

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

UNSTARRED QUESTION NO:3588

ANSWERED ON:03.09.2012

TARGET FOR IIP

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

- (a) whether the Government has set target for Index for Industrial Production(IIP) during the last three years and the current year;
- (b) if so, the details thereof along with target set and achieved during the above period;
- (c) whether the annual growth rate of infrastructure sector has been higher than the annual industrial production growth rate during the said period;
- (d) if so, the facts in this regard; and
- (e) the reasons therefor?

Answer

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

(a) & (b): Annual targets for Index for Industrial Production (IIP) are not fixed by the Government. The sectoral annual growth rates of IIP for the last three years i.e. 2009-10 to 2011-12 and April-June, 2012-13, released by the Central Statistics Office (CSO), Ministry of Statistics and Programme Implementation, are given respectively in Table -1 below.

Table-1: Annual growth rates of IIP(in per cent)

(Base: 2004-05)

Mining Manufacturing Electricity Overall

2009-10 7.9 4.8 6.1 5.3

2010-11 5.2 9.0 5.5 8.2

2011-12 -2.0 3.0 8.2 2.9

April-June -1.1 -0.7 6.4 -0.1
2012-13

Note: Figures for April, May and June 2012 are provisional.

(c) to (e): The index or growth rates for the infrastructure sector are not compiled by the Government. However the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry releases monthly as well as Annual indices and growth rates of the Eight Core Industries i.e. Coal, Crude Oil, Natural Gas, Petroleum Refinery Products, Fertilizers, Steel, Cement and Electricity. The combined annual growth rates of the above industries during 2009-10 to 2011-12 and during April-June, 2012-13 are given in the Table-2 below:

Table-2: Annual growth rates of Eight Core Industries (in per cent)

(Base: 2004-05)

Sector	Weight	2009-10	2010-11	2011-12	April-June, 2012-13
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Coal	4.38	8.1	-0.2	1.2	6.4
Crude Oil	5.22	0.5	11.9	1.0	-0.5
Natural Gas	1.71	44.6	10.0	-8.9	-11.1
Refinery Products	5.94	-0.4	3.0	3.2	3.2
Fertilizers	1.25	12.7	0.0	0.4	-12.2
Steel	6.68	6.0	13.2	7.0	3.6
Cement	2.41	10.5	4.5	6.7	9.9
Electricity	10.32	6.2	5.6	8.1	6.4
Overall weight	37.90	6.6	6.6	4.4	3.6
/growth rate					

Note: Figures for April, May and June 2012 are provisional.

As may be seen from the Tables 1 and 2 above, the overall growth rates of Eight Core Industries were higher than the overall IIP during 2009-10, 2011-12 and during April-June, 2012-13. However, during 2010-11, the growth rate of Eight Core Industries was less than that of IIP.

While no distinct pattern can be established between the growth rates of Eight Core Industries and IIP, these Industries having a combined weight of 37.90 per cent in the IIP, are expected to influence the growth pattern of IIP as well.

It may be mentioned that there has been a moderation in the growth rates of both overall IIP and the Eight Core Industries in 2011-12 and April-June, 2012-13. Major reasons for the moderation include global economic uncertainty, sluggish domestic demand, hardening of interest rates etc. Regulatory and environmental issues, court orders, decline in international demand for metallic minerals etc. are also affecting production, especially in the mining sector.