

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
DEPARTMENT OF HEAVY INDUSTRY

LOK SABHA
UNSTARRED QUESTION NO.3254
TO BE ANSWERED ON 06.12.2016

Production and Growth Rate of Capital Goods Sector

3254. SHRI RABINDRA KUMAR JENA:

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) the percentage share of capital goods industry in the overall manufacturing sector and the percentage of increase or decrease over the years;
- (b) the production and growth rate of the capital goods sector over the years;
- (c) whether the targeted growth rate of 16.8% has been achieved and if not, the reasons therefor;
- (d) India's share in the global capital goods exports since the last few decades; and
- (e) the share of imports in the capital goods sector as compared to the last decade?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND
PUBLIC ENTERPRISES (SHRI BABUL SUPRIYO)**

(a) to (c): Share of Capital Goods Industry in the overall manufacturing sector is about 12%

As regards capital goods sector, the growth rate for the previous years is as indicated below;

| 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|----------------|----------------|----------------|----------------|
| -6.3% | -3.7% | 6.3% | -2.9% |

Source: CSO)

Desirable growth in the Sector could not be achieved. Major issues adversely affecting the growth of the Indian Capital Goods Industry are lack of cutting edge technology, lack of skilled manpower, inadequate infrastructure facility, lack of standardization and testing facility. Further, overall economic slowdown, fall in demand of Auto sector and construction & Mining sector has also contributed to the decline in growth of Capital Goods Industry

(d): Comparative data on India's share in global capital goods exports or imports for the past decades is not specifically available. However, India's share in global export of capital goods has generally been less than 1%.
