

An aerial photograph of a sprawling industrial complex, likely a steel mill or a large manufacturing plant. The landscape is filled with a dense network of buildings, structures, and numerous tall smokestacks that rise into the air. The overall color palette is dominated by warm, yellowish-brown tones, suggesting a historical or sepia-toned image. The text "Growth and Pattern of Industrialisation" is overlaid in a bold, black, serif font, centered across the image.

# **Growth and Pattern of Industrialisation**

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# INTRODUCTION

**Post Independence Period –  
Underdeveloped Economy**

**Industrial Growth :-**

- **1951 – 1965 – Establishing Industrial Base.**
- **1965 – 1976 – Slow Growth.**
- **1976 – 1995 – Industrial Recovery**



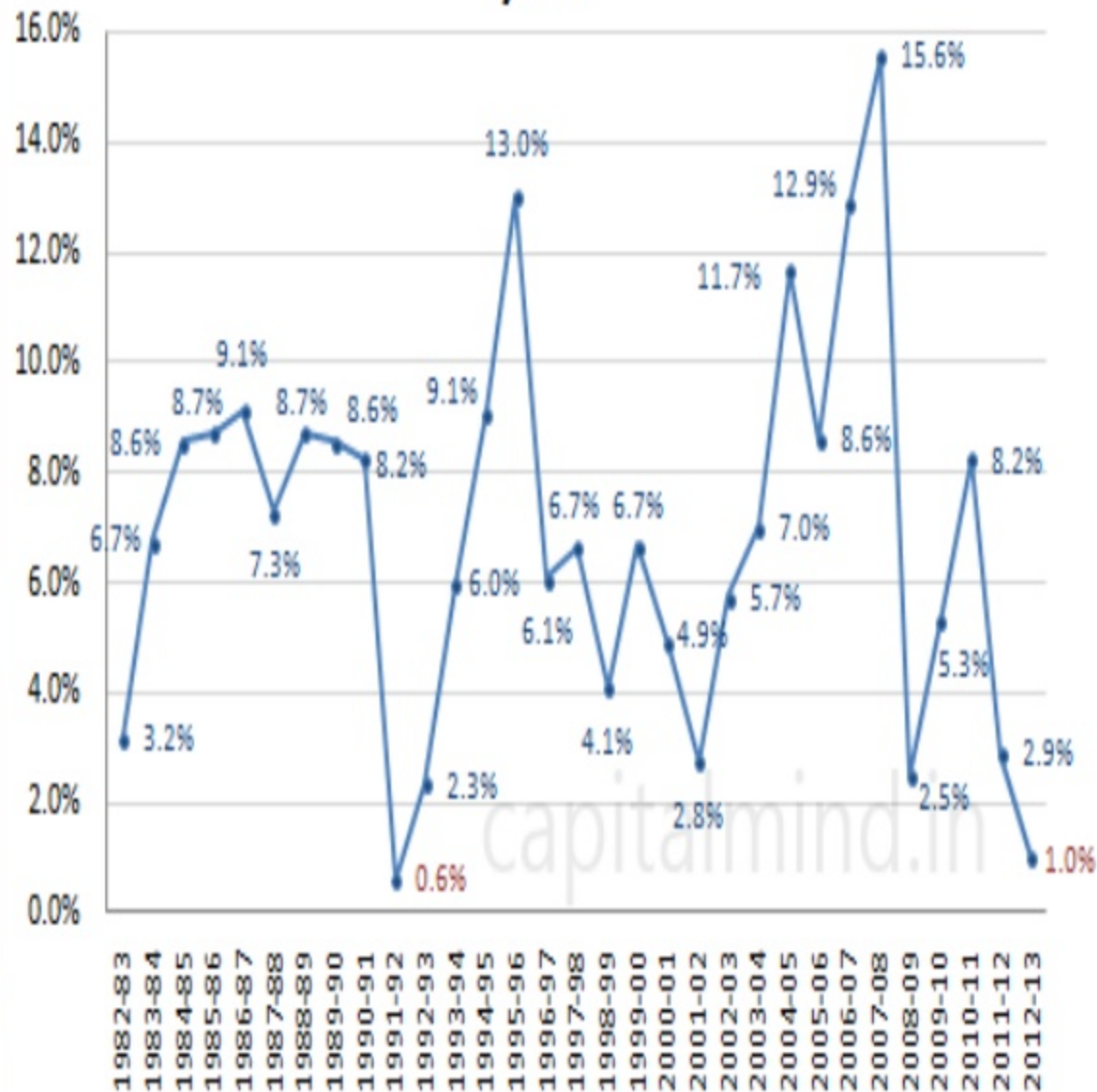
# INDUSTRIAL GROWTH SINCE 1991

- Introduction to New Industrial Policy 1991.
- Important factors affecting slowdown since 1996.
- Tenth Plan Period ( 2002- 2007).
- Eleventh Plan Period (2007- 2012).





## India's Industrial Production Growth Lowest in 20 years



# Industrial Pattern In India



- *Classification on the basis of:-*
  - ✓ *Use of Goods*
  - ✓ *Sectors*
  - ✓ *Ownership*
  - ✓ *Size of Investment*





## *USE OF GOODS*

BASIC GOODS	45.68%
CAPITAL GOODS	8.83%
CONSUMER GOODS	8.46%

## *SECTORS*

MINING	14.16%
MANUFACTURING	75.53%
ELECTRICITY	10.32%

## *SIZE OF INVESTMENT*

MANUFACTURING	< 25 LAKH > 25 LAKH > 5 CR
SERVICE	< 10 LAKH > 10 LAKH > 2 CR

**CHANGE**

**AHEAD**



# CHANGES IN USE BASED INDUSTRIES



Consumer non durables



Capital goods



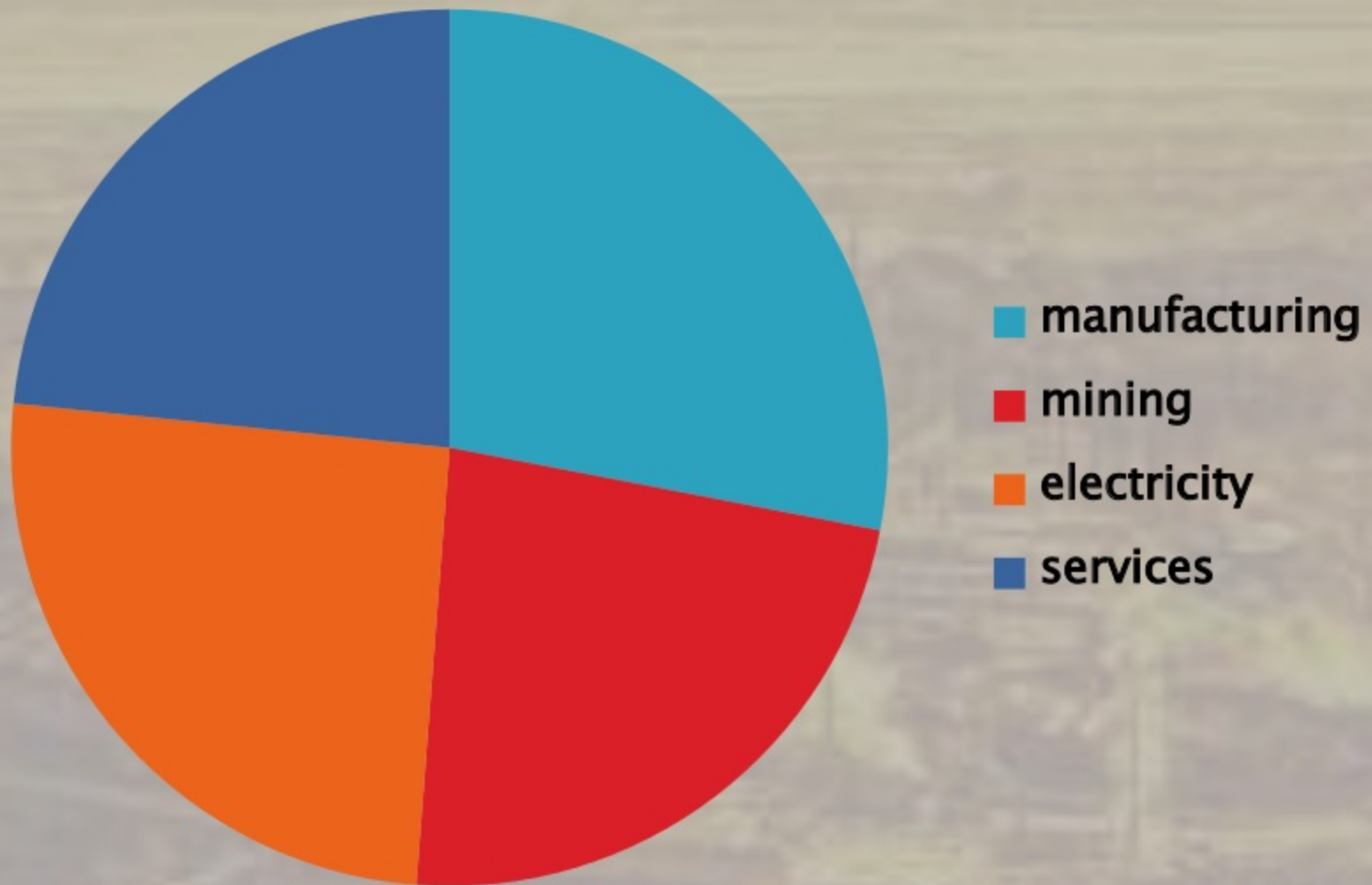
# CHANGES IN OWNERSHIP BASED INDUSTRIES

- ❖ In 1950, railways , posts and telegraphs were the main industries.
- ❖ In 2011-12, there were altogether 248 central public sector enterprises.
- ❖ The cumulative investment in all CPSEs together stood at 666848 crores .



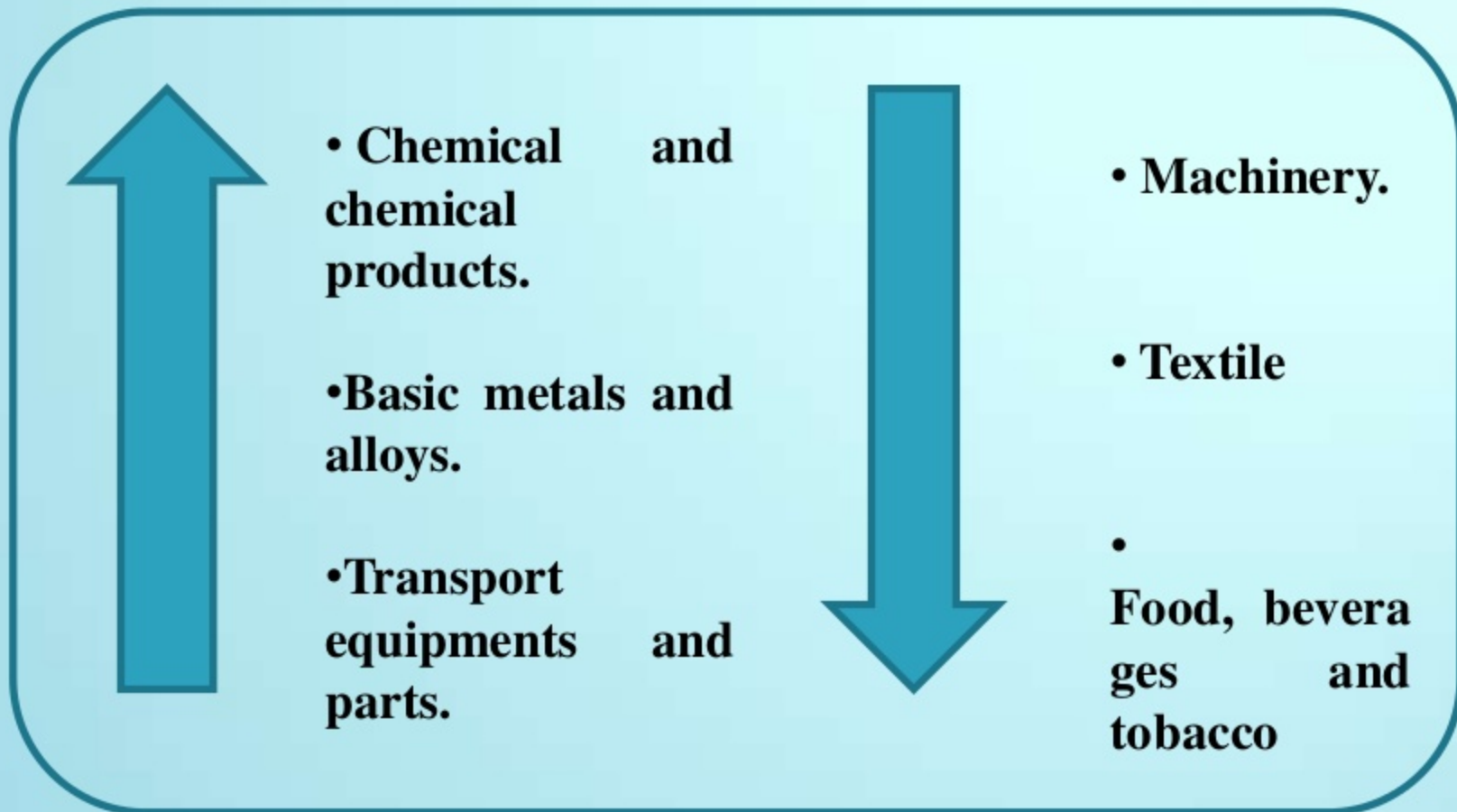


## Share in investment



# CHANGES IN MANUFACTURING SECTOR.

## 1.Changes in shares of different sectors in industrial production.





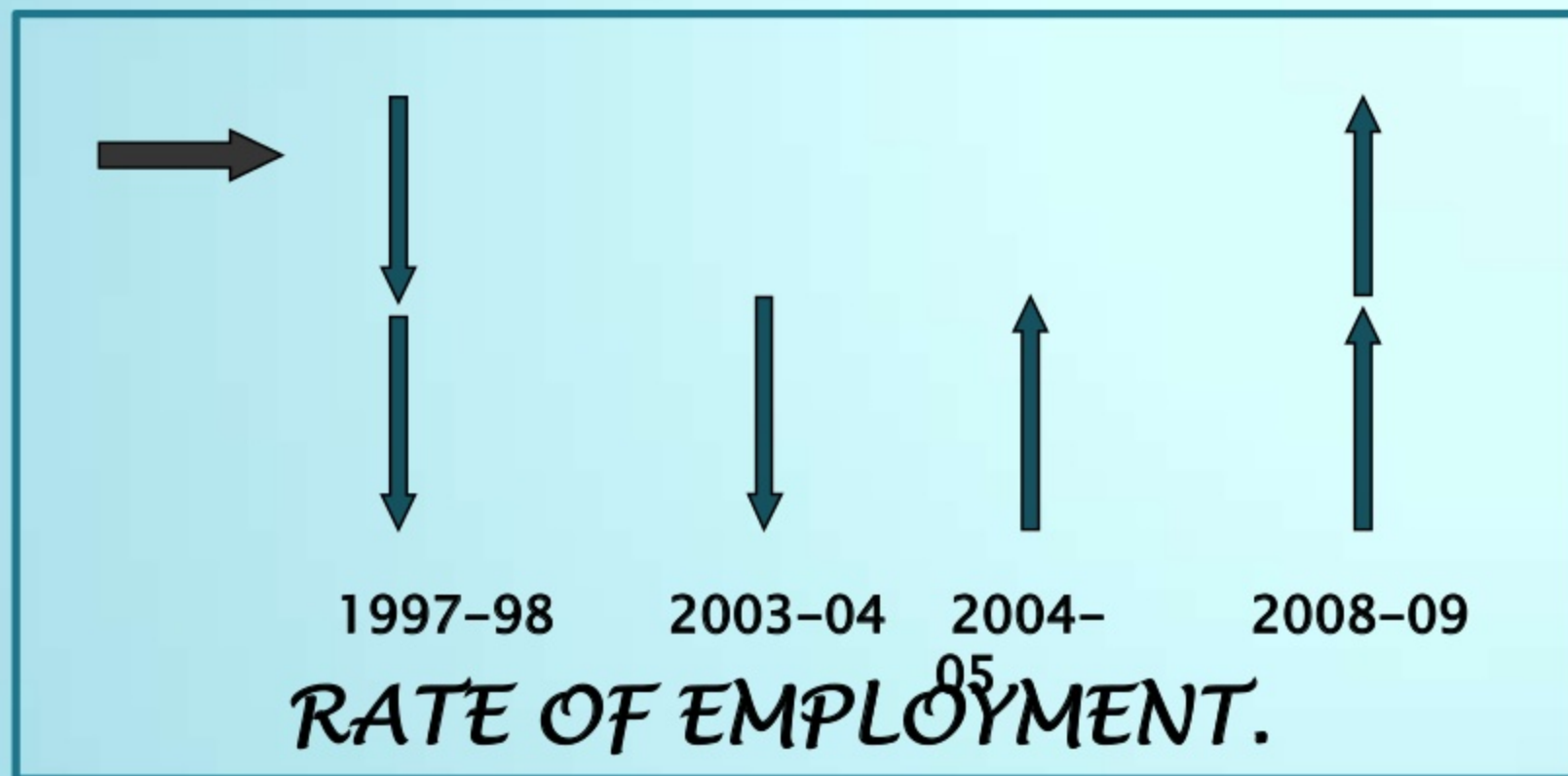
## **2. Increase in capital intensity.**

- Rise in fixed capital per employee –  
CAGR  $\uparrow$  by 6.5%

## **3. No change in the paradox of Indian manufacturing.**

- “The paradox of Indian manufacturing in 1980s is that a labour rich, capital poor economy using too little of the former and using the latter very effeciently”

# STRUCTURAL CHANGES IN THE ORGANISED MANUFACTURING SECTOR.



❖ Manufacturing, one of the key driver of the transformation of the growth path of Indian economy witnessed during the post 2000.



# MAJOR PROBLEMS IN INDUSTRIAL SECTOR

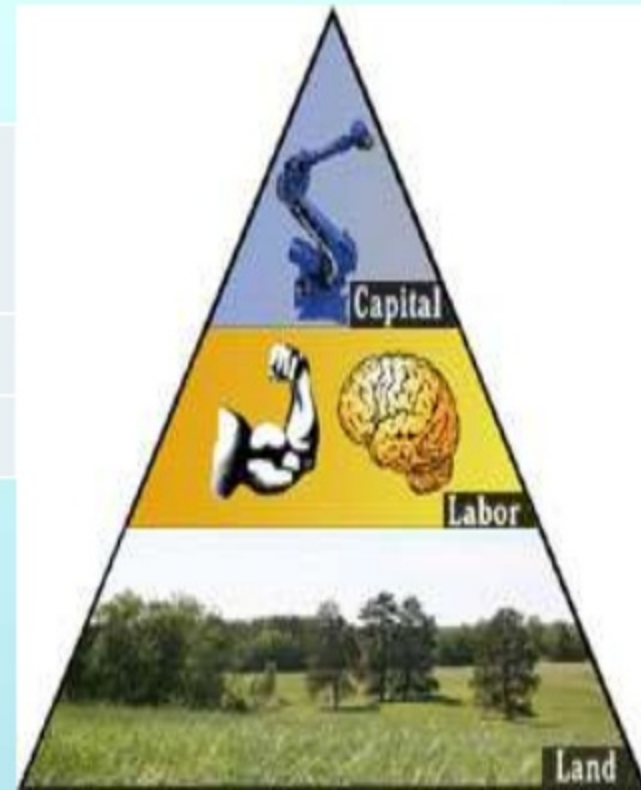


# 1. Infrastructural constraint



## 2. Industrial productivity

Average	Capital productivity	Labour productivity	Total productivity
1980	3.9	7.5	0.7
1990	2.1	7.1	0.9





### 3. Employment

Rate of growth of employment in the organised sector (%per annum)

	1983-94	1994-08
Public sector	1.53	-0.65
Private sector	0.44	1.75
Total organised	1.20	0.05

### 4. Burden of Public sector

- 2<sup>nd</sup> Five Year Plan onwards-massive investment in public sector
- Adverse impact on the industrial sector





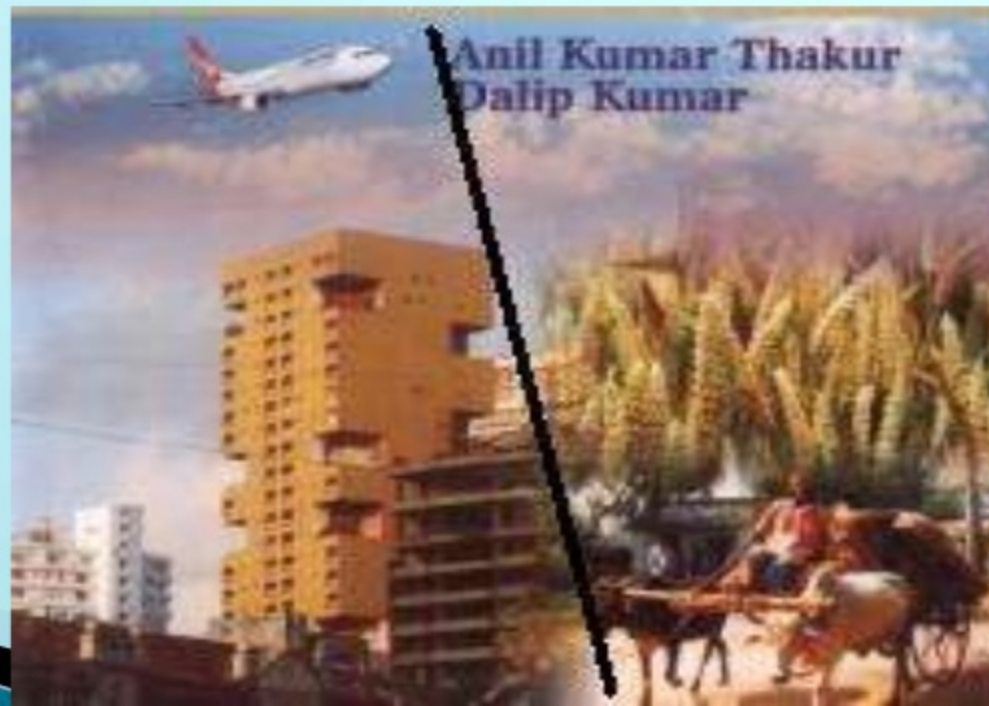
## ❑ Industrial Sickness

### Sick units in India

End of March	Large and medium	Small	Total
• 2001	• 3,317	• 2,49,630	• 2,52,947
• 2007	• 3,992	• 1,14,132	• 1,18,124

- Internal Factors
- External Factors

## ❑ Regional Imbalances



## ❑ Rising competition and Unfair Practices



## ❑ Industrial Pollution





