

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 2295
TO BE ANSWERED ON MARCH 8th, 2021

CAPITAL GOODS INDUSTRIES

2295. SHRI S. JAGATHRAKSHAKAN:

Will the Minister of FINANCE be pleased to state:

- (a) whether it is true that though consumer goods industries have shown the biggest expansion, capital goods industries are still in the contraction zone;
- (b) if so, the preventive measures taken by the Government to improve the situation;
- (c) whether it is also true that the actual fiscal impact on the Government's finances is significantly less than 15 per cent figure; and
- (d) if so, the counter measures taken by the Government in this regard?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)

(a) to (d) National Statistical Office, Ministry of Statistics and Programme Implementation releases data on Index of Industrial Production (IIP), including use based classification e.g. capital goods, consumer goods etc. on a monthly basis. Use based classification (UBC) data for capital goods, consumer durables and consumer non-durables from April 2020 onwards are given below:

Table : Monthly growth rate (in per cent) of capital goods, consumer durables and consumer non-durables

Months /UBC	Capital Goods	Consumer Durables	Consumer Non-Durables
April 2020	-92.7	-95.7	-48.1
May 2020	-65.9	-70.3	-9.7
June 2020	-37.4	-34.8	6.9
July 2020	-22.8	-23.7	1.8
August 2020	-14.4	-10.2	-3.0
September 2020	-1.2	5.3	2.4
October 2020	3.5	18.0	7.1
November 2020	-7.4	-3.4	-1.3
December 2020*	0.6	4.9	2.0

Source: MOSPI. *Quick Estimate.

The Government has taken several measures to boost the industry sector which includes introduction of production linked incentives to create manufacturing global champions in 13 sectors, commercialization of the mineral sector, labour reforms, change in the definition of MSMEs, collateral free automatic loans for businesses and subordinate debt for stressed MSMEs, relief to MUDRA-Shishu loans, and Ease of Doing Business for businesses including MSMEs. The National Infrastructure Pipeline, change in rules to enable enhanced public procurement from Indian companies and equity infusion through MSME fund of funds will also impact the industry sector positively.

The fiscal impact on the Government Finances, as measured in fiscal deficit terms, increased from Rs.7,96,337 Crore in BE 2020-21 to Rs.18,48,655 Crore in RE 2020-21.
