04.2010

INDUSTRIAL RECESSION

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

- (a) whether the Government has assessed the impact of the prevailing economic recession on indigenous industries;
- (b) if so, the details thereof along with the number of industrial units closed down/loss of jobs due to recession;
- (c) the steps taken by the Government to address these issues;
- (d) whether some sectors like infrastructure are still in recession and yet to be recovered; and
- (e) if so, the details thereof, Sector-wise and the corrective action taken by the Government in this regard?

**Answer**

THE MINISTER OF COMMERCE & INDUSTRY (SHRI ANAND SHARMA)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO.437 FOR ANSWER ON 26.04.2010 REGARDING INDUSTRIAL RECESSION.

(a) & (b): The industrial growth measured in terms of Index of Industrial Production (IIP) declined to -0.2 per cent in December 2008, primarily due to the impact of global economic slowdown. The down trend of industrial production has reversed since June 2009, with the Index achieving a high growth of 17.6 per cent in December 2009 (highest in fifteen years). The strong and broad based industrial growth continued during January and February 2010.

As per estimates available through five quick quarterly sample surveys conducted by the Labour Bureau from October, 2008 to December, 2009, though there was a job loss of 4.91 lakh during quarter October-December 2008, and 1.31 lakh during April-June 2009, the same has been more than made up by job increase of 2.76 lakh during January-March, 2009 and 4.97 lakh during July-September, 2009 and 6.3 lakh during October-December, 2009.

(c): Government announced a number of stimulus measures to support domestic industries and enhance their competitiveness. These measures, inter alia, included an across-the-board cut in the ad valorem CENVAT rate and incentives to Micro, Small & Medium Enterprises and exporters. In addition, appropriate monetary measures were taken to increase availability of credit to the industries at reduced cost.

(d): Labour intensive industries, and infrastructure sectors which were impacted during the global economic slowdown, are on the path of recovery. The Index of six core infrastructure industries with a weight of 26.7 per cent in the Index of Industrial Production (IIP), covering Crude oil, Petroleum Refinery, Cement, Steel, Electricity and Coal which declined to 0.7 per cent in December 2008 registered a growth of 9.5 percent in January 2010.

(e) : Sector-wise performance of the Index of six core infrastructure industries is annexed.