

Pattern of Industrial Growth

8. The trends in growth rates of overall industrial production and its three major components viz. mining, manufacturing and electricity generation are given in Table 7.1. After attaining a peak growth of 12.8 per cent in 1995-96, the industrial growth declined sharply to 5.6 per cent in 1996-97 but marginally improved to 6.6 per cent in 1997-98. In 1997-98, manufacturing sector growth at 6.6 per cent remained almost at the level of the previous year. Improved performances of mining and electricity sectors contributed to improvement in overall industrial growth to 6.6 per cent in 1997-98.

9. During the current year, the overall growth of industrial production has declined further. While mining has suffered an absolute decline to -1.1 per cent over April-December 1998 from 5.5 per cent growth in the comparable period of the previous year, growth rate in manufacturing has declined to 3.7 per cent (April-December 1998) from 6.9 per cent in the previous year (April-December 1997). Electricity generation has recorded a higher growth of 6.6 per cent in April-December 1998 compared to 6 per cent in April-December 1997. Consequently, overall industrial growth in April-December 1998 has declined to 3.5 per cent from 6.7 per cent in the same period of the previous year.

10. As per use-based classification, growth rate of capital goods has increased to 9.8 per cent in April-December 1998 from 6.7 per cent in April-December 1997. However, considerable deceleration is noticed in other categories. Growth rates of basic goods and intermediate goods have declined to 1.4 per cent and 4.7 per cent during April-December 1998 from 6.8 per cent and 9 per cent respectively in April-December 1997. Growth rates of consumer durables and non-durables have also recorded decline from 6.8 per cent to 2.3 per cent and from 4 per cent to 3 per cent respectively between April-December 1997 and April-December 1998 (Table 7.2).

11. Six 2-digit industry groups (out of seventeen) accounting for 35.8 per cent share in the total weight of manufacturing (79.4 per cent) in IIP, recorded negative growth in April-December 1998 (Table 7.3). Out of the eleven industry groups which have registered positive growth during this period, three have registered growth less than 5 per cent, two groups have growth between 5-10 per cent and three groups between 10-15 per cent. Three groups namely Metal products and parts, except machinery and equipment; Transport equipment and parts; and Paper and paper products & printing, publishing and allied industries have recorded growth above 15 per cent in April-December 1998 over April-December 1997.

TABLE 7.2
Growth Rates of Industrial Production by Use-based Classification
(Base : 1993-94=100) (per cent)

Sectors	(Weight) (100.0)	1994-95	1995-96	1996-97	1997-98	April-Dec.	
						1997-98	1998-99
Basic Goods	35.5	8.9	10.7	3.1	6.5	6.8	1.4
Capital Goods	9.7	5.7	4.1	9.3	5.2	6.7	9.8
Intermediate Goods	26.4	5.3	19.1	8.1	8.1	9.0	4.7
Consumer Goods	28.4	11.8	12.3	5.2	5.7	4.6	2.8
of which							
(Consumer Durables)	(5.1)	(16.2)	(25.8)	(4.7)	(7.8)	(6.8)	(2.3)
(Consumer Non-Durables)	(23.3)	(10.8)	(9.3)	(5.3)	(5.2)	(4.0)	(3.0)

TABLE 7.3
Growth Rates of Industrial Production by Broad Groups of Manufacturing
(Base : 1993-94=100)

(per cent)

Code	Sectors	Weight	1996-	1997-	Apr'	May'	Jun'	Jul'	Aug'	Sep'	Oct'	Nov'	Dec'	Apr-Dec.	
			97	98	98	98	98	98	98	98	98	98	98	98	97-98
20-21	Food Products	9.1	3.5	-0.4	-6.2	-7.7	-2.7	0.7	-1.2	-0.6	7.2	18.9	15.0	-2.0	2.8
22	Beverages, Tobacco & related Products	2.4	13.5	19.4	20.2	21.1	18.1	15.4	8.0	21.5	4.0	11.6	7.3	17.3	13.8
23	Cotton Textiles	5.5	12.1	2.4	-5.5	-12.8	-7.9	-5.2	-13.0	-15.8	-10.7	-10.3	-8.0	5.4	-9.9
24	Wool, Silk & man-made fibre textiles	2.3	10.5	18.5	14.6	8.0	2.4	5.9	-0.2	-3.1	1.6	-19.9	15.9	21.6	1.6
25	Manufacture of Jute & other veg. fibre Tex. (exc. cotton)	0.6	-4.5	16.9	-2.8	-9.7	-5.6	-2.2	-3.2	-9.1	-5.0	-4.1	-6.9	21.3	-5.4
26	Textile Products (incl.wearing apparel)	2.5	9.4	8.5	7.5	3.9	2.2	-5.9	-7.4	-11.0	-3.7	-7.9	-3.8	8.6	-3.1
27	Wood & wood products, Furniture & Fixtures	2.7	7.1	-2.6	-14.3	-3.5	-0.2	5.0	-1.1	-4.6	-7.1	-7.2	7.4	-3.1	-3.3
28	Paper & paper prods. & Print., Pub. & Alld. Inds.	2.6	9.1	6.9	12.3	18.9	8.1	13.4	16.2	20.8	10.3	26.3	18.1	5.4	16.0
29	Leather and Leather & Fur Products	1.1	9.4	2.2	5.9	5.0	2.4	-7.5	6.9	19.8	1.8	8.5	5.1	2.8	5.0
30	Basic Chemicals & Chem. Products (exc. prods. of Pet.)	14.0	4.7	14.5	12.1	14.0	11.2	5.5	3.0	0.1	-1.8	5.4	2.6	14.5	5.5
31	Rubber, Plastic, Petro. & Coal Products	5.7	2.0	5.2	10.2	2.3	7.0	7.0	17.8	21.5	14.2	9.3	7.4	4.0	10.6
32	Non-Metallic Mineral Products	4.4	7.7	13.8	7.8	0.4	6.9	4.5	8.3	3.7	-8.0	5.9	-11.7	15.2	1.4
33	Basic Metals & Alloys Inds.	7.5	6.7	2.6	0.7	-0.2	-1.3	-3.0	3.9	-3.4	-6.5	-8.0	-8.7	3.4	-3.0
34	Metal Products & parts, except Mach. & Equip.	2.8	10.2	8.4	24.4	14.6	20.9	24.0	26.8	39.7	17.5	26.5	13.8	3.8	22.9
35-36	Machinery & Equipment other than Trans. equip.	9.6	5.2	5.5	-0.3	-3.2	-5.2	-6.7	-2.7	-1.3	0.2	-4.6	-6.1	6.9	-3.3
37	Transport equipment & Parts	4.0	12.9	2.6	22.1	12.7	19.9	12.2	23.7	27.1	26.4	20.9	23.9	3.8	20.9
38	Other mfg. Industries	2.6	5.2	-2.7	-2.2	8.7	13.3	13.1	22.0	10.8	-3.3	20.7	10.0	-2.3	10.1

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