

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

UNSTARRED QUESTION NO:614

ANSWERED ON:09.12.2013

INDUSTRIAL GROWTH

Biju Shri P. K.;Hegde Shri Anant Kumar;Naik Dr. Sanjeev Ganesh;Pandurang Shri Munde Gopinathrao;Patil Shri Sanjay Dina ;Premajibhai Dr. Solanki Kiritbhai;Roy Shri Arjun;Sampath Shri Anirudhan;Shetkar Shri Suresh Kumar;Siricilla Shri Rajaiah;Sule Supriya ;Tanwar Shri Ashok

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

- (a) whether the industrial growth/Index of Industrial Production (IIP) has declined significantly during the last three years and the current year;
- (b) if so, the details thereof and the reasons therefor, sector-wise along with the measures suggested/steps taken by the Government to arrest the decline in industrial growth;
- (c) whether the Government has fixed any target to achieve the industrial growth in the 12th Five Year Plan;
- (d) if so, the details thereof, sector-wise including manufacturing sector along with the steps taken by the Government to achieve the targets of industrial growth fixed in the remaining period of the current Plan; and
- (e) the steps taken by the Government to encourage the use of labour intensive technique in the proposed new policy?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (DR. E.M. SUDARSANA NATCHIAPPAN)

(a) to (d): While the Index of Industrial Production (IIP) has consistently increased during the last three years and the current year (April-September), the growth in IIP has declined during the same period. Sectoral details of the growth/index of IIP during the last three years and the current year is given in Table-1 at Annexure.

The growth in IIP has been adversely affected by a number of demand and supply factors including devaluation of rupee, inflation, rising input costs, decline in external demand, global economic slowdown etc.

Industrial Sector is envisaged to grow at an average rate of 7.6% during the 12th Five Year Plan. Sector-wise growth targets, including for manufacturing sector, during the 12th Five Year Plan are given in Table-2 at Annexure.

The Government has been continuously taking a number of measures both for arresting decline in industrial growth and for achieving the targets of industrial growth fixed in the remaining period of the current Plan. These, inter-alia, include announcement of National Manufacturing Policy (NMP), 2011, simplification and rationalization of the Foreign Direct Investment (FDI) Policy, implementation of Delhi Mumbai Industrial Corridor (DMIC) project and launch of the e-biz Mission Mode Project under the National e-Governance Plan. Besides, incentives are given for helping industries in difficult areas through Plan Schemes of Transport Subsidy, special package of incentives for Special Category States, North-East Industrial & Investment Promotion Policy, 2007, and specific programmes like Industrial Infrastructure Upgradation Scheme, Indian Leather Development Programme etc. Recently, the Government has also set up a Project Monitoring Group to track stalled high investment projects in the infrastructure and industrial sectors.

Sectoral Ministries/Departments in the Government are also implementing various schemes and programmes and taking measures for boosting industrial growth of the respective sectors.

(e): In order to encourage the use of labour intensive techniques, the National Manufacturing Policy, 2011 inter-alia, places special focus on employment intensive industries like textiles and garments, leather and footwear, gems & jewellery and food processing etc.