

## **Chapter 14**

### **INDUSTRY**

#### **14.1 Industrial Statistics in India :**

Industrial growth in the country has, in terms of long run trend, remained aligned with the growth rate of gross domestic product (GDP). Trends in performance of Industrial sector are primarily monitored through Index of Industrial Production (IIP) (monthly) and Annual Survey of Industries, ASI. Whereas enterprise surveys pursuant to Economic Census provide an idea about the dynamics of unorganized sector. Ministry of Statistics & PI, through active involvement of both Central Statistics Office & National Sample Survey Office , is the backbone of Industrial Statistics in India even though various Ministries/Departments (Department of Industrial Policy & Promotion, Ministry of Commerce & Industry , Ministry of Micro Small & Medium Enterprises, Ministry of Corporate Affairs, Indian Bureau of Mines, Ministry of Mines, Office of Textile Commissioner, Coffee/ Tea Boards etc ) maintain their own statistics.

**14.2** Central Statistics Office , MOSPI, besides compiling information on Industrial Statistics in form of IIP and ASI results has also been responsible for updation of industrial classification and development of new classifications in harmony with the worldwide developments to enable comparability. National Industrial Classification (NIC)-2008 is the latest Industrial classification developed by CSO on the lines of International Standard Industrial Classification (ISIC)Rev 4. The structure of NIC- 2008 is identical to the structure of ISIC Rev.4 up to 4-digit level 'class'. The index of industrial production (IIP), released each month by CSO, MOSPI , is the key indicator of industrial performance. The new IIP series with 2004-05 as base was released in June 2011 replacing the earlier IIP series with base 1993-4. Recent industrial growth, measured in terms of IIP, shows fluctuating trends though the trajectory of manufacturing sector mirrors growth in overall IIP.

#### **14.3 Annual Survey of Industries**

The Annual Survey of Industries (ASI) is the principal source of organized manufacturing statistics in India. It provides statistical information to assess and evaluate, objectively and realistically, the changes in the growth, composition and structure of organised manufacturing sector comprising activities related to manufacturing processes, repair services, gas and water supply and cold storage. The Survey is conducted annually under the statutory provisions of the Collection of Statistics Act 1953, and the Rules framed there-under in 1959, except in the State of Jammu & Kashmir where it is conducted under the State Collection of Statistics Act, 1961 and the rules framed there-under in 1964. The ASI extends to the entire country except the States of Arunachal Pradesh, Mizoram, Sikkim and Union Territory of Lakshadweep. It covers all factories registered under sections 2m (i) and 2m (ii) of the Factory Act, 1948. The survey also covers bidi and cigar manufacturing establishments registered under Bidi and Cigar Workers (Condition of Employment) Act, 1966 and employing 10 or more workers using power and 20 or more workers not using power. Although the scope of the ASI was extended to all registered manufacturing establishments in the country, establishments under the control of the Defence Ministry, oil storage and distribution units, restaurants and cafes and technical training institutions not producing anything for sale or exchange were kept outside the coverage of the ASI. The latest available results of ASI pertains to year 2014-15.

#### 14.4 Micro, Small, and Medium Enterprises (MSMEs)

Micro, Small and Medium Enterprises (MSME) sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. MSMEs not only play crucial role in providing large employment opportunities at comparatively lower capital cost than large industries, but also help in industrialization of rural & backward areas, thereby, reducing regional imbalances, assuring more equitable distribution of national income and wealth. MSMEs are complementary to large industries as ancillary units and this sector contributes enormously to the socio-economic development of the country. The MSME sector in India constitutes enterprises with investment in Plant & Machinery less than Rs ten Crore in case of manufacturing (<Rs 25 lakh : Micro , >Rs 25 Lakh but <Rs 5 Cr : Small, >Rs 5 Cr but <Rs 10 Cr : Medium Enterprise)& less than Rs five Crore in case of services sector (<Rs10 lakh : Micro , >Rs 10 Lakh but <Rs 2 Cr : Small, >Rs 2 Cr but <Rs 5 Cr : Medium Enterprise)

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6	14.6	INDEX OF INDUSTRIAL PRODUCTION - ANNUAL AVERAGES(2-DIGIT LEVEL)
7	14.7	PERFORMANCE OF MICRO, SMALL, MEDIUM ENTERPRISES (MSMEs)

##### Sources of Data:

- **Economic Census**, carried out by **Central Statistics Office, Ministry of Statistics & PI** , provides **frame for all enterprises once in five years**. High volatility ( rise & deaths of units ) in the unorganized sector, however, necessitates more frequent updation of the frame . Efforts towards preparation of **Business Register** to provide a frame on real time basis is a step in this direction.
- **Annual Survey of Industries** conducted by **National Sample Survey Office, Ministry of Statistics & PI**, Government of India, is the chief source of information for the **organized manufacturing** . It covers units registered under Section 2m (i) & (ii) of Factories Act i.e. Units using power with 10 or more workers or those having 20 or more workers without using power. The survey also covers bidi and cigar manufacturing establishments registered under Bidi and Cigar Workers (Condition of Employment) Act, 1966. The frame of units under Factories Act is maintained by **Registrar of Factories**, which may not be always very updated. Directorate of Economics & Statistics(DES)/State Statistical Bureaus (SSBs) also conduct their own Annual Surveys .
- **Enterprise surveys** carried out by **National Sample Survey Office, Ministry of Statistics & PI** in various NSS rounds provide information regarding the **unorganized sector**.

- **Index of Industrial Production (IIP)** , compiled by **Central Statistics Office , Ministry of Statistics & PI** , provides monthly information on the movement in production. Besides manufacturing , mining & electricity are also covered in IIP. The information, for most of the items included in IIP is provided **Department of Industrial Policy & Promotion (DIPP), Ministry of Commerce** . However **Indian Bureau of Mines (IBM)** provides information wrt Mining Sector , **Central Electricity Authority** provides information wrt Electricity and various Boards viz **Coffe Board, Tea Board, Office of Textile Commissioner etc** provide information wrt some of the items.
- **Ministry of Corporate Affairs** maintains information wrt units registered under Companies Act 1956, Government Companies & Indian subsidiaries of foreign Companies .Information on a few selected parameters is collected online after implementation of **MCA21** whereas Registrar of Companies , spread all across India provide information wrt newly registered companies on monthly basis. In order to capture extended information on economic performance of companies , the Ministry is trying to implement reporting through **XBRL**.
- **Ministry of Small Micro & Medium Enterprises(MSME)** provides information wrt smaller units. Office of DC (MSME) provides annual estimates wrt various parameters. The Ministry also conducts **Census** and Final Report of the Fourth All India Census of Micro, Small & Medium Enterprises 2006-2007 for the Registered Sector has been brought out. In order to estimate unregistered MSMEs in the country, a sample of 10,312 villages and 568 towns at All-India level were selected for data collection of enterprises.

#### **References:**

- Annual Survey of Industries 2013-14 - Summary Results & Vol I, Ministry of Statistics & PI.
- MSME Annual Report 2015-16, Ministry of Micro Small & Medium Enterprises
- Economic Surveys-2015-16, Ministry of Finance