

Chapter 14 INDUSTRY

14.1 Significance of Industrial Sector: Industrial growth in the country has, in terms of long run trend, remained aligned with the growth rate of gross domestic product (GDP). The long-term average annual growth of industries comprising mining, manufacturing, and electricity, during the post-reform period between 1991-92 and 2011-12, averaged 6.7 per cent as against GDP growth of 6.9 per cent. Inclusion of construction in industry raises this growth to 7.0 per cent. The share of industry, including construction, in GDP remained generally stable at around 28 per cent in the post-reform period. Standard deviation of the average share was very small and the coefficient of variation under 5 per cent validates this stability. The share of manufacturing, which is the most dominant sector within industry, also remained in the 14-16 per cent range during this period. The share is modest when compared to that of China (above 40 per cent) and some of the East Asian countries (above 30 per cent).

Employment in the Industrial Sector									
	Persons employed (million)			Share in employment (%)			Share in GDP (%)		
	1999-2000	2004-2005	2009-2010	1999-2000	2004-2005	2009-2010	1999-2000	2004-2005	2009-2010
Mining	2.3	2.6	2.9	0.6	0.6	0.6	3.0	2.9	2.3
Manufacturing	43.8	56.1	52.4	11.0	12.2	11.4	15.1	15.3	16.0
Electricity	1.0	1.2	1.3	0.3	0.3	0.3	2.3	2.1	2.0
Construction	17.5	26.1	44.2	4.4	5.7	9.6	6.5	7.7	7.9
Industry	64.6	85.9	100.7	16.2	18.7	21.9	26.9	27.9	28.1

Source : The numbers have been derived applying NSSO segment-wise workers population ratios and Labour force participation rates to the population.

Note : Employment as per usual principal and subsidiary status (UPSS) basis.

14.2 Employment in the industrial sector increased from 64.6 million persons in 1999-2000 to 100.7 million persons in 2009-10 and 102.1 million in 2011-12. The share of industry in total employment increased from 16.2 per cent in 1999-2000 to 21.9 per cent in 2009-10 and 24.3 % during 2011-12. However, the increase was largely on account of expansion of employment opportunities in the construction sector, from 17.5 million in 1999-2000 to 44.2 million in 2009-10 and 44.6 million during 2011-12 whereas employment estimates for Mining, manufacturing and electricity was 2.3 million, 53 million and 2.2 million persons (as per UPSS) respectively during 2011-12 . As per provisional estimates for 2013-14 , share of Industry sector in GDP(constant prices) has declined to 26.1 % following contraction in both mining and manufacturing.

Industrial Statistics in India :

14.3 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.

14.4 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'.

14.5 Various sources of Industrial Statistics along with their limitations and recent developments may be seen in the last section of the chapter.

Performance of Industry Sector During 2013-14 :

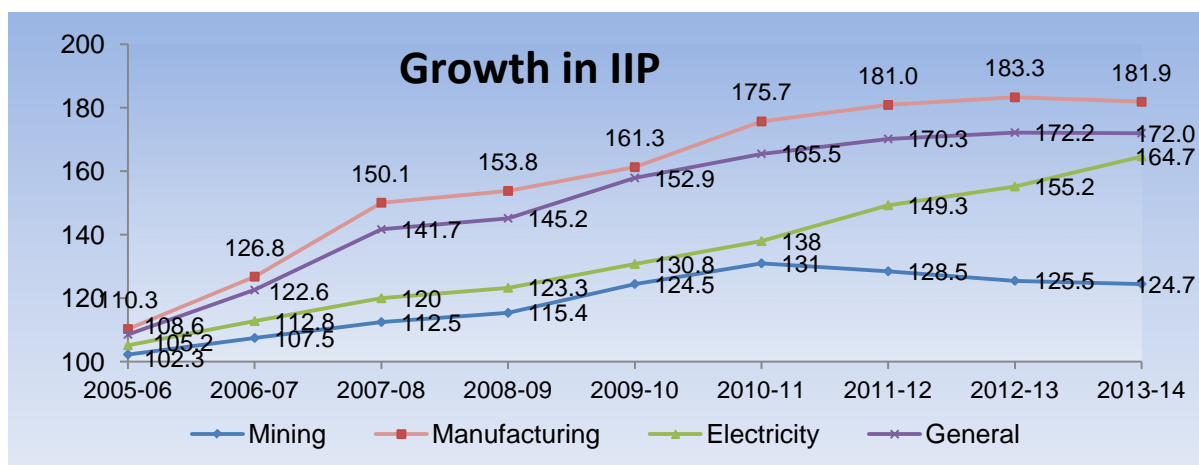
14.6 Post 2008-09, the industrial sector, consisting of manufacturing, mining, electricity, and construction, showed remarkable recovery and steady growth for three years but lost momentum thereafter owing to a combination of supply-side and demand-side constraints. Industrial performance in 2013-14 remained lackluster for the second successive year. It will be a daunting task to meet the projected Twelfth Plan targets of 10 per cent for the manufacturing sector and 5.7 per cent for the mining sector in the remaining three years. Sector-wise analysis of industrial performance shows that the key reasons for poor performance have been contraction in mining activities and deceleration in manufacturing output. Manufacturing and mining sector GDP declined by 0.7 per cent and 1.4 per cent respectively in 2013-14. The underlying cause of the poor performance of these two sectors has been considerable deceleration in investment particularly by the private corporate sector during 2011-12 and 2012-13, a trend that appears to be continuing as the overall gross fixed capital formation (GFCF) has further declined during 2013-14.

14.7 Registered manufacturing activities constitute about two-thirds of manufacturing and the remaining one-third consists of unregistered manufacturing activities. It has been observed that the share of unregistered manufacturing in GDP has been declining over time. While the share of registered manufacturing in GDP has increased from about 9.8 per cent in 2004-05 to 11.2 per cent in 2012-

13, the share of unregistered manufacturing has declined from 5.4 per cent in 2004-05 to 4.5 per cent in 2012-13.

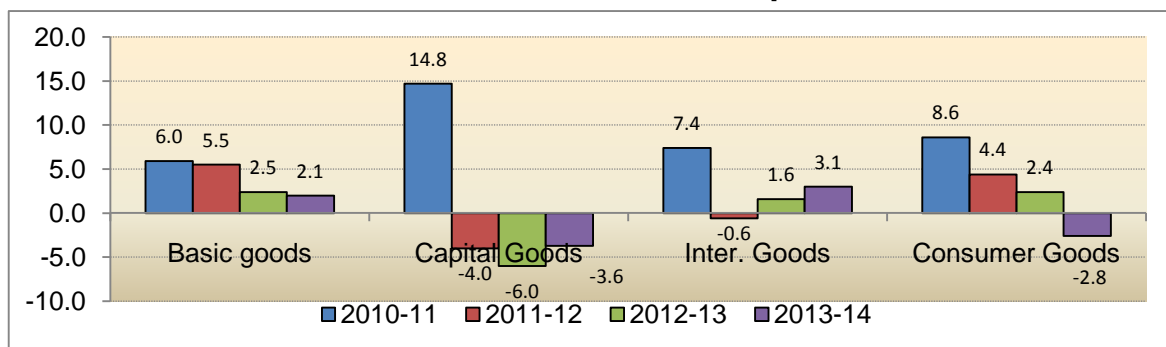
14.8 Further, slowdown in construction activities has resulted in capacity underutilization in the steel and cement sectors. Steel and cement consumption rose by just 0.6 per cent and 3.0 per cent respectively in 2013-14. Also, for the first time since 2001-02, diesel consumption contracted by 0.3 per cent during the year. Demand side constraints, along with a combination of other factors, have resulted in contraction in output of the capital goods and consumer durables sectors. The two key manufacturing sub-sectors that had hitherto shown steady growth, namely the automotive and export oriented gems and jewellery sectors, have posted negative growth rates during 2013-14. The positive highlights of 2013-14 were robust growth in textiles and electrical equipment as well as electricity generation notwithstanding capacity underutilization owing to fuel supply bottlenecks.

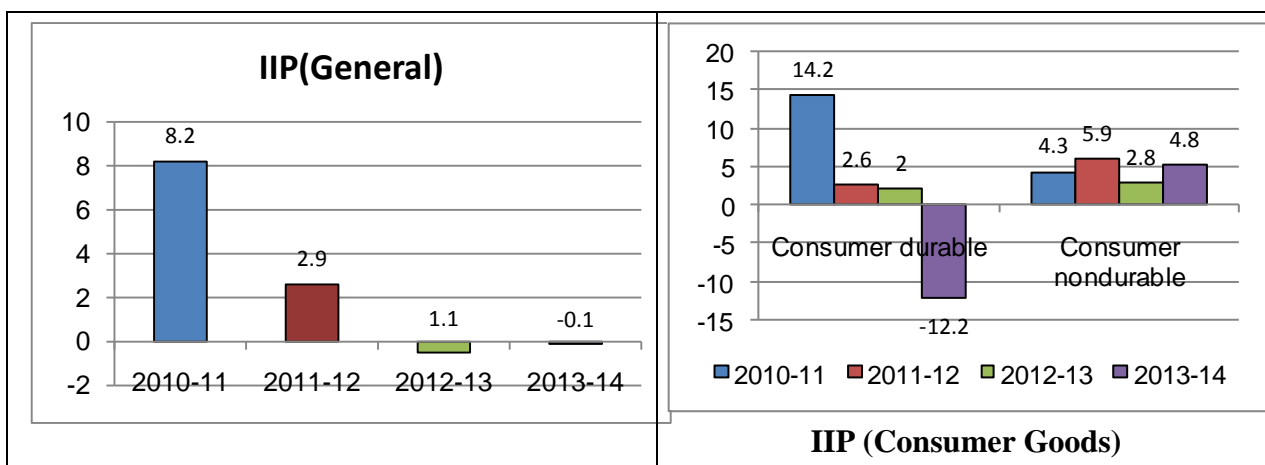
14.9 Index of Industrial Production : The index of industrial production (IIP), released each month by CSO, MOSPI , is the key indicator of industrial performance. The new IIP series with 2004-05 as base was released in June 2011 replacing the earlier IIP series with base 1993-4. Recent industrial growth, measured in terms of IIP, shows fluctuating trends though the trajectory of manufacturing sector mirrors growth in overall IIP. Growth had reached 15.5 per cent in 2007-8 and then started decelerating. Initial deceleration in industrial growth was largely on account of the global economic meltdown. There was, however, a recovery in industrial growth from 8.2 per cent in 2010-11 to 2.9 per cent in 2011-12 and 1.1 per cent in 2012-13. Fragile economic recovery in the US and European countries and subdued business sentiments at home caused protracted decline in growth of the industrial sector. Industrial production slowed down further to (-) 0.1 % in 2013-14 wherein both the manufacturing (-0.8%) and mining & quarrying sector (-0.6 %) contracted. Production of electricity, however, increased by 6.1 % over the previous year. The mining & quarrying sector has been contracting for last three years now as various issues regarding allocation, pricing , relocation etc have cropped up in recent past. The fragile global economic recovery, delays/bottlenecks in implementation of projects, inflationary pressure leading to rising input costs, drop in domestic and external demand etc have contributed to the sluggish performance of industrial sector whereas power generation has improved mainly on account of significant capacity addition made in recent years and robust increase in hydro-power generation during 2013-14. In contrast to manufacturing sector contraction in India, world manufacturing gained strength in 2013-14. One possible reason for the contrasting performance of Indian and global manufacturing production is the upsurge in demand for consumer durables such as motor vehicles in the industrialized economies. Growth of IIP in terms of its major components is indicated in the figure below:



14.10 In terms of use-based classification of the IIP, the capital goods sector has sustained negative growth since 2011-12, while the consumer goods also recorded negative growth in 2013-14 due to contraction in growth of consumer durables. The consumer durables segment index contracted by 12.2 per cent in 2013-14 as against a growth of 2.0 per cent during the previous year. The consumer durables segment, in particular the automotive sector, in India is constrained by a limited domestic market owing to low per capita income. Major items in the consumer durables basket of the IIP that declined during 2013-14 are gems and jewellery, passenger cars, colour TV sets, and telephone instruments. The gems and jewellery segment suffered partly due to restrictive gold imports. The consumer non-durables segment index increased by 4.8 per cent in 2013-14 in comparison with a 2.8 per cent rise registered in the previous year. The food products sub group index, consisting mainly of consumer non-durables, declined by 1.1 per cent on account of an 8.2 per cent decline in sugar production in 2013-14. The intermediate goods index has shown a 3.1 per cent increase in 2013-14 as compared to 1.6 per cent in the previous financial year. The performance of basic goods remained more or less the same as in the previous year.

Annual Growth Rate in IIP – Component Wise





14.11 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 organized 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 UT 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 pertain to year 2011-12.

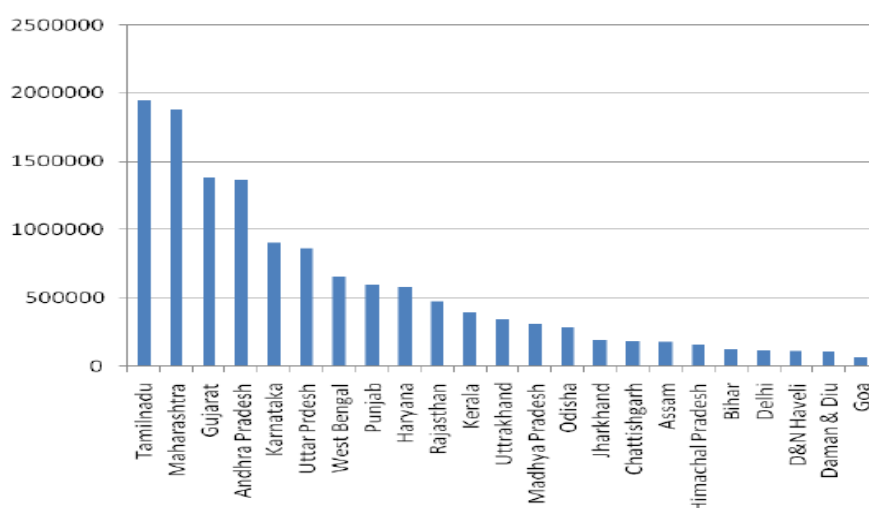
14.12 Considering all economic activities, estimated total number of factories in operation, as per ASI 2011-12, was 175,710. The factories engaged about 134.3 lakh persons in its various operations. Total value of output as per ASI results was worth Rs. 57.76 lakh crore during 2011-12 and total Gross Value Added (GVA) was worth Rs. 9.77 lakh crore.

	2000-01	2010-11	2011-12	(% increase) 2012/11
No. of Factories('000)	131.3	172.2	175.7	2.05
No. of Persons Engaged (lakh)	79.9	126.9	134.3	5.79
No. of Workers(lakh)	61.4	99.0	104.4	5.42

14.13 There has been an increase in both total persons employed and workers over the years. However, the increase in total persons engaged is slightly steeper than the workers. It implies that the number of auxiliary employees, managerial staff etc. that are not directly linked with the production, is increasing over time in comparison to the employment directly linked to the production process.

14.14 **Statewise Comparison :** In 2011-12, the number of operating factories is reported highest in Tamilnadu (15.17%) followed by Maharashtra (12.87 %). Gujarat's share is the highest in respect of aggregates like fixed capital (16.04%), working capital (16.09%), gross value of plant and machinery (19.84%) and input (18.50%). Maharashtra occupies the first position by virtue of its contribution to output (17.41%), gross value added (18.34%) and net value added (18.74%). Maharashtra is followed, in terms of contribution to net value added, by Karnataka (12.33%), Gujarat (10.48%), Tamilnadu (9.20%) and Andhra Pradesh(8.01%) in that order.

Total Number of Persons engaged in Factory Sector – State Wise



Industry Wise Comparison :

14.15 It may be observed that 93.52% of the factories covered in ASI 2011-12 are engaged in manufacturing activities, 0.39% are undertakings engaged in the generation, transmission and distribution of electricity, gas, water supply etc. and remaining 6.09% in 'other' activity including cotton ginning, cleaning and bailing, extraction of salt and some repair services etc. Though the electricity undertakings are a few in numbers, they account for about 10.37% of the total fixed capital of all the factories covered in the survey as against 1.50% share by the 'other' activities. The manufacturing sector, consistent with its large number of factories, accounts for 94.28% of the value of output, which is produced by 96.25% of the total employees. The electricity, gas, water sector contributes about 1.84% to the gross output and the same is produced by 0.51% of the total employees. Of the estimated total net value added by industrial sector of Rs 8,36,70,291 lakhs, Rs

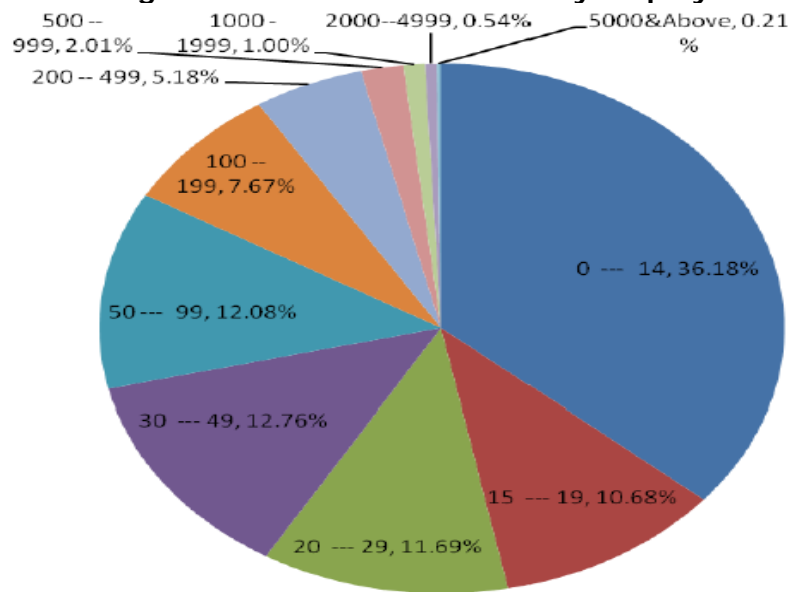
7,88,95,934 lakhs (4.29%) originate from selected manufacturing activities, Rs 27,52,905 lakhs (3.29%) from electricity, gas, water supply, and the remaining Rs 20,21,452 lakhs (2.42%) come from the 'other' activities.

14.16 Employee Size of Factories: Out of an estimated number of 1,75,710 factories in operation, 1,25,301 factories are found to employ less than 50 employees each. There is a, by and large, heavy concentration of various attributes like fixed capital, gross output, net value added etc., among the factories belonging to the higher employment size classes. While the lower size classes (up to employment size of 50) has largest concentration of factories (71.31 %), it utilizes only 7.54 % of the fixed capital, provides employment to 16.20 % of the employees, produces 12.07% of the gross output and generates 9.32 % of national income in the form of net value added by manufacture. On the other hand, the operating factories each of which employ 200 or more employees, constituting 8.94% of the factories, utilize 78.56% of the fixed capital, provide gainful employment to 59.93% of the employees, produce 69.57% of the gross output and generate 76.14 % of net value added by manufacture. The very large operating factories employing 5,000 or more employees each, constituting only 0.21% of the operating factories, however, engage 7.73% of employees of industrial sector, utilize 20.12% of the fixed capital, produce 13.30% of the gross output and contribute 16.93% to the net value added.

Employment Range	Factories in Operation Number	Fixed Capital ₹ Lakhs	Working Capital ₹ Lakhs	Productive Capital ₹ Lakhs	Invested Capital ₹ Lakhs	Workers Number	Total Persons Engaged Number	Wages to Workers ₹ Lakhs
0 --- 14	63568	4791667	2045261	6836928	7436009	353620	514042	255163
15 --- 19	18763	1609389	1398183	3007572	3102934	226873	315238	147389
20 --- 29	20541	2683372	569176	3252547	4950662	357613	491637	241728
30 --- 49	22429	5590782	3477158	9067941	9629395	643325	854131	452020
50 --- 99	21229	10980017	6354997	17335013	18082972	1125865	1456113	823319
100 -- 199	13479	16159668	5839662	21999330	24797720	1387338	1750509	1066694
200 -- 499	9094	32771870	10979203	43751073	49303233	1940245	2489482	1813358
500 -- 999	3524	30715753	6361600	37077353	45662678	1430727	1838367	1518315
1000 -1999	1757	28187433	8485689	36673122	40307710	1069340	1375657	1209749
2000--4999	948	22237734	5257411	27495144	31488577	1066227	1306260	1259039
5000&Above	377	39227403	8111105	47338509	49247621	837191	1038519	1198806
Total	175710	194955088	58879446	253834534	284009510	10438365	13429956	9985579

Employment Range	Total Emoluments Rs Lakhs	Total Input Rs Lakhs	Total Output Rs Lakhs	Gross Value Added Rs Lakhs	Depreciation Rs Lakhs	Net Value Added Rs Lakhs	Rent Paid for Fixed Assets Rs Lakhs	Interest Paid Rs Lakhs
0 --- 14	466774	12472898	14651001	2178103	363249	1814854	40853	362722
15 --- 19	298935	7994843	9504601	1509758	181937	1327821	28308	201848
20 --- 29	517243	15570032	17508625	1938592	270635	1667957	47374	336823
30 --- 49	951973	24467374	27993400	3526026	537363	2988663	75019	636205
50 --- 99	1779281	43678098	49782614	6104516	1007720	5096795	141800	1251071
100 -- 199	2252267	48020241	56325583	8305341	1242953	7062388	214387	1252193
200 -- 499	3963346	83378777	100215362	16836585	2315679	14520906	298569	2458418
500 -- 999	3380162	62172246	79571635	17399390	2170424	15228966	270893	2070751
1000 -1999	2768267	62987582	76618550	13630968	2034706	11596262	237238	1392769
2000--4999	2686671	58640155	68628108	9987953	1789845	8198108	172930	1192570
5000&Above	2408431	60484312	76802876	16318564	2150993	14167572	92159	910262
Total	21473349	479866558	577602354	97735796	14065505	83670291	1619529	12065632

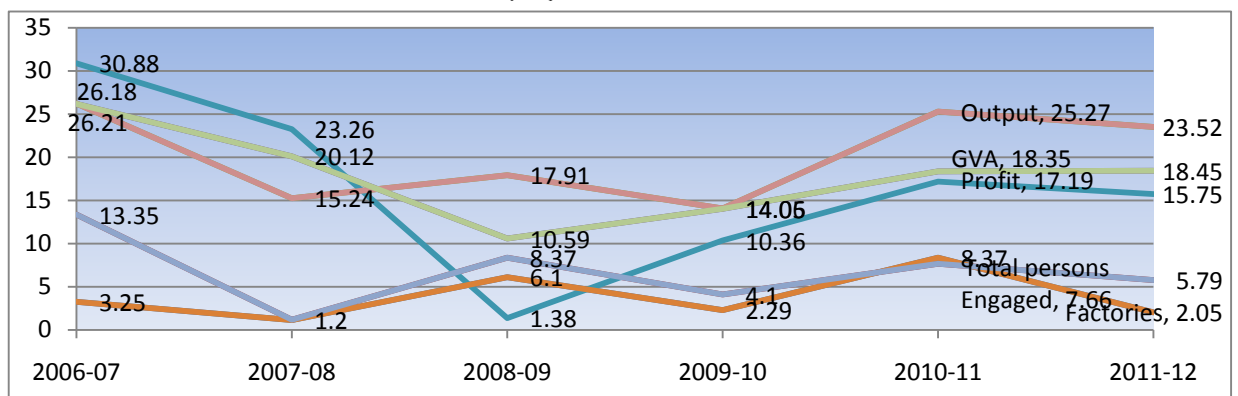
Percentage Distribution of Factories by Employment Range



Growth during recent years :

14.17 The growth in GVA in 2011-12 has been able to hold on to the growth as in 2010-11. However, the output growth has decreased in 2011-12 as compared to 2010-11. The growth in the employment has picked up sharply during the last two years 2011-12 and 2010-11 in the organized factory sector. Output to input ratio indicating the industrial efficiency has almost been static over past few years. Again, NVA to Output has also remained stable over years. Emoluments to NVA is same in 2011-12 as in 2010-11. Total emoluments as percentage of GVA have been stable at 22 percent in 2010-11 and 2011-12. The same, has however remained almost in the range of 19-22 per cent in the last seven years. The share of interest to GVA was 9.0 per cent in 2006-07, increasing thereafter to 10.6 per cent in 2010-11 and 12.3 per cent in 2011-12. Consequently the profitability, measured share of profit to GVA, has declined marginally from 53.8 per cent in 2007-08 to 47.8 per cent in 2010-11 and 46.2 per cent in 2011-12.

Annual Growth Rates (%) of Various Indicators of ASI



Technology & Energy Efficiency in Manufacturing :

14.18 Technological depth of organized manufacturing, defined in terms of increase in share of value added, indicates a worsening trend in organized manufacturing during the post-reform period. The share of inputs as per cent to output actually increased from 77.2 per cent during 1981-91 to 77.3 per cent during 1991-2001 and further to over 80 per cent in the last decade. Output to input ratio has marginally decreased from 1.21 in 2010-11 to 1.20 in 2011-12. And has been almost static since 2007-08. This indicates that the growth of Indian industry in general, particularly the organized manufacturing sector, was largely driven by increase in use of inputs. There has, however, been significant improvement in use of energy. The ratio of expenditure on fuel to output declined from 8.2 per cent during 1981-91 to 7.0 per cent during 1991-2001 and further to 4.3 per cent in 2009-10 and was 4.2 per cent during 2011-12. Industry is becoming increasingly conscious of energy efficiency.

14.19 There has been an increase in profitability in organized manufacturing, with the ratio of profit to output increasing from 3.52 per cent in 1981-91 to 10.72 per cent in 2007-8. However, thereafter there has been a moderation in the ratio of profit to output to 8.9 per cent in 2009-10 , 8.3 per cent during 2010-11 and 7.8 per cent during 2011-12. Profitability of organized manufacturing seems to be considerably dependent on the rate of interest on its outstanding credit and emoluments paid to workers. A trend of moderating interest rate from 1998-9 until 2007-8 resulted in the ratio of profit to output increasing from 6 per cent to 10.7 per cent. Hardening of interest rates in 2008-9 substantially reduced the ratio of profit to output. The decline in rate of interest, however, did not result in any improvement in profit/output ratio in 2009-10 and the interest paid rose by 20 and 37 per cent during 2010-11 & 2011-12 respectively after a smaller increase of only 6.7 per cent during 2009-10.

Some Key Parameters of Organized Manufacturing In India							
CHARACTERISTICS	1981-1991	1991-2001	2001-2006	2006-2007	2007-2008	2008-2009	2009-2010
Number of factories	101905	127431	132419	144710	146385	155321	158877
Value of output (₹ billion)	1450	6469	13923	24085	27757	32728	37228
In per cent							
Input/ output	77.20	77.26	81.04	80.89	80.09	81.32	81.54
Fuel/output	8.21	7.01	5.76	4.99	4.67	4.65	4.34
Capital invested/labour (₹ '000)	133	498	872	1037	1225	1355	1638
Emoluments/output	8.75	6.18	4.35	3.68	3.80	3.96	3.95
Profit/output	3.52	5.58	7.44	10.02	10.72	9.07	8.67
Interest Rate of Interest	11.90	15.31	11.96	9.64	11.34	12.80	11.06

	2010-11	2011-12
Number of factories	2,11,660	2,17,554
Value of output (₹ billion)	46,762	57,760
In per cent	82.35	83.08
Input/ output	4.18	4.20
Fuel/output	4.18	4.20
Capital invested/labour (₹ '000)	1,885	2,115
Emoluments/output	4.55	4.30
Profit/output	8.34	7.82
Interest Rate of Interest	10.66	13.05

Structural Ratios		Unit	2007-08	2008-09	2009-10	2010-11	2011-12
Fixed Capital per Factory in Operation	₹ Lakhs		577	680	851	933	1110
Total Persons Engaged per Factory in Operation	Number		71	73	74	74	76
Workers per Factory in Operation	Number		56	57	58	58	59
Gross Output per Factory in Operation	₹ Lakhs		1896	2107	2350	2716	3287
Net Value Added per Factory in Operation	₹ Lakhs		327	340	373	409	476
Output per Person Engaged	₹		2655537	2889254	3165721	3683553	4300851
Gross Value Added per Person Engaged	₹		528825	539671	591231	649975	727745
Net Value Added per Person Engaged	₹		458282	465916	502130	555009	623012
Wages per Worker	₹		62246	68103	75281	86493	95662

Technical Coefficients						
Fixed Capital to Net Value Added		1.76	2.00	2.28	2.28	2.33
Fixed Capital to Output		0.30	0.32	0.36	0.34	0.34
Net Value Added to Output		0.17	0.16	0.16	0.15	0.14
GVA to Fixed Capital		0.65	0.58	0.52	0.51	0.50

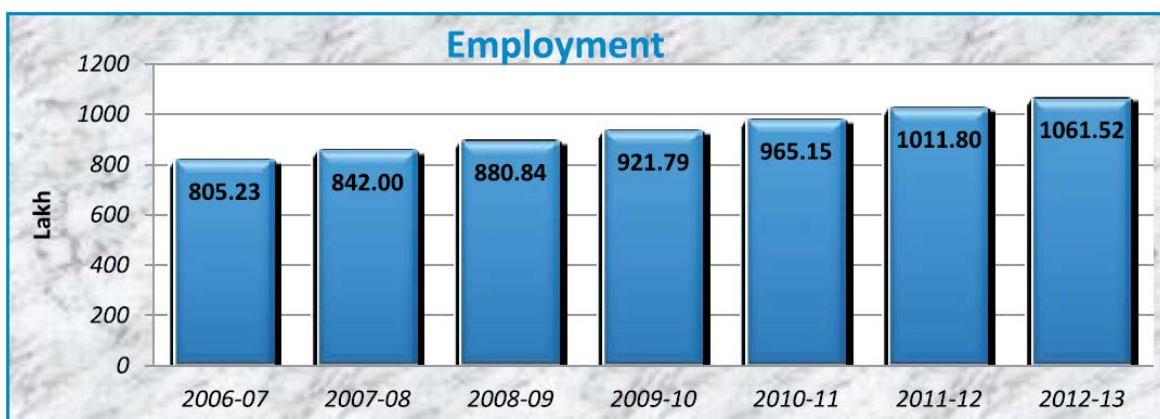
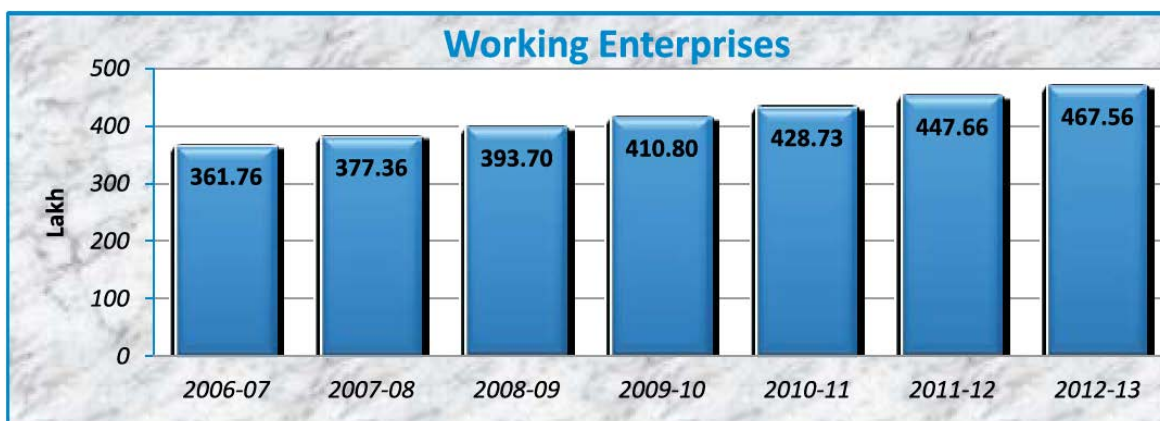
Micro, Small, and Medium Enterprises (MSMEs)

14.18 Worldwide, the micro small and medium enterprises (MSMEs) have been accepted as the engine of economic growth and for promoting equitable development. The major advantage of the sector is its employment potential at low capital cost. The labour intensity of the MSME sector is much higher than that of the large enterprises. The

MSMEs constitute over 90% of total enterprises in most of the economies and are credited with generating the highest rates of employment growth and account for a major share of industrial production and exports. In India too, the MSMEs play a pivotal role in the overall industrial economy of the country. In recent years the MSME sector has consistently registered higher growth rate compared to the overall industrial sector. With its agility and dynamism, the sector has shown admirable innovativeness and adaptability to survive the recent economic downturn and recession. The MSME sector in India constitutes enterprises with investment in Plant & Machinery **less than Rs ten Crore in case of manufacturing & less than Rs five Crore in case of services sector.**

14.19 Fourth All India Census of MSME is the first census conducted post implementation of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. Prior to implementation of MSMED Act, 2006, the sector was defined as per the provision of Industrial Development and Regulation Act, 1951 as Small Scale Industries (SSI) sector and its constituent, tiny and auxiliary units as per periodic revision of criteria for defining such units. The scope and coverage of the MSME sector were broadened significantly under the MSMED Act, 2006, which recognised the concept of “enterprise” and to include both manufacturing and services sector, besides defining the medium enterprises under the MSME sector.

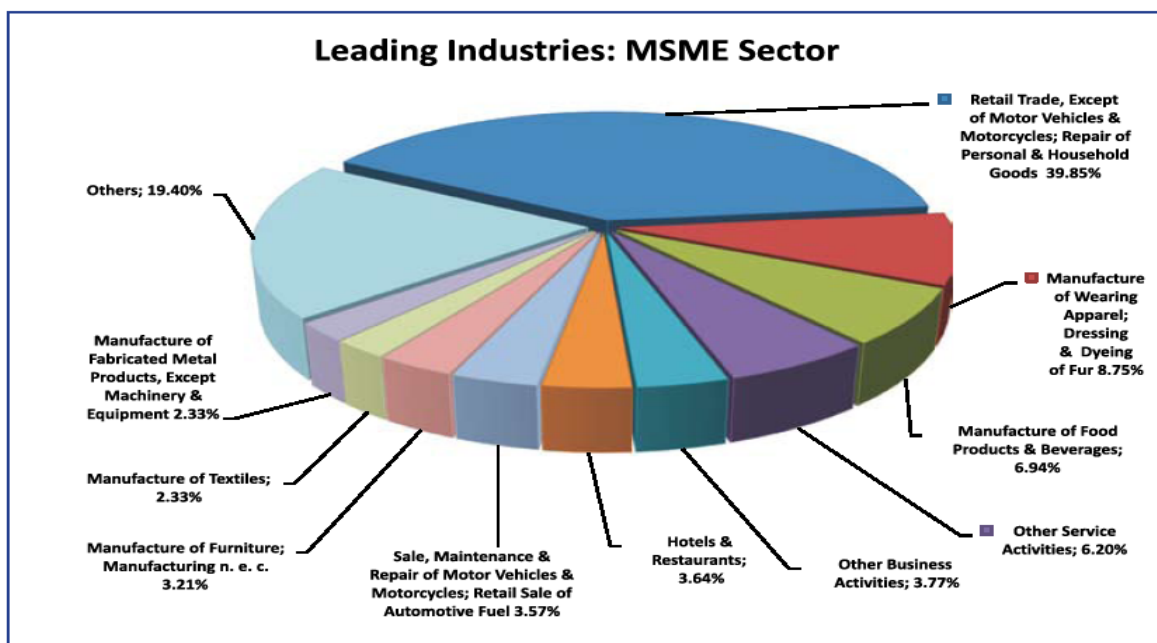
14.20 As per available statistics (projections based on 4th Census of MSME Sector 2006-07), this sector employs (estimated) more than 100 million persons spread over 46.7 million enterprises. The size as per Fourth Census was about 36.2 million with about 80.5 million persons employed in the sector. While on a strictly comparable basis, growth rate recorded during the year 2001-02 (3rd Census) to 2006-07(4th Census) was 15.30% and 15.02% for estimated number of Enterprises and Employment respectively. The sector as a whole recorded a growth rate of 28.02% and 26.42% in cases of estimated number of enterprises and employment respectively, taking into account the definitional changes during the period 2001-02 to 2006-07. For service sector, while the growth rate in estimated number of enterprises and employment recorded was 31.21% and 34.00% respectively, during the period of 2001-02 to 2006-07 taking into account the expanded coverage of the sector, the same was 9.39% and 10.12% respectively on strictly comparable basis. As the activities brought under the coverage of MSME sector due to definitional changes in 2006-07 were limited to services sector, the growth rate for manufacturing sector is comparable. The growth recorded during the year 2001-02 to 2006-07 in manufacturing sector was 22.46% and 18.49% for estimated number of enterprises and employment respectively. Following graphs/ tables indicate the trends in MSME sector both in terms of employment and production(fig 2009 onwards are based on projections)



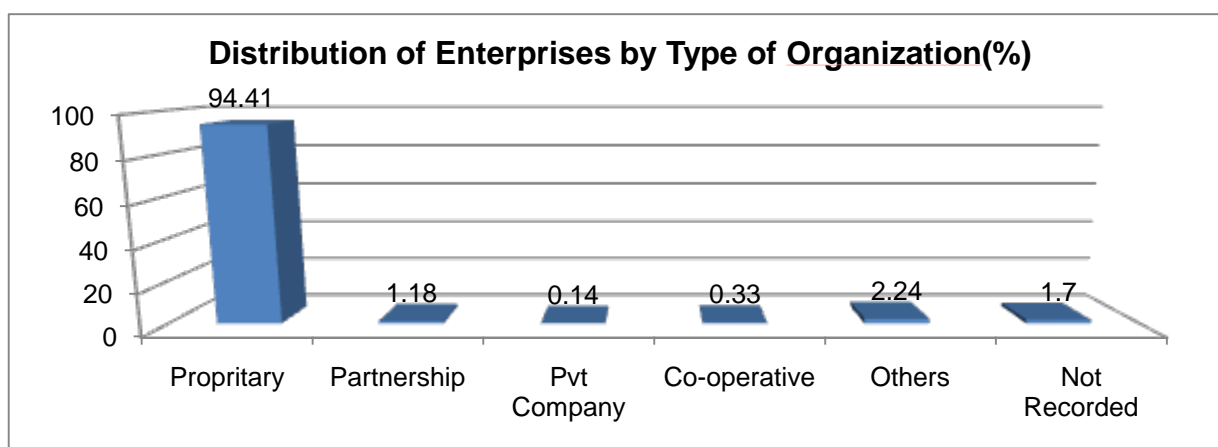
14.21 It is estimated that in terms of value, MSME sector accounts for about 38% of the manufacturing output, about 7 % of GDP and around 36% of the total export of the country.

(At 2004-05 prices)

Year	Gross Value of Output (Rs. in Crore)	Percentage Share of MSME	
		Total Manufacturing Output	Gross Domestic Product (GDP)
2006-07	1198817.55	42.02	7.73
2007-08	1322960.41	41.98	7.81
2008-09	1375698.60	40.79	7.52
2009-10	1488390.23	39.63	7.49
2010-11	1655580.60	38.48	7.42
2011-12*	1790804.67	37.52	7.28



14.22 As per 4th Census, of the total enterprises 55.34 % were rural units and 7.36 % were women enterprises whereas the employment per Unit was 2.23 . Rural areas with 200.19 lakh of working enterprises accounted for 55.34% of the total working enterprises in MSME sector. About 94.41% of the enterprises in the sector were proprietary enterprises, 1.18% of the enterprises were run by partnerships and 0.14% of the enterprises were run by private companies. The rest were owned by co-operatives/ trusts or others. According to social group category, 7.83% of the enterprises were owned by Scheduled Caste entrepreneurs, 5.76% by Scheduled Tribe entrepreneurs and 41.94% by entrepreneurs of Other Backward Classes.



14.23 Sources of Industrial Statistics:

- **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. The data processing work of the Fourth All India Census of MSMEs, unregistered sector is under progress.

References:

- Annual Survey of Industries 2011-12 , Vol I, Ministry of Statistics & PI.
- MSME Annual Report 2013-14, Ministry of Micro Small & Medium Enterprises
- Economic Survey 2011-12 & 2013-14 , Ministry of Finance