

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF INDUSTRIAL POLICY & PROMOTION**

LOK SABHA

**UNSTARRED QUESTION NO. 1429.
TO BE ANSWERED ON MONDAY, THE 5TH MARCH, 2018.**

UNUTILISED INDUSTRIAL PRODUCTION CAPACITY

1429. SHRI RAM CHARITRA NISHAD:

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

वाणिज्य एवं उद्योग मंत्री

- (a) whether currently, the country-wide average unutilised industrial production capacity is about 26 per cent;
- (b) if so, whether the Government is considering to ensure full use of the industry's unutilised capacity; if so, the details thereof; and
- (c) whether the Government proposes to increase domestic demand as well as boost exports to ensure the entire capacity is utilised and if so, the details thereof?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्यमंत्री (श्री सी.आर. चौधरी)

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY
(SHRI C.R. CHAUDHARY)**

- (a): As per the latest round of Order Books, Inventories and Capacity Utilisation Survey (OBICUS), conducted by the Reserve Bank of India (RBI) for the quarter July-September 2017, the details of the indicative capacity utilised is given below in Table.

Estimates of Capacity Utilisation (manufacturing sector)		
Quarter	Number of reporting companies	Capacity Utilisation (in per cent)
Q1:2016-17	903	71.7
Q2:2016-17	902	72.0
Q3:2016-17	710	71.0
Q4:2016-17	724	74.6
Q1:2017-18	805	71.2
Q2:2017-18	756	71.8
Source: Reserve Bank of India		

(b) & (c): The key drivers of capacity utilisation are domestic demand and exports. The Government is continuously taking steps to boost overall domestic demand and exports. Continuing investments in creation of new infrastructure and strengthening existing infrastructure have been the focus of the government policy initiatives. The Government has proposed an outlay of Rs.5.97 lakh crore for infrastructure in the Budget 2018-19. Increased investment in rural infrastructure, in schemes such as Prime Minister Gram Sadak Yojana and other flagship schemes, have strong multiplier effects to generate demand for many industries. In order to boost exports, the Foreign Trade Policy (FTP) 2015-20 provides a framework for increasing exports of goods in line with the 'Make in India' programme. As a follow up, the Mid-Term Review of the Foreign Trade Policy (FTP) 2015-20 has further widened the scope of Merchandise Exports from India Scheme (MEIS) and Service Exports from India Scheme (SEIS) to boost exports.
