

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

UNSTARRED QUESTION NO:2417

ANSWERED ON:27.08.2012

INDUSTRIAL GROWTH

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

- (a) whether the industrial production has declined from July, 2011 due to high interest rate/inflation and global slow-down;
- (b) if so, the details thereof, month-wise, sector-wise from July, 2011 onwards along with their contribution and weightage in the Index of Industrial Production (IIP) and on the Gross Domestic Product (GDP) and steps taken by the Government to recoup the IIP numbers;
- (c) whether the industrial growth rate has been varying amongst States in the country;
- (d) if so, the details thereof along with the names of the States which posted higher growth rate during the last year as compared to the current year;
- (e) whether the Government has formed a Manufacturing Industry Promotion Board/High Level Committee to monitor the overall situation of the Manufacturing Sector in the country; and
- (f) if so, the details thereof along with aims and objects including the salient features of the said Board/Committee?

Answer

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

(a): Although a one-to-one co-relation cannot be established, the major reasons for the recent decline in industrial production in India include high interest rate, inflation and global economic slowdown.

(b): The growth of Index of Industrial Production(IIP) is released by the Central Statistical Office (CSO), Ministry of Statistics and Programme Implementation, in terms of three sectoral classification- i.e. Mining & Quarrying, Manufacturing and Electricity. The details of month-wise, sector-wise growth of IIP since July 2011 along with sectoral weightage, are given in the Table at Annexure I.

No sectoral weightage is assigned to these sectors in the Gross Domestic Product (GDP). However, as per the 'Revised Estimates of Annual National Income, 2011-12 and Quarterly Estimates of GDP for 2011-12,' released by CSO, the share of these sectors in overall GDP, for 2010-11 and 2011-12 works out as given in the Table below given annexure.

(c) & (d) : Details of the State/Union Territory wise industrial growth are released by the CSO, based on the Annual Survey of Industries (ASI) and measured in terms of Gross Value Added (GVA). The latest data available of ASI is for 2009-10. The details of State/Union Territory wise industrial growth rates during 2008-09 and 2009-10 are given in the Table are at Annexure II.

The States which have posted higher growth rate during 2009-10 compared to 2008-09 are Andhra Pradesh, Assam, Gujarat, Haryana, Jharkhand, Maharashtra, Punjab, Manipur, Nagaland, Tamil Nadu, West Bengal and Uttar Pradesh.

(e) & (f): In accordance with the provisions contained in Chapter-1 of the National Manufacturing Policy (NMP), Government has constituted the Manufacturing Industry Promotion Board (MIPB), under the Chairmanship of Commerce & Industry Minister vide a Notification dated 1st June, 2012. Respective Secretaries of Department of Economic Affairs, Department of Revenue, Ministry of Labour & Employment, Ministry of Micro, Small & Medium Enterprises, Ministry of Road, Transport & Highway, Ministry of Heavy Industry & Public Enterprises, Ministry of Science & Technology, Ministry of Environment & Forests, Member-Secretary, National Manufacturing Competitiveness Council (NMCC) and two representatives from the Industry, are the members of the Board. Secretary, Department of Industrial Policy & Promotion (DIPP) is the Member-Secretary of the Board.

The Terms of Reference (TORs) of the Board include periodical review of the overall situation of manufacturing sector in the country; review state-wise/sector-wise performance of the manufacturing sector; review implementation of the NMP in general and development of NIMZs in particular: resolve coordination issues among Central Ministries and State-Governments; review work of the Green Manufacturing Committee etc.

Similarly, in accordance with the provisions contained in Chapter 1 of the NMP, the Government have constituted the High Level

Committee (HLC) under the Chairmanship of Secretary, DIPP, vide Notification dated 1st June, 2012. Respective Secretaries or nominees of the Department of Economic Affairs, Department of Revenue, Ministry of Environment & Forest, Ministry of Labour & Employment, Ministry of Micro, Small & Medium Enterprises and Ministry of Science & Technology are members of the Committee. Joint Secretary in-charge of the NMP is the Member-Secretary of the Committee. The TORs of the Committee include monitoring the implementation of the Policy provisions on a regular basis and resolve inter-ministerial issues; consider specific proposals of National Investment & Manufacturing Zones (NIMZs) recommended by the Board of Approval constituted for the purpose; monitor development of approved NIMZs etc.