

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

UNSTARRED QUESTION NO:5242

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GROWTH RATE OF CORE SECTOR

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

(a) whether there has been a continuous decline in growth rate of core sector in the country;

(b) if so, the details thereof and the reasons therefor, sector-wise; and

(c) the remedial steps taken/being taken by the Government in this regard?

**Answer**

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN)

(a) to (c): The Index of Eight Core Industries (ICI) measures performance of eight infrastructure industries, which includes, Coal, Crude Oil, Natural Gas, Petroleum Refinery Products, Fertilizers, Steel, Cement and Electricity compiled at the base of year 2004-05. The cumulative growth rate of ICI during April-February, 2014-15 was 3.8 % as compared to 4.2 % during corresponding period of previous year. However, the production index of various core industries has displayed variation in both direction and magnitude. Crude Oil, Natural Gas, Fertilizer, Petroleum Refinery Products and Steel industries have generally accounted for the lower growth in overall index during April-February, 2014-15 as compared to corresponding period of previous year. Industry wise details of the growth rates are given in the table below:

Growth Rate of Core Industries (in %)		
Industry	Apr-Feb 2013-14	Apr-Feb 2014-15
Coal	1.4	8.5
Crude Oil	-0.1	-1.1
Natural Gas	-13.3	-5.5
Refinery Products	1.3	0.5
Fertilizers	2.2	-0.5
Steel	11.4	1.1
Cement	3.4	6.7
Electricity	6.1	8.6
Overall Index	4.2	3.8

Source: Office of the Economic Adviser, DIPP.

In general, low production of Crude Oil and Natural Gas have been accounted for inter-alia, by ageing fields, water/sand ingress, environmental problems, etc. and of Petroleum Refinery Products due to shut down of certain units on account of accidents. Further, the decline in production of Steel sector was mainly on account of procedural and infrastructural bottlenecks faced by the industry. Production of Fertilizer was affected due to non-availability of adequate natural gas, unforeseen shutdown and shortage of raw materials of phosphoric acid, etc.

The Government is taking steps to revive production in these industries which includes measures relating to policy, procedures, improving infrastructure and ensuring availability of required inputs.