

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

LOK SABHA

**UNSTARRED QUESTION NO. 4802.
TO BE ANSWERED ON WEDNESDAY, THE 24TH MARCH, 2021.**

CORE INFRASTRUCTURE SECTORS

**4802. SHRI K. NAVASKANI:
SHRI BALUBHAU ALIAS SURESH NARAYAN DHANORKAR:**

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

वाणिज्य एवं उद्योग मंत्री

- (a) whether the Government is aware that output of eight core infrastructure sectors has dropped by 8.5 per cent in August 2020, contracting for the sixth consecutive month;
- (b) if so, the details thereof and the reasons therefor;
- (c) the rate of contraction in the said eight key sectors from the year 2014 to November, 2020; and
- (d) the measures being taken by the Government to reverse this trend?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री सोम प्रकाश)

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

(a) to (c): The monthly Index of Eight Core Industries (ICI) is a production volume index. ICI measures collective and individual performance of production in selected eight core industries viz. Coal, Crude Oil, Natural Gas, Refinery Products, Fertilizers, Steel, Cement and Electricity. The details of the growth of Index of Eight Core Industries during last year and since 2014-15 are attached in **Annex**.

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. 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.

(d): To improve the core sector growth in the country the prominent measures taken recently are as follows:

- The National Infrastructure Pipeline is expected to significantly boost infrastructure and spur growth impulses in the economy.
- Make in India, Pradhan Mantri Gram Sadak Yojana, Pradhan Mantri Awaas Yojana – Gramin, PM Awaas Yojana (Urban), Swachh Bharat Mission, Jal Jeevan Mission to provide ‘Har Ghar Jal’ as well as other infrastructure and housing schemes will stimulate the production and sale of **cement, steel, and other construction materials** resulting in multiplier effect on the economy.
- As part of Atmanirbhar Bharat Abhiyan, a Production Linked Incentive (PLI) scheme has been announced to enhance production of ‘**Speciality Steel**’, incorporating four different product categories.
- In the **Coal Sector**, amendments in the the Coal Mines (Special Provisions) Act, 2015 through the Mineral Laws (Amendment) Act, 2020 enacted on 13.03.2020. A total of 11 coal blocks are allocated under Mines and Minerals (Regulation and Development) (MMDR) Act. Successful auction done for 19 out of the of 38 coal mines for commercial mining in June-2020, (a success rate of 50 per cent as compared to 30 per cent in the past).
- For enhancing **production of oil and gas**, Government has approved major reforms in exploration and licensing policy to enhance exploration activities, attract domestic and foreign investment in unexplored/unallocated areas of sedimentary basins and accelerate domestic production of oil and gas from existing fields. The policy reforms inter-alia aims to boost exploration activities with greater weightage to work programme, simplified fiscal and contractual terms, bidding of exploration blocks under Category II and III sedimentary basins etc.
- The Integrated **Power** Development Scheme (IPDS) has been approved to facilitate state utilities to ensure quality and reliable 24x7 power supply in the urban areas with a total outlay of Rs 32,612 crores. Further, the country has already accomplished two major landmarks in rural electrification arena: (i) 100 per cent village electrification under Deen Dayal Upadhyaya Gram Joyti Yojana, and (ii) universal household electrification under ‘Pradhan Mantri Sahaj Bijli Har Ghar Yojana’ (Saubhaagya).
- To boost the **Mining sector**, Government has announced major initiatives under Atmanirbhar Bharat Abhiyan, which inter alia include: (a) introduction of a seamless composite exploration-cum-mining cum-production regime; (b) 500 mining blocks to be offered through an open and transparent auction process; (c) joint auction of bauxite and coal mineral blocks; (d) removal of distinction between

captive and non-captive mines; (e) Mineral index for different mineral; and (f) rationalization of stamp duty. These structural reforms are aimed to boost growth, employment and to bring state of art technology in the mining sector in general and in exploration in particular.

- To boost domestic manufacturing, industrial production and GDP growth, Production-Linked Incentive (PLI) Scheme in 13 key sectors, under the aegis of AatmaNirbhar Bharat, have been announced for enhancing India's manufacturing capabilities and exports. PLI Schemes for medical devices; mobile phones; electronic components; pharmaceutical drugs; telecom and network equipment; and electronic technology products have been notified.
- Empowered Group of Secretaries (EGoS) and Project Development Cells (PDCs) have been set up in the Ministries/Departments to facilitate and promote investment. A Single Window System involving clearances by Ministries /Departments and selected State Governments is on the anvil to provide end-to-end facilitation support.
- In the Union Budget 2021-22, with a view to promote domestic manufacturing, announcements have been made on setting up seven Mega Investment Textiles Parks (MITRA) over the next 3 years with plug-and-play facilities, rationalization of customs duty structure across sectors and for a Scrappage Policy to phase out old and unfit commercial vehicles.
- To boost domestic manufacturing, Department for Promotion of Industry and Internal Trade has taken various measures like amendments of Public Procurement Rules to enhance minimum local content; setting up of Fund of Funds ,Seed Fund, Credit guarantee Schemes to build up a strong eco-system for nurturing innovation and Startups; development of Industrial Land/ Land Bank and Industrial Information System; creating world class infrastructure through developing nodes across various Industrial Corridors; formulation of National Master Plan on multimodal connectivity infrastructure; Industrial development schemes for North-East States, Union Territory of J &K and Union Territory of Ladakh, for the States of Himachal Pradesh & Uttarakhand have been in force to boost industrialization in NE and hilly States.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) TO (c) OF THE LOK SABHA UNSTARRED QUESTION NO. 4802 FOR ANSWER ON 24.03.2021.

Table 1: Growth rate of Eight Core Industries \$ (month-wise on Y-o-Y basis in per cent)

Sector	Coal	Crude Oil	Natural Gas	Refinery Products	Fertilizers	Steel	Cement	Electricity	Overall Growth
Jan-20	8.0	-5.3	-9.0	1.9	-0.1	1.6	5.1	3.2	2.2
Feb-20	11.3	-6.4	-9.6	7.4	2.9	2.9	7.8	11.5	6.4
Mar-20	4.0	-5.5	-15.1	-0.5	-11.9	-21.9	-25.1	-8.2	-8.6
Apr-20	-15.5	-6.4	-19.9	-24.2	-4.5	-82.8	-85.2	-22.9	-37.9
May-20	-14.0	-7.1	-16.8	-21.3	7.5	-40.4	-21.4	-14.8	-21.4
Jun-20	-15.5	-6.0	-12.0	-8.9	4.2	-23.2	-6.8	-10.0	-12.4
Jul-20	-5.7	-4.9	-10.2	-13.9	6.9	-6.5	-13.5	-2.4	-7.6
Aug-20	3.6	-6.3	-9.5	-19.1	7.3	0.5	-14.5	-1.8	-6.9
Sep-20	21.0	-6.0	-10.6	-9.5	-0.3	6.2	-3.4	4.8	0.6
Oct-20	11.7	-6.2	-8.6	-17.0	6.3	5.9	3.2	11.2	-0.5
Nov-20*	3.3	-4.9	-9.3	-4.8	1.6	-0.5	-7.3	3.5	-1.4
Dec-20*	2.2	-3.6	-7.2	-2.8	-2.9	2.6	-7.2	5.1	0.2
Jan-21*	-1.8	-4.6	-2.0	-2.6	2.7	2.6	-5.9	5.1	0.1

*Provisional

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

Table 2: Growth rate of Eight Core Industries \$ (year-wise on Y-o-Y basis in per cent)

Sector	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Apr- Jan 2019-20	Apr- Jan 2020-21*
Coal	8.0	4.8	3.2	2.6	7.4	-0.4	-2.5	-1.9
Crude Oil	-0.9	-1.4	-2.5	-0.9	-4.1	-5.9	-6.0	-5.6
Natural Gas	-5.3	-4.7	-1.0	2.9	0.8	-5.6	-4.3	-10.7
Refinery Products	0.2	4.9	4.9	4.6	3.1	0.2	-0.4	-12.4
Fertilizers	1.3	7.0	0.2	0.03	0.3	2.7	4.2	3.0
Steel	5.1	-1.3	10.7	5.6	5.1	3.4	6.4	-14.0
Cement	5.9	4.6	-1.2	6.3	13.3	-0.9	1.1	-16.6
Electricity	14.8	5.7	5.8	5.3	5.2	0.9	0.9	-2.7
Overall Growth	4.9	3.0	4.8	4.3	4.4	0.4	0.8	-8.8

*Provisional

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