

Pattern of Industrial Growth

7.10 The trends in growth rates of overall industrial production and its three major sectors *viz.*, mining, manufacturing and electricity generation are given in Table 7.1. The Index of Industrial Production which measures industrial growth has been revised since April 1998, by deleting four items (Radio receivers, Engines, Photosensitised Paper and Chassis for HCVs) with a combined weight of 8.5133. In addition the index for the mining group has been revised since April 1994. The comparative movement of the original and revised series of the Index for Industrial Production are given in Table 7.2. Industrial production measured by the Index of Industrial Production registered a growth rate of 6.6 per cent in 1999-00 compared to 4.1 per cent in 1998-99. This was due to better performance of the manufacturing sector which recorded a higher growth rate of 7.1 per cent in 1999-00 when compared to 4.4 per cent in 1998-99. The mining sector recorded a positive growth rate of 1.0 per cent in 1999-00 compared to a 0.8 per cent decline in 1998-99. Electricity sector in 1999-00 recorded a growth rate of 6.6 per cent marginally higher than 6.5 per cent in 1998-99. During 2000-01 (April - December) industrial production registered a growth rate of 5.7 per cent, contributed by 5.9 per cent in

manufacturing, 4.8 per cent in electricity and 4.1 per cent in mining as compared to 6.4 per cent overall contributed by 7.0 per cent, 7.7 per cent and 0.5 respectively during the corresponding period of last year.

7.11 According to the use-based classification, growth rate of Consumer durables has sharply increased to 17.5 per cent in 2000-01 (April-December) from 14.0 per cent during the corresponding period of last year. Consumer non-durables during 2000-01 (April-December) have registered a growth rate of 5.7 per cent as compared to 2.2 per cent registered during the corresponding period of last year. Overall consumer goods during 2000-01 (April-December) have registered a growth rate of 8.5 per cent as compared to 5.0 per cent during the corresponding period of last year. Growth rate of basic goods during 2000-01 (April-December) declined to 4.8 per cent from 5.2 per cent during the corresponding period of last year. Growth rate of Intermediate Goods declined to 4.7 per cent during 2000-01 (April-December) from 9.1 per cent during the corresponding period of last year. Capital Goods recorded a growth rate of 3.2 per cent during 2000-01 (April-December) as compared to 7.5 per cent recorded in the corresponding period of last year (Table 7.3).

TABLE 7.2
Pre-Revised and Revised Annual Sectoral Indices and Growth Rates
 (Base:1993-94=100)

Period (Weight)	Pre-Revised IIPs				Revised IIPs			
	Mining (10.5)	Manf. (79.4)	Electricity (10.2)	General (100.0)	Mining (10.5)	Manf. (79.4)	Electricity (10.2)	General (100.0)
Annual Indices								
1994-95	107.6	109.1	108.5	108.9	109.8	109.1	108.5	109.1
1995-96	117.9	124.5	117.3	123.1	120.5	124.5	117.3	123.3
1996-97	115.6	133.6	122.0	130.6	118.2	133.6	122.0	130.8
1997-98	122.4	142.5	130.0	139.1	126.4	142.5	130.0	139.5
1998-99	120.3	148.3	138.4	144.4	125.4	148.8	138.4	145.2
1999-00	121.2	162.0	146.8	156.2	126.7	159.4	147.6	154.8
2000-01(Apr-Oct.)*	124.8	161.1	152.8	156.4	126.5	162.0	152.8	157.3
2000-01(Apr-Dec.)	No pre-revised estimates				128.6	164.4	153.6	159.6
Annual Growth Rates (per cent)								
1994-95	7.6	9.1	8.5	8.9	9.8	9.1	8.5	9.1
1995-96	9.6	14.1	8.1	13.0	9.7	14.1	8.1	13.0
1996-97	-2.0	7.3	4.0	6.1	-1.9	7.3	4.0	6.1
1997-98	5.9	6.7	6.6	6.5	6.9	6.7	6.6	6.7
1998-99	-1.7	4.1	6.5	3.8	-0.8	4.4	6.5	4.1
1999-00	0.7	9.2	6.1	8.2	1.0	7.1	6.6	6.6
2000-01(Apr-Oct.)	7.5	5.8	4.6	5.7	4.0	6.2	4.6	5.8
2000-01(Apr-Dec.)	No pre-revised estimates				4.1	5.9	4.8	5.7

Note: The indices for April 1998 onwards are based on weights redistributed within the Manufacturing sector and are detailed in the text. * The Pre-revised IIP are available only till October, 2000.

7.12 At 2-digit level of classification of industry in 2000-01 (April-December) two groups out of seventeen, recorded a decline. Five industry groups registered positive growth, but less than 5 per cent. Seven industry groups registered growth between 5-10 per cent and two groups registered a growth rate between 10-15 per cent. One industry group, namely, metal product and parts except machinery and equipment has registered a growth rate of 22.9 per cent. (Table 7.4).

7.13 Six core industries (i.e. electricity, crude oil, refinery, coal, steel, and cement), having a weight of 26.7 per cent in overall IIP, grew at 7.7 per cent during 2000-01 (April-December) as compared to 9.1 per cent during the corresponding period of last year. The petro-refinery has improved its performance to 25.9

per cent in 2000-01 (April-December) compared to 22.0 per cent during the corresponding period of last year. Steel production during 2000-01 (April-December) decreased to 12.8 per cent compared to 15.0 per cent in the corresponding period of the last year. Crude petroleum during 2000-01 (April-December) recorded a positive growth of 1.0 per cent compared to a decline of 0.4 per cent during the corresponding period of last year. Cement and electricity show lower growth rates of 2.3 & 4.7 per cent during 2000-01 (April-December) as compared to 16.0 per cent and 7.5 per cent during the corresponding period last year. Coal production has shown some improvement with its growth rate increasing to 5.9 per cent during 2000-01 (April-December) as compared to 0.6 per cent during the corresponding period of the last year.

TABLE 7.3
Growth rates of industrial production by use-based classification
 (Base : 1993-94=100) (per cent)

Sectors	(Weight)	1995-96	1996-97	1997-98	1998-99	1999-00	April-December	
							1999-00	2000-01
Basic Goods	35.6	10.8	3.0	6.9	1.6	5.3	5.2	4.8
Capital Goods	9.3	5.3	11.5	5.8	12.6	6.9	7.5	3.2
Intermediate Goods	26.5	19.4	8.1	8.0	6.1	8.8	9.1	4.7
Consumer Goods	28.7	12.8	6.2	5.5	2.2	5.7	5.0	8.5
of which								
(Consumer Durables)	(5.4)	(25.8)	(4.6)	(7.8)	(5.6)	(14.2)	(14.0)	(17.5)
(Consumer Non-Durables)	(23.3)	(9.8)	(6.6)	(4.8)	(1.2)	(3.2)	(2.2)	(5.7)
IIP (Index of Indl. Prodn.)	100	13.0	6.1	6.7	4.1	6.6	6.4	5.7

Note: The indices for April 1998 onwards are based on revised weights.

TABLE 7.4
Growth rates of industrial production by broad groups of manufacturing
(Base : 1993-94=100) *(per cent)*

Ind. Code	Sectors	Weight	1998-99	1999-2000	Apr'00	May'00	Jun'00	Jul'00	Aug'00	Sep'00	Oct'00	Nov'00	Dec'00	Apr-Dec.	
														99-00	2000-01
20-21	Food Products	9.1	0.7	4.2	13.6	8.6	3.7	5.3	8.5	12.7	7.7	20.1	3.9	0.7	9.4
22	Beverages, Tobacco & related Products	2.4	12.9	7.6	6.6	5.3	-1.2	-0.6	-0.2	8.8	7.9	7.5	4.9	9.6	4.3
23	Cotton Textiles	5.5	-7.7	6.7	8.1	8.3	6.8	5.4	3.3	7.0	1.6	9.2	0.3	5.9	5.5
24	Wool, Silk & man-made fibre textiles	2.3	2.8	11.9	-2.7	-0.7	20.9	14.3	2.5	11.1	7.9	-2.4	2.0	13.1	5.6
25	Manufact. of Jute & other veg. fibre Tex. (exc. cotton)	0.6	-7.3	-0.9	-23.1	-0.1	18.2	17.6	-1.2	0.5	1.1	-0.5	-7.2	-2.8	0.2
26	Textile Products (incl. wearing Apparel)	2.5	-3.5	2.0	0.6	8.2	12.6	2.9	13.8	11.7	11.5	11.7	4.0	1.0	8.4
27	Wood & wood products, Furniture & Fixtures	2.7	-5.8	-16.2	-8.2	-0.3	3.8	5.8	-6.9	-5.7	37.3	23.8	10.7	-19.6	4.8
28	Paper & paper prods. & Print., Pub. & Alld. Inds.	2.7	16.0	6.3	-7.3	-12.0	-9.7	-14.5	-16.1	-17.3	-9.8	-10.0	-3.7	11.7	-11.3
29	Leather and Leather & Fur products	1.1	8.1	13.8	27.2	3.5	5.6	4.5	25.9	6.6	9.5	7.5	8.2	13.9	10.3
30	Basic Chemicals & Chem. Prods (exc. prod. of Pet.)	14.0	6.6	10.0	5.6	7.9	4.3	7.2	8.4	9.8	8.4	12.5	5.4	14.6	7.7
31	Rubber, Plastic, Petro. & Coal products	5.7	11.3	-1.1	-1.3	3.6	12.9	15.1	9.9	5.0	19.5	14.9	16.3	-0.4	10.4
32	Non-Metallic Mineral Products	4.4	8.3	24.4	10.2	-5.0	1.3	0.1	11.6	10.4	-7.9	-10.3	-7.3	25.1	-0.3
33	Basic Metals & Alloys Inds.	7.5	-2.5	5.0	10.3	8.0	2.0	1.9	-1.4	1.2	-0.2	2.7	-4.1	3.7	2.2
34	Metal Products & parts, except Mach. & Equip.	2.8	17.0	-1.2	41.4	20.3	33.3	36.3	31.1	11.5	18.9	21.7	-1.8	-4.6	22.9
35-36	Machinery & Equipment other than Trans. equip.	9.6	1.5	17.7	8.1	12.9	10.4	9.9	7.1	6.8	8.7	4.6	7.6	20.9	8.3
37	Transport equipment & Parts	4.0	20.1	5.7	5.2	8.7	-2.4	-2.3	-4.4	4.0	-4.0	9.3	-1.1	2.7	0.7
38	Other mfg. Industries	2.6	1.0	-16.0	1.8	6.4	11.5	-0.4	6.1	15.2	14.0	6.5	14.0	-18.3	8.2

Note : Growth rates are estimated over the corresponding period of the previous year.