

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

STARRED QUESTION NO:366

ANSWERED ON:29.08.2011

ECONOMIC RECESSION

Gavit Shri Manikrao Hodlya;Meghe Shri Datta Raghobaji

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

- (a) the impact of the recent economic recession stated to be prevalent in the United States of America and the European countries on the growth of indigenous industries in the country;
- (b) the steps taken/being taken by the Government to bolster the growth of these industries which are reported to be incurring losses;
- (c) whether there have been huge fluctuations in the industrial growth on monthly basis during the current year as compared to the last year; and
- (d) if so, the details of the monthly index of the industrial production during the above period and the reasons therefor?

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 LOK SABHA STARRED QUESTION NO. 366 FOR ANSWER ON MONDAY, THE 29TH AUGUST, 2011.

(a) & (b): While India is not insulated from global developments, it is not possible to make a definitive assessment of the impact of the recent global economic recession on Indian economy at this stage.

(c) & (d): Industrial growth measured in terms of Index of Industrial Production (IIP) month-wise and broad sector-wise during the last two years is at Annex. Fluctuations in the growth of industrial production on monthly basis are often caused by base effects and factors external to industry. The underlying growth momentum is, therefore, better captured by cumulative growth. The overall industrial growth improved from 2.5% in 2008-09 to 5.3% in 2009-10 and further to 8.2% in 2010-11. In the first quarter of current year, the growth moderated to 6.8% compared to a growth of 9.6% in the first quarter of the previous year. The moderation in the growth in the first quarter was largely on account of a moderation of growth in the mining sector. Consumer durables and intermediates within the manufacturing sector also witnessed moderation in growth. Hardening of interest rates to some extent affected the growth in these segments.