CHAPTER - VII

SUMMARY AND CONCLUSION
Basic industries play a crucial role for both the development of agricultural and industrial sectors in the country. In our study we have selected three main basic industries namely - Power, Fertilizer and Cement industries. These are the major agricultural inputs which have over the period of time contributed significantly towards the increase in agricultural and industrial production. Power industry is the most useful and versatile form of energy needed for economic development of a country. This prime input has a very prominent role in agriculture, industry, transport, commercial and domestic sector of national economy. Power is the most preferred form of energy due to its convenience both in its use as well as its generation, that is why its demand and supply both have been increasing much faster, compared to other forms of energies. Fertilizer is one of the major agricultural inputs which has over the passage of time period contributed significantly towards the increase in agricultural production to fulfill the demand for foodgrains of increasing population. Cement is also a basic input, like power and fertilizer, for economic development of every country in the
The pattern of industrialization introduced during the British rule in India served only British interest. It did not result in the industrial development in India. Only few industries like cotton, jute, iron & steel, etc., developed but a systematic approach to industrialization was lacking as it would have been detrimental to British interest. There was, thus, lack of development of basic and strategic industries. The country was mainly dependent on imports of commodities meant even for daily use. Just after independence, Pt. Jawaharlal Nehru, the first Prime Minister of India put great emphasis upon the development of basic and heavy industries that was synonymous to industrialization. Nehru's strategy of development made possible for India to emerge as an Industrialized Nation in the world. This has resulted in the diversification and expansion of India's industrial capacity and capability. Government of India introduced several industrial policies for industrial development in the country. The first Industrial Policy was adopted in 1948 on the pattern of 'mixed economy' in which there is a scope for the growth of both public and private sectors. After 1948 industrial policy a number of
significant changes were made in industrial policy to achieve the aims and objectives of Five Year plans. The first priority was given in second Five Year Plan for basic and heavy industries. The overall achievements of various Five year plans following the based tenets of industrial policy. It can be rightly pointed out that under planning an effort has always been made to create a necessary social and economic infrastructure in the country to provide an industrial base especially by fostering the development of basic and heavy industries. In the last decade since 1985-86 Indian economic conditions were deteriorated very much. The industrial performance of Sixth and Seventh Five Year Plans have been very hopeless she faced an acute crisis of foreign exchange. The achievements have been far below the targets fixed in these plans. Therefore, the government of India announced a New Industrial Policy to cope with the basic economic problems which were adversely affecting the industrial development in the country.

The main objectives of New Industrial Policy is to strengthen the Indian industrial economy and to protect it from the bureaucratic control, to introduce liberalization with a view to integrate the Indian Economy with the world
economy, to remove restrictions on direct foreign investment and also to free the domestic entrepreneur from the restrictions of MRTP Act.

The study is focussed mainly on growth, performance and capacity utilization of power, fertilizer and cement industries in India from 1980 onwards. The study reveals a number of facts about the progress of these basic industries highlighting the pace of progress especially made in the post-Independence period. Though the cement industry started very late in comparison to two other selected industries and it also surpassed the other two industries in its pace of progress. The pace of development keeping the level of production and the quality of supply of cement have been more in relative terms than what the production and quality of supply of fertilizers in the country. These three selected basic industries have been progressing steadily over the period of planned economic development in the country. Though the increasing demand for each of these products try to be met by the domestic supply, at the time of shortage of supply of any one of products especially of fertilizers met by imports. Since there is no production of potassium fertilizer in the country. She always remains dependent upon imported amount of this fertilizers. Cement industry has
emerged as a most progressive basic industry. During this period the industry raise the level of its production not only to cater the internal demand for cement but it has also been exporting a good amount of cement to the neighbouring countries. For the country, like India, it is a good sign of searching out such item for earning some foreign exchange. Production and supply of power is still not satisfactory. It has been lagging behind the demand for electricity, wherever the electrification has been extended. There is a grave situation of voltage and frequency. Keeping all these things in view Government of India gave it a special place in the new industrial policy.

It is also observed from the study that the capacity utilization in power industry is very poor, i.e., only near about 50 percent. The under capacity utilization of power industry in India was mainly due to plant load factors, poor quality of coal, old equipments and non-availability of raw-materials. The above analysis has also revealed that in the case of fertilizer industry, loss of production in Indian fertilizer industry was mainly due to equipments problem followed by raw-material shortages. The capacity utilization in fertilizer industry is less than what it is
found in cement industry. Therefore, there is need for increasing capacity utilization in the fertilizer industry in India for meeting growing demand for both nitrogenous and phosphatic fertilizers. It is very obvious from the study that these industries have however achieved a good progress but the cement industry in recent years marked with higher rate of progress. The Indian cement industry like many other leading cement production countries started towards its modernization rapidly that helped development and expand in the Indian economy. The performance of cement industry to any extent largely affected by the depending industries especially by power.

On comparison it has been well established that capacity utilization is a major problem of power industry. The power is not self-confined but similar problem has also been created in other selected industries. If this problem is anyhow solved in the power industry it will also undoubtedly improve the situation of under-utilization in other industries.

The Government policies of these selected basic industries, namely - power, fertilizer and cement industries are multi-dimensional and having mainly three main objectives, namely, raising production of these basic inputs improving the supply
condition increasing utilization capacity and encouraging the consumers and farmers to use the large amount for increasing the production and productivity of industrial and agricultural commodities specially of the foodgrains in the country. Government is also provided subsidy on fertilizer and on power for farmers and introduced decontrol policy of cement for users in the market.

From the summary of power, fertilizer and cement industries, presented above the following suggestions are essential for the development of these selected basic industries which ultimately help in meeting the demands of the consumer sector and business sector of our country:

1) Government of India should provide good quality of coal and raw-materials to the power sector. There also should be replaced old technology and introduced new technology and new equipments for increasing the capacity utilization in these industries. Privatization is a better policy for encouraging the investment and expansion of these industries but the government must well control the industrial activity in interest of the common men in the country.
ii) The amount of import should be allowed only to fill the gap between the consumption and production of fertilizers. If the domestic production becomes sufficient to meet the demand then the import should be checked. This will help the development in the fertilizer industry of India. This check will also be a fruitful way to protect the foreign exchange. It has also been found that when there was delay in rains, the power supply to the fertilizer industry adversely affect the level of production. It will be in the long-term interest of the country to exempt fertilizer industry from power cuts.

iii) Cement industry has also similar problems like shortages of raw-materials, transportation facilities, good quality of coal, etc., all these should be provided at the right time for full capacity utilization.

iv) For the healthy functioning and for attaining better results from any industry it should operate without hinderances which ultimately determine the rate of return and profit.
In this way we can say that a new technology and skilled labour may help increase capacity utilization in power, fertilizer and cement industry. It is well known fact that power (Electricity) is a vital point for any industry. So, there is urgent need to provide all facilities to increase capacity utilization in power industry. The suggested approach would also help to increase the returns of scarce resources especially of capital on the one hand and to spare such scarce resources for the development of any industry on the other hand in the country.