

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

**UNSTARRED QUESTION NO. 285.  
TO BE ANSWERED ON WEDNESDAY, THE 3RD FEBRUARY, 2021.**

**GROWTH RATE IN CORE SECTORS**

**285. SHRI RAVNEET SINGH BITTU:**

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

**वाणिज्य एवं उद्योग मंत्री**

- (a) whether the core sector growth is in negative zone for the first time in four years in the country;
- (b) if so, the details thereof of the last one year, sector-wise and month-wise along with details of the worst impacted sectors in terms of core growth;
- (c) whether the Government has identified the reasons for the drop in the core sector growth in the country;
- (d) if so, the details thereof, sector-wise; and
- (e) the details of the measures taken/being taken by the Government to ensure an upward trend in core sector growth in the country?

**ANSWER**

**वाणिज्य एवं उद्योग मंत्रालय में राज्यमंत्री (श्री सोम प्रकाश)**

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY  
(SHRI SOM PARKASH)**

- (a) & (b):** After a steep decline in March and April 2020, the overall growth rate of production of eight core industries started showing signs of recovery since May 2020. The sector-wise and month-wise details of growth rate in the eight core industries since November 2019 are at Annex-I.
- (c) & (d):** The production of eight Core industries has been adversely affected by the Covid-19 pandemic and associated disruptions in demand and supply of goods and services. Some of the demand side factors responsible for drop in production are decline in private final consumption expenditure and gross fixed capital expenditure, uncertainty in business sentiments, etc. The imposition of nationwide lockdown to contain the outbreak of Covid-19 pandemic was a major supply side factor responsible for drop in the core sector growth.
- (e):** Industrial growth depends on a number of factors including structural, external, fiscal and industrial factors. The sudden outbreak of COVID-19 has severely impacted some of the major economies of the world,

viz. USA, European Union, UK and Japan. In India too, various sectors were affected due to the nation-wide lockdown. However, after the lockdown was relaxed, improvement has been witnessed in several sectors of the economy.

Some of the steps taken by the Government to ensure growth in core sector and to promote domestic industry are as follows:

- (i) Government is promoting Public Procurement, National Infrastructure Pipeline and Production Linked Incentive Schemes to boost domestic production. Government has also announced Aatmanirbhar Package of Rs 29.87 lakh crores (15% of GDP) with bold reforms in number of sectors. Announcement of structural reforms such as deregulation of the agricultural sector, change in definition of MSMEs, commercialization of coal mining, higher FDI limits in defence and space sector, development of Industrial Land/ Land Bank and Industrial Information System, revamp of Viability Gap Funding scheme for social infrastructure, new power tariff policy and incentivizing States to undertake sector reforms as part of the Aatmanirbhar Package.
- (ii) Regulatory and compliance measures such as postponing tax-filing and other compliance deadlines, reduction in penalty interest rate for overdue GST filings, change in government procurement rules, faster clearing of MSME dues, IBC related relaxations for MSMEs, amongst others have been taken to boost the industry.
- (iii) To facilitate investment in the country, Empowered Group of Secretaries (EGoS) and Project Development Cells (PDCs) have been set up in Ministries/Departments.
- (iv) To contain surge in imports of non-essential commodities, corrective steps such as increase in basic customs duty or through other non-tariff measures like issue of Quality Control Orders have been taken. One District One Product Scheme has also been launched to realize the true potential of a district.

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## ANNEXURE-I

**ANNEXURE REFERRED TO IN REPLY TO PARTS (a) & (b) OF THE LOK SABHA UNSTARRED QUESTION NO. 285 FOR ANSWER ON 3<sup>RD</sup> FEBRUARY, 2021.**

### Growth rate (in %) of production of Eight Core Industries (Year on Year basis)

Months/Years	Overall Growth rate	Coal	Crude Oil	Natural Gas	Petroleum Refinery Products	Fertilizers	Steel	Cement	Electricity
<b>Weight (%)</b>		<b>10.33</b>	<b>8.98</b>	<b>6.88</b>	<b>28.04</b>	<b>2.63</b>	<b>17.92</b>	<b>5.37</b>	<b>19.85</b>
Nov-19	0.7	-3.5	-6.0	-6.4	3.1	13.6	7.0	4.3	-4.9
Dec-19	3.1	6.1	-7.4	-9.2	3.0	10.2	8.7	5.5	0.0
Jan-20	2.2	8.0	-5.3	-9.0	1.9	-0.1	1.6	5.1	3.2
Feb-20	6.4	11.3	-6.4	-9.6	7.4	2.9	2.9	7.8	11.5
Mar-20	-8.6	4.0	-5.5	-15.1	-0.5	-11.9	-21.9	-25.1	-8.2
Apr-20	-37.9	-15.5	-6.4	-19.9	-24.2	-4.5	-82.8	-85.2	-22.9
May-20	-21.4	-14.0	-7.1	-16.8	-21.3	7.5	-40.4	-21.4	-14.8
Jun-20	-12.4	-15.5	-6.0	-12.0	-8.9	4.2	-23.2	-6.8	-10.0
Jul-20	-7.6	-5.7	-4.9	-10.2	-13.9	6.9	-6.5	-13.5	-2.4
Aug-20	-6.9	3.6	-6.3	-9.5	-19.1	7.3	0.5	-14.5	-1.8
Sep-20	0.6	21.0	-6.0	-10.6	-9.5	-0.3	6.2	-3.4	4.8
Oct-20*	-0.9	11.7	-6.2	-8.6	-17.0	6.3	4.0	3.2	11.2
Nov-20*	-1.4	3.3	-4.9	-9.3	-4.8	1.6	-0.5	-7.3	3.5
Dec-20*	-1.3	2.2	-3.6	-7.2	-2.8	-2.9	-2.7	-9.7	4.2
2016-17(Apr-Mar)	4.8	3.2	-2.5	-1.0	4.9	0.2	10.7	-1.2	5.8
2017-18(Apr-Mar)	4.3	2.6	-0.9	2.9	4.6	0.03	5.6	6.3	5.3
2018-19(Apr-Mar)	4.4	7.4	-4.1	0.8	3.1	0.3	5.1	13.3	5.2
2019-20(Apr-Mar)	0.4	-0.4	-5.9	-5.6	0.2	2.7	3.4	-0.9	0.9
2020-21(Apr-Dec)*	-10.1	-1.9	-5.7	-11.6	-13.5	3.0	-16.7	-18.3	-3.7

\* Provisional

Eight Core Industries includes Coal, Crude Oil, Natural Gas, Petroleum Refinery, Fertilizers, Steel, Cement & Electricity.

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