

**GOVERNMENT OF INDIA  
COMMERCE AND INDUSTRY  
LOK SABHA**

UNSTARRED QUESTION NO:2593  
ANSWERED ON:14.03.2006  
INDUSTRIAL GROSS DEVELOPMENT PRODUCT  
Rao Shri Kavuru Samba Siva

**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

- (a) the industrial gross domestic product (GDP) during each of the last five years;
- (b) the steps taken to increase in the rate of growth in gross domestic product (GDP);
- (c) whether the Government proposes reduction in taxes, incentives for research and development and labour reforms to obtain higher growth per annum in industrial sector which would help generate employment for a large number of labour force; and
- (d) if so, the details thereof?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR)

(a): The Gross Domestic Product (by industry of origin) at constant (1999-2000) prices from industrial sector during the last 5 years was as follows:

(Rs. in crore)

Year	GDP from Industrial Sector
2000-01	441731
2001-02	454217
2002-03	485228
2003-04 (P)	523323
2004-05 (Q)	569839

P – Provisional, Q – Quick Estimate  
Source: Central Statistical Organisation (CSO)

(b): The steps taken to increase the rate of growth in Gross Domestic Product (GDP) inter-alia include raising investment as a proportion of GDP, attracting Foreign Direct Investment (FDI), rationalization of taxes, lowering of import duties on capital goods and inputs & better infrastructure support.

(c) & (d): In order to achieve higher industrial growth and generate employment opportunities, Government has taken a number of policy decisions including providing tax deduction/incentives for undertaking Research & Development (R&D), lower import duty for the equipments used for R&D, training and skill upgradation for labour etc. Government has also proposed a reduction of import duty from peak rate of 15% to 12.5% for industrial products in the Union Budget 2006-07.