

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

UNSTARRED QUESTION NO:1975
ANSWERED ON:31.07.2015
Performance of Industrial Sector
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the details of Industrial Growth in terms of Index of Industrial Production (IIP) including manufacturing, capital goods and consumer durables vis-a-vis target fixed in this regard during each of the last three years and the current year, sector-wise;
- (b) whether the industrial growth in terms of IIP has declined and not achieved the target fixed during the said period and if so, the reasons therefor;
- (c) the contribution of industrial sectors including manufacturing, capital goods and consumer durables to the country's Gross Domestic Product (GDP), along with target for industrial growth fixed during 12th Five Year Plan, sector-wise ; and
- (d) the concrete measures taken/proposed to be taken by the Government to boost the manufacturing sector and to achieve the target fixed for industrial growth?

Answer

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

(a) & (b): The performance of industrial growth in terms of Index of Industrial Production (IIP) including manufacturing, capital goods and consumer durables for last three years and the current year, sector-wise is given in the following table:

Table: Index of Industrial Production (IIP) Growth Rates (Base: 2004-05) (in %)
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Groups 2012-13 2013-14 2014-15 Apr-May
2015-16
Sectoral Classification
Mining -2.3 -0.6 1.4 1.5
Manufacturing 1.3 -0.8 2.3 3.2
Electricity 4.0 6.1 8.4 2.8
General Index 1.1 -0.1 2.8 3.0
Use-based Classification
Basic goods 2.5 2.1 7.0 4.6
Capital goods -6.0 -3.6 6.3 4.4
Intermediate goods 1.6 3.1 1.7 1.9
Consumer goods 2.4 -2.8 -3.4 0.7
i) Consumer Durables 2.0 -12.2 -12.6 -1.4
ii) Consumer Non - Durables 2.8 4.8 2.8 2.1
Source: Central Statistics Office.
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However, no targets are fixed in terms of IIP for manufacturing, capital goods and consumer durables. The growth rate of IIP is recorded at 1.1 % in 2012-13 and -0.1 % in 2013-14. However, thereafter, the growth of IIP has increased to 2.8 % in 2014-15 and 3.0 % during current financial year (April-May, 2015-16).

(c): As per new series of National Accounts Statistics (NAS), released by Central Statistics Office (CSO) recently, the shares of industrial sector in Gross Value Added (GVA) at basic prices at constant (2011-12) prices was 32.3% in 2012-13, 31.7 % in 2013-14, and 31.4 % in 2014-15. The share of manufacturing in GVA was 18.3 % in 2012-13 and 18.1 % both in 2013-14 and 2014-15. However, the shares of capital goods and consumer durables in GVA are not given separately in NAS.

As per 12th Five Year Plan document prepared by the erstwhile Planning Commission, the industrial sector is envisaged to grow at an average growth of 7.6 % (projected at 2004-05 prices) during the plan period (2012-13 to 2016-17). Other components of industry viz Manufacturing, 'Electricity, gas and water supply', and Construction are envisaged to grow at an average rate of 7.1 %, 7.3 % and 9.1 % during the 12th Plan period.

(d): The Government is continuously taking measures to accelerate the growth of industrial sector. For creation of conducive business environment, the Government is constantly simplifying and rationalizing the processes and the procedures for boosting investor sentiment, simplifying the Foreign Direct Investment (FDI) policy and correcting the inverted duty structure. Some of the recent initiatives towards this end include pruning the list of industries that can be considered as defence industries requiring industrial license, two extensions of two years each in the initial validity of three years of the industrial license permitted up to seven years, removal of stipulation of annual capacity in the industrial license, and deregulating the annual capacity for defence items for Industrial License. The recent amendments in FDI policy include allowing FDI in Defence up to 49 %, in Railway infrastructure up to 100 %, in Insurance and Pension Sector upto 49 %. The investment limit requiring prior permission from Foreign Investment Promotion Board (FIPB)/Cabinet Committee of Economic Affairs is increased from Rs. 1200 crore to Rs. 3000 crore. The definition of investment by Non Resident Indians (NRIs), Person of Indian Origin (PIOs) and Overseas Citizen of India (OCIs) in FDI policy has been revised.

Further, inter alia, the Government has launched the e-biz Mission Mode Project under the National e-Governance Plan, and is implementing the Delhi Mumbai Industrial Corridor (DMIC) project. In addition, the Government has conceptualized Amritsar Kolkata Industrial Corridor, Chennai-Bengaluru Industrial Corridor, Bengaluru Mumbai Economic Corridor and the Vizag-Chennai Industrial Corridor (as the first phase of an East Coast Economic Corridor), and setting up a National Industrial Corridor Development Authority (NICDA) for coordinating and overseeing progress of the various industrial corridors.

Recently, the Government has launched "Make in India" programme with 25 thrust sectors to provide a major push to manufacturing in India. An Investor Facilitation Cell has also been created in 'Invest India' to assist, guide, handhold and facilitate investors during the various phases of business life cycle. This Cell will provide necessary information on vast range of subjects; such as, policies of the Ministries and State Governments, various incentive schemes and opportunities available, to make it easy for the investors to make necessary investment decision. Information on 25 thrust sectors has been put up on 'Make in India's web portal (<http://www.makeinindia.com>) along with details of FDI Policy, National Manufacturing Policy, Intellectual Property Rights and Delhi Mumbai Industrial Corridor and other National Industrial Corridors.
