

## Pattern of Industrial Growth

7.7 Trends in overall Industrial growth, and by sectors and classes also suggest an all round slowdown in industrial activity. Industrial Production, measured by the Index of Industrial Production, registered a significantly lower growth rate of 5.0 per cent in 2000-01 compared to a growth rate of 6.7 per cent in 1999-2000. Growth rates also fell in both the manufacturing and electricity sectors, from 7.1 per cent and 7.3 per cent in 1999-2000 to 5.3 per cent and 4.0 per cent respectively in 2000-01. However, the mining sector recorded a higher growth rate of 3.7 per cent in 2000-01, compared to 1.0 per cent in 1999-2000.

7.8 During the current year (April-December 2001-02), manufacturing sector growth fell further to 2.4 per cent, which was significantly lower than 6.0 per cent recorded during the corresponding period of last year. The growth rate in manufacturing during the first nine months of the current year was the lowest seen during the last ten years. Similarly, the electricity generation growth rate of 2.7 per cent was also significantly lower than 4.8 per cent recorded during the corresponding period of last year and also the lowest during the last ten years. The mining sector growth of 1.1 per cent, was also significantly lower than the 4.4 per cent recorded during the corresponding period of last year. (See Table 7.1).

7.9 As might be expected from the above, according to use-based classification all sectors recorded lower growth rates during the current year (April-December 2001-02) when compared to the corresponding period of last year. Consumer durables and consumer non-durables with growth rates of 12.5 per cent and 2.3 per cent, registered significantly lower growth rates in the current year (April-December 2001-02) compared to 17.8 per cent and 5.3 per cent respectively during the corresponding period of last year. The overall growth rate in consumer goods dropped to 5.0 per cent, compared to 8.2 per cent in the corresponding period of last year. The performance in basic goods and intermediate goods in the current year (April-December 2001-02) also decreased considerably to 2.2 per cent and 2.0 per cent respectively compared to 5.1 per cent and 4.8 per cent in the corresponding period of last year. The performance in capital goods in the current year (April-December 2001-02) decelerated sharply, recording a decrease of 4.8 per cent compared with a growth rate of 3.0 per cent recorded in the corresponding period of last year (Table 7.2).

7.10 Six (out of seventeen) 2-digit industry groups - Food Products; Cotton Textiles; Jute and other vegetable fibre Textiles (except cotton); Textile Products (including Wearing Apparel); Wood and Wood Products group and Metal Products and Parts group, recorded negative growth rates in the current year (April-December

**TABLE 7.2**  
**Growth rates of industrial production by use-based classification**  
**(Base : 1993-94=100)**

Sectors	(Weight)	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01	(per cent)	
									April-December 2000-01	2001-02
Basic Goods	35.5	9.6	10.8	3.0	6.9	1.6	5.5	3.9	5.1	2.2
Capital Goods	9.3	9.2	5.3	11.5	5.8	12.6	6.9	1.8	3.0	-4.8
Intermediate Goods	26.5	5.3	19.4	8.1	8.0	6.1	8.8	4.7	4.8	2.0
Consumer Goods	28.7	12.1	12.8	6.2	5.5	2.2	5.7	8.0	8.2	5.0
of which										
(Consumer Durables)	(5.4)	(16.2)	(25.8)	(4.6)	(7.8)	(5.6)	(14.1)	(14.5)	(17.8)	(12.5)
(Consumer Non-Durables)	(23.3)	(11.2)	(9.8)	(6.6)	(4.8)	(1.2)	(3.2)	(5.8)	(5.3)	(2.3)
<b>IIP (Index of Industrial Production)</b>	<b>100.0</b>	<b>9.1</b>	<b>13.0</b>	<b>6.1</b>	<b>6.7</b>	<b>4.1</b>	<b>6.7</b>	<b>5.0</b>	<b>5.8</b>	<b>2.3</b>

**Note :**  
The indices are based on revised itemwise weights.

**TABLE 7.3**  
**Growth rates of industrial production by broad groups of manufacturing**

(Base : 1993-94=100)

(per cent)

Ind. Code	Sectors	Weight	1999-	2000-	Apr'	May'	Jun'	Jul'	Aug'	Sep'	Oct'	Nov'	Dec'	Apr-Dec.	
			2000	2001	01	01	01	01	01	01	01	01	01	01	2000-01
20-21	Food Products	9.1	4.2	10.1	-5.2	-2.2	12.7	4.9	9.2	-8.7	-10.3	4.7	-5.0	9.0	-0.6
22	Beverages, Tobacco & related Products	2.4	7.6	4.3	9.2	8.2	14.9	10.6	18.1	6.2	6.4	15.3	19.2	4.4	12.0
23	Cotton Textiles	5.5	6.7	2.9	-0.1	-1.7	-2.0	-0.3	-3.4	-5.5	-3.2	-8.0	0.0	5.2	-2.7
24	Wool, Silk & man-made fibre textiles	2.3	11.9	5.8	14.0	5.4	13.5	12.9	0.8	-17.1	11.8	0.5	5.3	6.6	4.7
25	Manufact. of Jute & other veg. fibre Tex. (exc. cotton)	0.6	-0.9	0.8	41.8	-10.2	-23.7	-21.3	-6.5	-6.2	-1.0	-3.8	5.7	0.3	-4.5
26	Textile Products (incl. wearing Apparel)	2.5	2.0	4.0	3.1	0.1	-7.6	-2.9	-1.3	-11.2	3.8	-4.0	2.9	6.6	-2.0
27	Wood & wood products, Furniture & Fixtures	2.7	-16.2	2.9	-8.3	-14.0	-13.8	-10.1	-6.5	-8.4	-11.1	-10.1	-11.2	5.6	-10.5
28	Paper & paper prods. & Print., Pub. & Alld. Inds.	2.7	6.3	-9.1	6.2	-1.0	2.3	-2.7	-1.6	0.7	0.5	-1.7	4.4	-12.3	0.7
29	Leather and Leather & Fur products	1.1	13.8	10.7	6.3	14.4	4.9	19.4	19.8	48.1	-13.1	-1.0	-1.4	10.4	10.8
30	Basic Chemicals & Chem. Prods (exc. prod. of Pet.)	14.0	10.0	7.3	5.0	3.4	3.6	3.0	1.6	3.4	0.3	0.3	2.2	7.6	2.5
31	Rubber, Plastic, Petro. & Coal products	5.7	-1.1	11.8	14.7	7.8	17.1	12.5	15.5	6.5	10.2	9.0	15.2	10.9	12.0
32	Non-Metallic Mineral Products	4.4	24.4	-1.2	0.9	1.4	8.2	0.7	-3.7	5.9	1.1	0.0	0.8	-0.2	1.6
33	Basic Metals & Alloys Inds.	7.5	5.0	1.8	3.5	2.7	2.8	0.6	5.8	4.9	4.9	4.0	-0.5	3.4	3.1
34	Metal Products & parts, except Mach. & Equip.	2.8	-1.2	15.0	-20.4	-13.9	-11.4	-11.1	-18.9	-4.5	-13.0	-8.1	-8.1	22.7	-12.4
35-36	Machinery & Equipment other than Trans. equip.	9.6	17.7	7.3	0.7	2.6	-3.6	1.4	4.5	3.1	9.3	2.3	-3.7	8.6	1.8
37	Transport equipment & Parts	4.0	5.7	-2.0	2.9	-0.2	3.2	3.4	8.1	5.3	16.1	-0.1	4.7	0.6	4.7
38	Other mfg. Industries	2.6	-16.0	11.6	18.4	15.3	5.6	14.5	6.1	6.2	10.9	10.2	10.8	7.6	10.7

Note :

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

2001-02). Of the eleven industry groups showing positive growth, seven industry groups have registered growth rates of less than 5 per cent. Only four industry groups - Beverages,

Tobacco and Related products; Leather and Leather & Fur Products; Rubber, Plastic, Petroleum and Coal products and Other Manufacturing Industries, registered growth rates of over 10 per cent. (Table 7.3).