

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

UNSTARRED QUESTION NO:3120
ANSWERED ON:27.07.2009
LOWER GROWTH RATE OF CORE SECTORS
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether all core infrastructure industries/sectors except coal, have recorded lower growth during the last financial year in comparison to the previous year;
- (b) if so, the details thereof and the reasons therefor;
- (c) the estimated growth rate of these core sectors during the current financial year; and
- (d) the steps taken by the Government to achieve the growth targets in such sectors?

Answer

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

(a) to (c): Growth in production of six core sectors viz Crude oil, Petroleum refinery, Coal, Electricity, Cement & Finished Steel for the year 2007-08 and 2008-09 is given below:

GROWTH IN PRODUCTION OF SIX CORE SECTORS

(Growth in %)
Sector 2007-08 2008-09

Crude Oil 0.4 -1.8

Petroleum Refinery 6.5 3.0

Coal 6.3 7.8

Electricity 6.3 2.7

Cement 8.1 7.5

Steel 6.2 0.4

Overall 5.9 2.7

The slowdown in growth of core industries in 2008-09 can be attributed to slowdown in economic activity, which led to decline in growth rate for the manufacturing and construction sectors. Growth in electricity sector was hampered by capacity constraints and supply of raw material.

(d): Steps taken by the Government to achieve growth targets in these sectors include, inter alia, New Exploration Licensing Policy launched to increase availability of domestic oil and gas, measures to maximize domestic production of coal, allocation of new coal blocks, quicker investment decisions and imports, re-imposition of Countervailing Duty (CVD) on cement to protect and promote domestic cement industry, withdrawal of export duty on all steel items, restoring DEPB on steel items, re-imposition of 5% import duty on iron and non-alloy steel items, reduction in CENVAT to 10% and inclusion of hot rolled coils in the restricted category of imports.