

Decline in growth rate of core sectors

1084. SHRI RAVI PRAKASH VERMA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether there has been a continuous decline in growth rate of core sectors;
- (b) if so, the details thereof;
- (c) whether there is negative growth rates in four out of eight core sectors; and
- (d) if so, the steps taken by the Central Government to boost the growth rate of core sector?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): (a) to (d) The Index of Eight Core Industries (ICI) measures performance of eight infrastructure industries, viz. Coal, Crude Oil, Natural Gas, Refinery Products, Fertilizers, Steel, Cement and Electricity, compiled at the base year of 2004-05. The cumulative growth rate of ICI during April-March, 2014-15 was 3.5% as compared to 4.2% during corresponding period of previous year. However, the production index of various core industries has displayed variation in both direction and magnitude. Crude Oil, Natural Gas, Refinery Products, Fertilizer and Steel have contributed to the lower growth in overall index during April-March, 2014-15 as compared to corresponding period of previous year. Industry wise details of the growth rates are given below:

Growth Rate of Core Industries (in %)

Industry	April-March 2013-14	April-March 2014-15
Coal	1.3	8.2
Crude Oil	-0.2	-0.9
Natural Gas	-13.0	-5.2
Refinery Products	1.5	0.4
Fertilizers	1.5	-0.1
Steel	11.5	0.5
Cement	3.1	5.6
Electricity	6.0	8.0
Overall Index	4.2	3.5

Source: Office of the Economic Adviser, DIPP.

In general, low production of Crude Oil and Natural Gas was *inter-alia*, due to ageing fields, water/sand ingress, environmental problems, etc. and that of Refinery Products was due to shut down of certain units on account of accidents. Further, the decline in production of Steel was mainly on account of procedural and infrastructural bottlenecks faced by the industry. Production of Fertilizer was affected due to non-availability of adequate natural gas, unforeseen shutdown and shortage of raw materials of phosphoric acid, etc.

The Government is taking steps to revive production in these industries which includes measures relating to policy, procedures, improving infrastructure and ensuring availability of required inputs.

Proposal to establish SEZ in U.P.

1085. SHRI PRAMOD TIWARI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether there is any proposal to establish Special Economic Zone in Uttar Pradesh;

(b) if not, the reasons therefor;

(c) whether it will be very helpful for the development of Uttar Pradesh if special Economic Zone is established there; and

(d) whether Government will consider it in future?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): (a) and (b) In the State of Uttar Pradesh, in addition to Noida Special Economic Zone (SEZ) set up by the Central Government and Moradabad SEZ set up by the State Government established prior to the enactment of SEZs Act, 2005, a total of 25 SEZs have been accorded formal approval out of which 22 have been notified. Presently, 11 SEZs are exporting.

(c) Special Economic Zones (SEZs) are notified with the objectives of generating additional economic activity, promoting exports of goods and services; promoting investment from domestic and foreign sources; creating employment opportunities; and developing infrastructure facilities.

(d) Proposals for setting up of SEZs are considered by the Board of Approval only after written consent of the concerned State Government. SEZs being set up under the Act are primarily private investment driven.