

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

UNSTARRED QUESTION NO:1286

ANSWERED ON:18.07.2014

. INDUSTRIAL GROWTH

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

- (a) the details of industrial growth/Index of Industrial Production (IIP) including manufacturing, capital goods and consumer durables including export/import in the industrial sector during each of the last three years and the current year, sector-wise along with their contribution and weightage to the Gross Domestic Product (GDP) of the country;
- (b) the performance of the States/UTs in respect of IIP during the said period;
- (c) whether the Industrial growth/Index of Industrial Production (IIP) has declined during the said period and if so, the details thereof along with the reasons therefor;
- (d) whether any study/review has been conducted to determine the causes of the shrinkage in industrial growth and if so, the details and the outcome thereof;
- (e) whether the Government has fixed any target for industrial growth in the 12th Five Year Plan and if so, the details thereof, sector-wise; and
- (f) the concrete steps taken by the Government to recoup the industrial production/ growth and to achieve the target fixed in this regard?

Answer

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

(a): As per the Index of Industrial Production (IIP), the details of year-wise and sector-wise performance of industrial sector including manufacturing, capital goods and consumer durables during each of the last three years and the current year, is given in Table-1 at Annexure. The Directorate General of Commercial Intelligence & Statistics (DGCI&S), the source agency to provide data on export/import of the country, does not classify industrial export/import separately. As per National Accounts Statistics, the contribution of manufacturing in GDP is about 15 percent while similar information for capital goods and consumer goods is not separately maintained.

(b): The Index of Industrial Production (IIP) published by the Central Statistical Office (CSO) is an all India Index which does not provide information on industrial performance of States/UTs.

(c): The industrial growth, measured in terms of IIP, has declined during the last three years from 2.9% in 2011-12 to 1.1% in 2012-13 and further to (-) 0.1% in 2013-14. The reasons for the decline in industrial growth in recent years are, inter-alia, moderation in domestic demand, inflationary pressures, increase in input costs and slowdown in economies of other parts of the world etc.

(d): The Government reviews the industrial performance on a regular basis. The Government is also aware of surveys, reports and reviews conducted by various organisations analysing the causes of shrinkage in industrial growth.

(e): As per the 12th Five Year Plan document of Planning Commission, the average annual growth rate of industry is envisaged at 7.6 % during 2012-13 to 2016-17. The sector-wise details of growth rates are given in Table-2 at Annexure.

(f): Apart from the measures taken by the Government in the recent past to revive the industrial growth including announcement of National Manufacturing Policy (NMP) in 2011, simplification and rationalization of the Foreign Direct Investment (FDI) Policy, implementation of Delhi Mumbai Industrial Corridor (DMIC) project, conceptualization of Amritsar-Kolkata Industrial Corridor, Chennai-Bengaluru Industrial Corridor, Bengaluru-Mumbai Economic Corridor and East Coast Economic Corridor, launching of the e-biz Mission Mode Project under the National e-Governance Plan, taking proactive steps for ease of doing business by taking stock of best practices across states and endorsing them, identifying and simplifying the approval procedures etc., the Union Budget 2014-15 presented on 10th July, 2014 in the Parliament has also announced a number of measures to revive the industrial growth in the country.

The measures outlined in the Union Budget, inter alia, include increasing composite caps of foreign investment in Defence and

Insurance sectors to 49%, easing norms of built up area and capital conditions for FDI for development of smart cities, capital investment of more than Rs 2 lakh crore by Public Sector Undertakings, incentives for Real Estate Investment Trusts and Infrastructure Investment Trusts to attract long term finance from foreign and domestic sources, raising scope and period of investment allowance to industry and correction of inverted duty structure in manufacturing products etc.