

THE MINISTER OF RAILWAYS (SHRI GEORGE FERNANDES): (a) No, Sir.

(b) Does not arise

Industrial Growth

6234. SHRI UTTAM RATHOD:
SHRI KALP NATH RAI:
SHRI BALESHWAR YADAV:
SHRI R. PRABHU:
PROF. VIJAY KUMAR
MALHOTRA:

Will the Minister of INDUSTRY be pleased to state:

(a) whether there is a fall in industrial growth during the last two years; and

(b) if so, the reasons therefor; and

(c) the steps being taken to quicken the pace of industrial growth?

THE MINISTER OF INDUSTRY (SHRI AJIT SINGH): (a) to (c) According to the Index of Industrial Production, compiled by Central Statistical Organisation., the rates of growth were 7.3 per cent in 1987-88, 8.7 per cent in 1988-89 and 5.7 per cent during April-December., 1989.

The decrease in the rate of growth to 5.7 per cent during April-December, 1989 was due to several factors. In some sectors, this was due to a shortage of raw materials, particularly imported raw materials, because of foreign exchange constraints. International price rises also contributed to significant increases in the domestic prices of some raw materials. In some other sectors, the fall in growth rates may be attributed to the plateauing of demand after extremely high growth rates in previous years. Changes in duty structure also contributed to such demand constraints. The imposition of some specific import restrictions due to balance of

payments considerations contributed to a slow down in the growth in some sectors. Other sectors were also affected by infrastructural constraints such as power shortage in some areas.

Government have been taking various steps to give a further boost to industrial growth through a more liberal licensing policy, promotion efforts, incentives and subsidies, provision of concessional finance and infrastructural development. Various measures taken to boost industrial growth in the industrial sector include delicensing of industries, broad banding, reendorsement of capacity with reference to minimum economic scales of operation, review of industries reserved for small-scale sector, etc.

[*Translation*]

Conversion of Sitapur-Budval Railway Line

6235. SHRI RAM LAL RAHI: Will the Minister of RAILWAYS be pleased to state:

(a) whether the work of conversion of Sitapur-Budval metre gauge line into broad gauge is likely to be taken up;

(b) whether necessary allocation has since been made:

(c) if so, the details thereof;

(d) if not, the reasons therefore; and

(e) the target time fixed for completion of this project?

THE MINISTER OF RAILWAYS (SHRI GEORGE FERNANDES): (a) to (c). conversion of Sitapur-Burhwal MG to BG has not been approved.

(d) and (e). Due to acute constraint of resources and heavy commitments for gauge