

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

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 4454**  
**TO BE ANSWERED ON 07.05.2013**

**Poor state of electrical equipment industry in the countries**

4454. SHRIMATI JAYA BACHCHAN:

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

- (a) whether Government has taken note of the poor state of electrical equipment industry in the country;
- (b) whether the poor performance of the industry is hampering the growth of the power sector and making it import dependent;
- (c) whether Government has taken any step to address the issue;
- (d) if so, the details thereof; and
- (e) if not, the reasons therefor?

**ANSWER**

**MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES**  
**(SHRI PRAFUL PATEL)**

(a): Electrical Equipment Industry has enough installed capacity to meet the Power Sector demand. However, this built-up capacity currently stands under-utilised across several products due to sluggish domestic demand on account of the slowdown in the country's power sector and a surge in imports of electrical equipment in recent years.

(b): The slowdown in the growth of power sector is on account of problems in fuel/coal linkages for new and existing power generation projects, land acquisition issues, delays in environmental and other clearances, precarious financial health of the power distribution utilities etc. During the five year period, 2006-07 to 2011-12, India's import of electrical equipment increased at a compound annual growth rate (CAGR) of over 30% in rupee terms and were INR 75,175 crores in 2011-12, according to DGCIS data. Imports have now captured over 40% of the market for electrical equipment in India.

(c) & (d): The Government has taken steps towards reducing the disadvantage level suffered by the domestic power equipment industry vis-a-vis foreign suppliers including from China, by introducing a 5% import duty.

In order to develop the Industry and to accelerate its growth, Department of Heavy Industry with support from IEEMA, and in consultation with all the key stakeholders has prepared Indian Electrical Equipment Mission Plan (2012-22). In this Mission Plan, five areas have been identified for strategic and policy interventions, both by the Government and the industry, and these include industry competitiveness, technology up gradation, skills development, exports and conversion of latent demand.

(e): Nil in view of (C) & (d) above.

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