

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:166
ANSWERED ON:22.02.2013
CONTAINING SLOW DOWN
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Will the Minister of FINANCE be pleased to state:

- (a) whether the performance of Indian Industrial sector has been affected by the increasing interest rates in the country and global economic crisis;
- (b) if so, the details thereof;
- (c) whether the Government has formulated any plan to contain this slow down; and
- (d) if so, the details thereof?

Answer

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

(a) & (b) The performance of industrial sector in India has been affected both due to hardening of interest rates as well as moderation in external demand owing to uncertainty arising from the global economic crisis. Besides these factors, deceleration in the rate of credit flows, infrastructure bottlenecks, high input costs, slowdown in consumer expenditure and subdued business confidence have also contributed to the slowdown in industrial performance.

(c) & (d) The action plan of the government to contain industrial slowdown, inter alia, includes better access to finance for manufacturing sector; fast tracking of large investment projects in the areas of power, petroleum and gas, roads, coal, etc; promoting Micro Small & Medium Enterprises (MSME) sector by way of higher allocation of funds; enhancing investment in the infrastructure sector by focusing on Public Private Partnerships and introduction of a new National Manufacturing Policy. The government has also set up a high-level Cabinet Committee on Investment to quicken the pace of decision making in critical infrastructure projects.