

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

LOK SABHA
UNSTARRED QUESTION NO. 3448
TO BE ANSWERED ON 04.08.2014

Growth of Industries

3448. SHRI B. SRIRAMULU:
SHRI D.K. SURESH:

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

- (a) the details of the growth of various sectors of the industry viz. heavy engineering equipment & machine tools, automotive, heavy electrical engineering etc., during each of the last three years and the current year, sector-wise;
- (b) whether the Government has achieved the growth targets of these sectors during the said period;
- (c) if not, the reasons therefor; and
- (d) the corrective steps taken by the Government to encourage these sectors to achieve their growth targets?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND
PUBLIC ENTERPRISES (SHRI PON. RADHAKRISHNAN)**

(a): The production figures for the last three financial years for different sectors of industries are indicated below:

	(Rs. crore)			
Sectors of Industry	2011- 12	2012- 13	2013- 14	Growth (%)
Machine Tools	4299	3885	3481	(-)10
Plastic Processing Machinery	2060	1625	2070	27
Textile Machinery	5280	5790	6250	8
Heavy Electrical & Power Plant equipments	135927	134375	131825	(-)2
Vehicle Industry Turnover	281591	295616	278565	(-)5.77
Auto component Industry Turnover	204670	216094	210600	(-)2.54

(b): No specific target has been fixed by the Government for these sectors. However, in the Working Group Report on Capital Goods & Engineering Sector for the 12th Five Year Plan (2012- 2017) projected production figures estimated for 2013- 14 vis- a- vis actual figures are as under:

(Rs. crore)

Capital Goods Sector	Projected production	Actual production
Machine Tools	7078	3481
Plastic Processing Machinery	6850	2070
Textile Machinery	9400	6250
Heavy Electrical & Power Plant equipments	167521	131825

Similarly, in the Working Group Report in respect of Automobile sector for the 12th Five Year Plan projected turnover figures estimated for 2013- 14 vis-a-vis actual figures are indicated below:

(Rs. crore)

Automobile Sector	Projected production	Actual production
Vehicle Industry Turnover	357990	278565
Auto Component Industry	349800	210600

(c): The estimated projection figures for Capital Goods Sector were not realised due to general economic slowdown leading to lower investments. For Automobile Sector, growth has been dismal due to slow economic growth, negative consumer sentiment, reduced purchasing power due to high inflation, high vehicle finance rate etc.

(d): The reduction in excise duty from 12% to 10% on Capital Goods has been extended till 31.12.2014 which would help in accelerating the industrial growth.

For Automobile Sector, Government has reduced excise duty on vehicles until December, 2014 to help the industry revive from the slowdown. Reduction in excise duty is as under:

- (i) For Small Cars, 2 wheelers and 3 wheelers and commercial vehicles from 12% to 8%.
- (ii) For SUV from 30% to 24%.
- (iii) On cars of length more than 4000 mm but engine capacity less than 1500 cc from 24% to 20%.
- (iv) On cars of length more than 4000 mm and engine capacity above 1500 cc from 27% to 24%.
