

Slow down in industrial production

1555. DR. K.V.P. RAMACHANDRA RAO: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether it is a fact that industrial production has shown slow pace;
- (b) if so, the details thereof;
- (c) how does it compare with the last three years;
- (d) the reasons for the slow production; and
- (e) the incentives and other measures being taken by Government to improve production?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY [(SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) Yes, Sir. Industrial growth, measured in terms of Index of Industrial Production (IIP) moderated to 5.0 per cent during April-September, 2011 compared to 8.2 per cent growth in the corresponding period of previous year.

(b) and (c) The rate of growth of industrial production in last three years was as under:—

Year	Rate of growth of industrial production (per cent)
2008-09	2.5
2009-10	5.3
2010-11	8.2
2010-11 (April-September,)	8.2
2011-12	5.0

(d) The reasons for recent moderation in the industrial growth, among others include moderation in the rate of growth of consumption and capital expenditure, underperformance of the construction sector, hardening of interest rates resulting in increase in the cost of capital and global economic uncertainty etc.

(e) Various steps have been taken by the Government to boost industrial production which, *inter-alia*, include promotion and facilitation of industrial investment including the foreign direct investment; improvement in business environment; development of industrial and other infrastructure through public private initiatives; incentivizing research and development; and development of industry related skills. Government in November, 2011 also announced a National Manufacturing Policy, which aims at making industries globally competitive.