

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

UNSTARRED QUESTION NO:2022
ANSWERED ON:20.07.2009
INDEX OF INDUSTRIAL PRODUCTION
Das Gupta Shri Gurudas

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

- (a) the details of index of the industrial production for the last three years and the current year;
- (b) whether there has been a slowdown in the industrial production; and
- (c) if so, the details thereof and the reasons therefor?

Answer

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

(a) & (b): Industrial production measured in terms of Index of Industrial Production (IIP) registered a growth of 1.9 percent during April-May, 2009-10. The growth rates of IIP for the last three years are given in the table below.

Index of Industrial Production

(Growth in %)

2006-07 11.6

2007-08 8.5

2008-09 2.6

2009-10 1.9

(April-May)

Source : Central Statistical Organisation

(c): The decline in industrial growth in 2008-09 was primarily due to global economic slowdown, which resulted in demand contraction. The slowdown has affected some of the export-oriented industries in India, such as textiles, handicrafts, leather, and gems & jewellery. Slowdown in the demand for automobiles and its ancillaries, steel etc. has also been seen.

The major reasons of the slowdown, inter alia, include contraction in demand particularly in respect of for export oriented industries, adverse conditions for access to external capital, high cost of credit, high cost of inputs, and depressed business confidence.