

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3842
ANSWERED ON:27.04.2012
DECLINING GROWTH IN CORE SECTORS
Sivaprasad Shri Naramalli

Will the Minister of FINANCE be pleased to state:

- (a) whether growth rate is declining in the core sectors;
- (b) if so, the details thereof for the last three years alongwith the reasons therefor; and
- (c) steps/measures taken/proposed to be taken by the Government to improve the growth rate in core sectors?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b): The rate of growth of eight core sectors improved from 2.8% in 2008-09 to 6.6% in 2009-10. It moderated to 5.8% in 2010-11. In 2011-12 (Apr-Feb), eight core sectors recorded a growth of 4.4% compared to a growth of 5.8% in the corresponding period of 2010-11. Lower growth rate during 2011-12 has mainly been due to a lower growth in crude petroleum, natural gas and steel sectors.

(c): Government has initiated several steps to augment the production of core sectors by promoting state of the art technologies and by augmenting resources for exploration and mining through private sector participation. To facilitate development of necessary infrastructure, Viability Gap Finding, under the Scheme for support to PPP, has been extended to capital investment in fertilizers sector, oil and gas storage and pipelines facilities. To remove the fuel supply constraints affecting the power generation, the government has advised the Coal India Limited to sign fuel supply agreements with the power plants. In the Budget 2012-13, full exemption from basic duty has been provided to fuels such as natural gas, liquefied natural gas, uranium concentrate etc. imported for power generation. Further, basic customs duty on surveying and prospecting machinery and instruments imported for use in the mining sector has been reduced. Full exemption from basic customs duty has been provided to coal mining projects.