

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

UNSTARRED QUESTION NO:3137

ANSWERED ON:29.11.2010

PERFORMANCE OF CORE INFRASTRUCTURE SECTOR

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

- (a) whether the core infrastructure sector has recently reported its lowest performance in the last ten months;
- (b) if so, the details thereof alongwith the reasons therefor;
- (c) whether the export growth in the infrastructure sector is likely to be subdued in the short term;
- (d) if so, the concrete steps taken by the Government in this regard to pick up the infrastructural growth;
- (e) whether the share of export in the GDP is likely to come down in the coming year; and
- (f) if so, the details thereof and the remedial measures taken in this regard?

**Answer**

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

(a) to (d): The rate of growth of six core infrastructure industries namely crude oil, petroleum refinery, coal, electricity, cement and steel during the last twelve months is given below:

**Rate of growth of infrastructure industries (per cent)**

Sector	Crude Oil	Petroleum Refinery	Coal	Electricity	Cement	Finished Steel	Overall
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Weight	4.17	2.0	3.22	10.17	1.99	5.13	26.68
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2009

September	-0.5	3.4	6.5	7.4	6.5	0.8	4.3
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October	-2.2	7.2	5.0	4.7	5.3	2.5	3.8
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November	-1.5	4.9	4.6	3.3	9.0	11.7	6.0
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December	1.1	0.8	2.5	6.7	11.0	9.6	6.4
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2010

January	9.7	3.8	6.0	6.7	12.4	15.3	9.5
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February	3.9	0.7	6.8	7.3	7.9	0.9	4.7
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March	3.5	-1.1	9.2	7.8	7.8	9.2	7.3
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April	5.2	5.3	-2.3	6.9	8.7	4.7	5.4
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May	5.8	7.7	0.1	6.4	8.6	2.5	5.0
June	6.8	2.9	0.9	3.7	3.7	3.5	3.6
July	15.8	13.7	4.5	4.1	-0.2	-0.9	4.0
August	15.2	-2.3	1.0	1.4	1.6	7.7	3.9
September	12.5	-10.2	-2.0	1.3	5.2	5.8	2.5

(-)-Provisional

A moderation in the overall rate of growth of these industries in September 2010 was partly on account of a negative growth of (-) 10.2% for petroleum refinery, and (-) 2.0% for coal and a moderation in the growth of electricity sector.

The Eleventh Five Year Plan envisages an increase in investment in physical infrastructure from a level of about 5 per cent of GDP witnessed during the Tenth Plan to about 9 per cent of GDP by 2011-12, with an estimated investment of Rs. 20,56,150 crore. The steps taken by the Government to promote infrastructure growth, among others, include constitution of a Cabinet Committee on Infrastructure in July, 2009 to consider measures to enhance investment in infrastructure sectors, promoting public private partnership in infrastructure projects, Viability Gap Funding (VGF) to enhance financial viability of these projects and creation of India Infrastructure Finance Company Limited ( IIFCL) for providing long term finances to infrastructure projects involving long gestation period.

(e) & (f): The share of merchandise exports of India in GDP declined from 15.1% in 2008-09 to 13.6% in 2009-10 due to global slowdown. India's exports, however, after declining consistently for first six months of 2009-10 reversed the trend from October, 2009. During 2010-11 (April-September), exports recorded a growth of 21.4% over the corresponding period of previous year. Measures taken for the growth of India's merchandise exports are indicated at Annexure-I.