

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

STARRED QUESTION NO:523

ANSWERED ON:03.05.2010

INDUSTRIAL GROWTH

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

- (a) the extent of increase/decrease in the industrial growth in the last year, sector - wise;
- (b) whether the Government is satisfied with the results of the stimulus packages in arresting the slowdown in the industrial/manufacturing sector;
- (c) if so, the details thereof ; and
- (d) the steps taken to improve the growth rate in the industrial/ manufacturing sector during the remaining part of the Eleventh Plan period?

Answer

THE MINISTER OF COMMERCE & INDUSTRY (SHRI ANAND SHARMA)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO.523 FOR ANSWER ON 3.05.2010 REGARDING "INDUSTRIAL GROWTH".

(a): Industrial growth measured in terms of the Index of Industrial Production (IIP) declined from 8.5 per cent in 2007-08 to 2.8 percent in 2008-09, primarily due to the impact of global economic slowdown. Sector-wise growth rates are given at Table 1, Annex.

(b) & (c): To counter the adverse fall out of the global slowdown on the Indian economy, appropriate fiscal and monetary policies were initiated. Three stimulus packages were announced on 7th December, 2008, 2nd January, 2009 and in the interim budget presented on 16th February, 2009. Impact of these initiatives is reflected in the reversal of the down trend of industrial production since June 2009, with the IIP achieving a growth of 17.6 percent in December 2009 , highest in 15 years, driven by a robust growth of 19.3 percent in manufacturing sector. The strong and broad based industrial growth continued during January and February 2010. The details of industrial growth in 2009-10 are given at Table 2, Annex.

(d): Improving the growth rate of the industrial/manufacturing sector during the remaining part of the Eleventh Plan period is visualized by improving industry related infrastructure, development of industry related skills, fostering innovation and development of industrial clusters.