

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

UNSTARRED QUESTION NO:7295

ANSWERED ON:21.05.2012

GROWTH RATE

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

- (a) whether the Government has conducted any study on the impact of the rising prices on the industries;
- (b) if so, the details thereof alongwith the impact on the industries and growth rate during the year;
- (c) whether the Government has corrected the rate of industrial growth in January, 2012;
- (d) if so, the details thereof alongwith the reasons of such variation in analysis of growth rates and steps taken by the Government to ensure that such incidences do not occur in future; and
- (e) the details of industrial development took place in the Eleventh Five Year Plan and funds allocated for industrial development during the last three years, State-wise including Bihar?

Answer

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

(a) & (b): No separate study has been conducted on the impact of rising prices on the industrial growth. However, hardening of interest rates, increase in the cost of capital, moderation in the flow of credit to industry, decline in the rate of growth of consumption expenditure etc. including inflation are considered to be some important factors impacting the moderation in the industrial growth.

(c) & (d): Growth rate of Index of Industrial Production (IIP) as per Quick Estimate for January, 2012 was released as 6.8% on 12th March 2012. Subsequent to this, during preparation of IIP for February 2012, it was detected that in the IIP for January 2012, the production data for sugar was incorrectly reported. Immediately after detection of the error, the revised growth rate for the month of January 2012 was compiled. Due to this change and also minor updating of data received from other source agencies, the growth rate for January, 2012 was revised from 6.8% to 1.1% on 12th April 2012.

In order to prevent recurrence of errors relating to industrial production data, the Ministry of Statistics & Programme Implementation has requested all concerned data source agencies to adhere to the time frame for supplying monthly production data so that the data are validated before release of the IIP. The CSO has an inbuilt system to ensure accuracy of the data. The production data received from the source agencies are put to certain validation checks by the CSO before releasing the IIP. In case, the variation of the production data for a month over the production data of the previous month exceeds 20%, or if the variation of the production data for a month over the production data of the same month in the previous year exceeds 30%, such cases are referred back to source agencies for confirmation.

(e) Year-wise industrial growth during 11th Five Year Plan is given in the Table below:

Table: Year-wise IIP Growth rate during 11th Five Year Plan

Years IIP

2007-08	15.5
2008-09	2.5
2009-10	5.3
2010-11	8.2
2011-12	2.8

The details of plan outlay provided by the Planning Commission to each State for the Annual Plans 2009-10, 2010-11 & 2011-12 for the Energy, Industry and Mineral sectors are at Annexure.