

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE
LOK SABHA**

**UNSTARRED QUESTION NO. 486.
TO BE ANSWERED ON WEDNESDAY, THE 16TH SEPTEMBER, 2020.**

INDUSTRIAL GROWTH

486. SHRI UPENDRA SINGH RAWAT:

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

वाणिज्य एवं उद्योग मंत्री

- (a) the rate of industrial growth during the last three years and the current year in the country particularly in Uttar Pradesh;
- (b) the details of industrial sectors registering low/ negative growth rate alongwith the reasons therefor; and
- (c) the measures taken by the Government to increase the growth rate in the aforesaid sectors and the outcome achieved therefrom?

ANSWER

वाणिज्य एवं उद्योग मंत्री (श्री पीयूष गोयल)

**THE MINISTER OF COMMERCE & INDUSTRY
(SHRI PIYUSH GOYAL)**

- (a) & (b):** The rate of industrial growth in percentage terms measured by Index of Industrial Production during the last three years and current year is given below:

Growth of Index of Industrial Production(IIP)				
Years	2017-18	2018-19	2019-20	2020-21
Overall growth of Industries in India	4.4	3.8	-0.8	-29.2 (Apr-July)*
Growth of Industries in U.P	6.5	5.4	-3.8	-21.9 (Apr-June)*

* Provisional Source: National Statistical Office (NSO)/ Directorate of Economics & Statistics, Govt. of U.P

Tobacco products, paper and paper products, chemicals and chemical products, rubber and plastic products and printing and reproduction of recorded media have registered low/ negative growth rate over the last three years and the current year. Strength of Industrial Sector can also be gauged from the ability to attract Foreign Direct Investment (FDI) which grew at 20% in 2019-20.

The unprecedented supply chain disruption and the overall decrease in demand due to the Covid-19 pandemic resulted in the low/negative growth of the sectors.

(c): Promotion of industries is a continuous and ongoing effort of the Government. Government has taken a number of steps, in addition to the ongoing schemes, to boost the growth of industries. The measures taken in few important areas are highlighted below:

- 1) **Atmanirbhar Package** to boost industrial growth has been announced by the Government for Rs. 20.97 lakh crore with bold reforms in a number of sectors. The Emergency Credit Line Guarantee Scheme (ECLGS), having provision of Rs 3 lakh crores, is in the form of a fully guaranteed emergency credit line to monitor lending institutions. Financial support has been given to the stressed MSMEs with infusion of Rs.20,000 crore equity support through Subordinate Debt. Fund of Funds created to infuse equity worth Rs.50,000 crore in the MSME Sector by setting up Rs.10,000 crore Corpus Fund. Also, Government is ensuring timely payment to the MSMEs by instructing all Government of India and CPSEs to clear all receivables of MSMEs within the next 45 days. Procurement from domestic companies is being encouraged by disallowing global tender in government procurement tenders upto Rs 200 crores.
- 2) **Higher FDI** has been allowed through automatic route in a number of sectors by streamlining and liberalising several sectors. Empowered Group of Secretaries (EGoS) & Project Development Cells (PDCs) have been set up in order to provide support and facilitation to investors for investing in India and to boost growth in keysectors of the economy
- 3) A **centralized Investment Clearance Cell** is being created, which would provide end-to-end facilitation support, including pre-investment advisory, information related to land banks and facilitating clearances at Central and State level.
- 4) **Corporate Taxes** have been reduced to encourage domestic manufacturing. With effect from FY 2019-20, corporate tax for domestic companies has been reduced to 22 per cent and for new manufacturing companies, incorporated on or after 01.10.2019 to 15 per cent. The tax rate of 15% has also been extended to new electricity generation companies.
- 5) In order to realize the economies of scale, incentives are extended to units as per annual increases in their production/sale under **Production Linked Incentive (PLI)scheme**. PLI scheme has been announced for large scale electronics manufacturing(Rs.40,955 crore), medical devices (Rs.3,420 crore) and KSMs/ Drug Intermediatesand APIs (Rs. 6,940 crore).

- 6) In order to promote domestic manufacturing of sectors facing high imports or cheaper imports, incentives are provided through rationalization of Basic Customs Duty on identified products under **Phased Manufacturing Programme (PMP)**. Presently, PMP is in operation for Cellular Mobile Handsets and e-vehicles.
- 7) The Government has launched the **National Infrastructure Pipeline (NIP)** in December, 2019 to provide world-class infrastructure across the country and improve the quality of life for all citizens. As per Final Report submitted by the NIP Task Force, the projected total expenditure on infrastructure would be of Rs. 111 lakh crore during the period FY 2020-25.

India has responded gloriously to the Covid-19 challenge. Indian manufacturers have enhanced production of PPE, N-95/N-99 masks, HCQ medicine and oxygen cylinders to meet the domestic/external requirements. The Indian economy is known for its resilience and is expected to gradually return to its high growth performance in the coming months.
