

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

STARRED QUESTION NO:255
ANSWERED ON:15.03.2016
Performance of Heavy Industries
Bansode Shri Sharad

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

- (a) whether the Government has taken note of the decline in production and performance of the heavy industries sector in the country;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the steps taken/being taken by the Government to arrest the declining trend and revamp the Heavy Industries sector in the country for further growth?

Answer

MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI ANANT G. GEETE)

(a) to (c): A statement is laid on the table of House.

STATEMENT

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (c) OF LOK SABHA STARRED QUESTION NO. *255 FOR ANSWER ON 15th MARCH, 2016 REGARDING PERFORMANCE OF HEAVY INDUSTRIES

(a) to (c) A Key Component of Heavy Industry is Capital Goods Industry which has important sub sectors like Machine Tools, Textile Machinery, Heavy Electrical equipment, Earthmoving & Mining Machinery, Plastic Machinery, Process Plant Equipment and Tools, Dies & Moulds, Printing machinery, Food Processing Machinery, Metallurgical Machinery. As per the information provided by Industry Associations, production of major Capital Goods Subsectors in the country stood at around Rs 2,30,000 crore, with a 3 year Compounded Annual Growth Rate (CAGR) of 1.1%. Major issues adversely affecting the growth of the Indian Capital Goods Industry are lack of cutting edge technology, lack of skilled manpower, inadequate infrastructure facility, lack of standardization and testing facility. Further global economic slowdown in general has also affected the sector.

In order to address these issues, the Government has launched a Scheme for enhancement of competitiveness in the Indian Capital Goods Sector, with a budgetary outlay of 581.22 crores. The scheme has infrastructural components like setting up of (1) Centre of Excellence for technology development, (2) Integrated Industrial Infrastructural facility i.e. industrial park (3) Common Engineering Facility Centre and (4) Test & Certification Centre & also has provision for financial intervention by way of Technology Acquisition Fund Programme for acquisition/ transfer of technology. Details of the Scheme are available in the Department of Heavy Industry website (dhi.nic.in).

Further, the Government has recently launched a National Policy of Capital Goods on 15.2.2016 under 'Make in India' initiative with a view to realize the potential of domestic capital goods industry. The vision of the policy is to increase the share of capital goods contribution from present 12% to 20% of total manufacturing activity by 2025. Policy, inter-alia, envisages increasing production of capital goods from Rs. 230,000 Cr in 2014-15 to Rs. 750,000 Cr in 2025 and raising direct and indirect employment from the current 8.4 million to 30 million. Policy document is available on the Department of Heavy Industry website (dhi.nic.in).
