

**GOVERNMENT OF INDIA  
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES  
LOK SABHA**

UNSTARRED QUESTION NO:2583  
ANSWERED ON:09.12.2014  
ELECTRICAL EQUIPMENT INDUSTRY  
Ahlawat Smt. Santosh;Kateel Shri Nalin Kumar

**Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:**

- (a) whether the Government has taken note of the poor state of electrical equipment industry in the country;
- (b) if so, the details thereof and its impact on the power sector;
- (c) whether the Government has taken any step to address the issue including launching of Indian Electrical Equipment Industry Mission Plan; and
- (d) if so, the details thereof along with the objectives and targets under the Mission?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES  
(SHRI G.M. SIDDESHWARA)

(a): Yes Madam.

(b): The domestic electrical equipment manufacturing industry has over the years installed sufficient capacity to cater to the demand of power sector. However, the domestic electrical equipment manufacturing industry facing severe problems on account of the following factors:

# Issues/ bottlenecks related to coal/fuel linkages, land, environmental clearances etc. resulting in a sharp decline in orders maturing in the domestic market.

# Orders getting deferred or being put on hold .

# Weak investment sentiments and financing constraints from the lending institutions.

# Customers` constraints in releasing payments curtailing progress of some of the power projects.

# Intensified competition due to increased number of new players / Joint Ventures formed in the private sector in the Country for super-critical boilers and turbine generators thereby affecting price realization and impacting margins.

# Lack of level playing field including infrastructure bottlenecks suffered by the domestic industry vis-a-vis foreign suppliers/ manufacturers.

# global slowdown and political turmoil resulting in lower demand for exports.

# Lack of domestic availability of critical inputs/ raw material

# Shortage of skilled manpower. On account of the above mentioned factors, the indigenous built-up manufacturing capacities currently stand under-utilised.

(c): Yes Madam.

(d): For the development of the domestic electrical equipment industry and to enhance its competitiveness, Government of India launched Indian Electrical Equipment Industry Mission Plan 2012-22 on 24.07.2013. It seeks to steer, coordinate synergise the efforts of all stakeholders to accelerate and sustain the growth of the industry. The Vision 2022 articulated in the Mission Plan is `to make India the country of choice for production of electrical equipment and reach an output of USD 100 billion by balancing exports and imports`. In this Mission Plan, five areas have been identified for strategic and policy interventions, both by the Government and the industry.

These are:

- (i) industry competitiveness,

(ii) technology up-gradation,

(iii) skills development,

(iv) exports, and

(v) conversion of latent demand.

In all the five key areas, the Mission Plan has identified the current status/ areas of concern of the domestic electrical equipment industry, including detailed recommendations for strategic and policy interventions by different stakeholders, including the Government and the industry.