

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1514
ANSWERED ON:02.12.2005
INFRASTRUCTURE GROWTH RATE
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Will the Minister of FINANCE be pleased to state:

- (a) whether the infrastructure growth rate has decreased to 4.4 per cent in the first half of the current fiscal year as compared to 5.3 per cent during the corresponding period of last fiscal year;
- (b) If so, the details thereof and the reasons therefor;
- (c) the expected growth rate for the current year; and
- (d) the steps taken to accelerate growth in infrastructure sector?

Answer

Minister of State in the Ministry of Finance (SHRI S.S. PALANIMANICKAM)

(a) to (d) : During April-September, 2005, six core-infrastructure industries, comprising of crude petroleum, petroleum refinery products, coal, electricity, cement and finished (carbon) steel, registered a growth rate of 4.4 per cent as against 5.3 per cent in the corresponding period of the previous year. Crude oil and petroleum refinery products registered a decline in production compared to the corresponding period of the previous year owing to, interalia, the fire accident at Bombay High during the last week of July, 2005. Electricity generation and coal registered a decrease in the growth rate during April-September, 2005 as compared to April-September, 2004. As infrastructure is interrelated with various sectors of the economy, no single growth rate has been visualized for the infrastructure sector during 2005-06. Infrastructure development requires large investments for which public private partnerships (PPPs) have been visualized in addition to public investment. A Committee on Infrastructure under the chairmanship of Prime Minister has been constituted to expedite and streamline infrastructure projects and reforms. The Government has recently taken a decision to set up a Special Purpose Vehicle (SPV) for providing long term debt to infrastructure projects.