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**Trends and Patterns of Technology Acquisition in Indian
Organized Manufacturing: An Inter-industry Exploration**

***Jaya Prakash Pradhan
Puttaswamaiah S.***

Gujarat Institute of Development Research
Gota, Ahmedabad 380 060

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Abstract

With liberalization of foreign technology import policy in the 1990s, India has seen declining R&D intensity at national level. This has generated a general concern on how Indian industries are doing in technology accumulation under the new policy regime. The present study has made a preliminary attempt to analyze different modes of technology acquisition including R&D for Indian manufacturing industries by National Industrial Classification (NIC) Revision 1998 at 3-digit level. It has constructed a new technology indicators database for Indian industries at NIC 1998 and also constructed a composite technology index for Indian manufacturing to examine how high-technology industries have performed during the period 1991-2001. The research revealed many interesting facts about the nature and character of technology accumulation in Indian manufacturing, which has important policy implications.

JEL Classification : *O30; O32; E22; F23; L60*

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**Jaya Prakash Pradhan
Puttaswamaiah S.**

1. Introduction

In the era of globalizing world economy, competitiveness of nations depend crucially on the speed of acquiring, absorbing and effectively utilizing new technology vis-à-vis their global competitors. Technology in the form of creative application of existing technical knowledge or generation and application of new technical knowledge results in productivity improvements. In the process, it endows the nations a competitive advantage by infusing technical improvements in product or production process. The Indian Science and Technology Policy (ISTP)-2001 clearly recognizing this role of technology, aims 'to encourage the highest level of innovation and research and development in industry' and 'to integrate science and technology with all spheres of national activity in order to enhance India's global competitiveness'.

The present study attempts to examine how have Indian industries performed in acquiring and strengthening their technological capabilities during the reform period. The period between 1991 and 2001 has seen dramatic changes in the Indian technology policy as compared to pre-reform period. As a part of the import-substituting development strategy pursued by India, the pre-reform Indian technology policy was meant to reduce dependence on foreign technology and skills. The indigenization of technological capacity building was to be achieved by: (i) protecting local technology and skills from imported ones wherever local skills were available and (ii) permitting foreign technology including investment in cases where local alternatives were inadequate or not available with strong emphasize on indigenization and absorption of imported knowledge and skills.

The technology policy regime was more selective and restrictive towards foreign technology imports during this phase (Panchamukhi et. al. 1994). Foreign collaborations were barred for majority of industries and wherever permitted were subjected to complex approval procedures, policy-led ceiling on foreign investment, royalty payments, etc. Technology importers were required to

demonstrate necessity of the importing technology and required to give a firm assurance on indigenization and subsequent development of imported know-how through investment in in-house research and development (R&D). Further, it was required that the imported technology be open to sublicensing within the country without any minimum guaranteed royalty or restrictive clauses with respect to exports, source of capital goods, raw materials, or spares.

The policy further disallowed foreign brand-names for sales in Indian markets, emphasized on exclusive use of Indian consultancy relative to foreign consultancy, and insisted for a limit on renewals or extension of foreign collaboration. Technology import through foreign investment was restricted to relatively high technology and capital-intensive industries. Imports of capital goods were banned if locally available and a small list of others was allowed through Open General Licenses (OGL) subject to ceiling and the satisfaction of authorities regarding local unavailability.

The Indian technology policy has undergone sea change in character during 1990s when India adopted outward looking development strategy in 1991. Technology imports through foreign direct investment (FDI) are now freely permitted in all sectors including services, except a small negative list on environmental, small-scale sectors and security concerns. For faster approval of foreign investment Reserve Bank of India (RBI) based automatic route was created and limit on foreign ownership was raised or completely lifted for many industries. Foreign technological collaborations of US \$ 2 million were also accorded automatic approval route in the case of all industries if royalty involved is limited to a total payment of 8 per cent on sales. The period of royalty payment has been extended to 10 years from the date of agreement or 7 years from the date of commencement of commercial production, whichever is earlier. In the case of foreign financial collaboration (without technology transfer) a royalty payment up to 2 per cent for exports and 1 per cent for domestic sales on use of trademarks and brand name under automatic route is permitted. The wholly owned subsidiaries (WOS) are permitted under automatic route to make royalty payment up to 8 per cent on exports and 5 per cent on domestic sales to their parent companies without any restriction on the duration of royalty payments (Secretary of Industrial Approval, 2003).

Quantitative restrictions on import of capital goods and intermediates were removed and tariff rates were significantly reduced during this phase. The average import coverage ratio for capital goods declined from 77 per cent in 1986-90 to 21 percent

in 1991-95 and further to 8 per cent in 1996-00. The average effective rate of protection was brought down by more than half to 33 per cent in 1996-00 from 79 per cent in 1986-90 (See Das, 2003, Table 3, pp. 18). The policy permits import of second-hand capital goods provided they have a minimum residual life of 5 years. Under the Export Promotion Capital Goods (EPCG) Scheme, exporters from manufacturing sector are allowed to import capital goods (including computer systems) at concessionary customs duty and service industries enjoy the facility of zero import duty.

As the technology policy of India has significantly liberalized foreign technology import, both embodied and disembodied, it may be interesting to examine the changes in the pattern of technology acquisition by Indian industries. One may presume that under a liberalizing policy regime with increasing access to foreign technologies at a lower transaction costs, Indian industries might more rely on foreign technology (embodied and disembodied) vis-à-vis in-house R&D and domestic capital goods. However, the nature of relationship between different channels of technology acquisition is complex to make such a simplistic proposition (Basant, 2001). The exact nature of relationship between foreign and domestic technologies may not necessarily be a substituting type and it could even be a complementary or independent type. In the case the same competitive advantages can be derived from foreign and domestic technologies then they involve substitution as industries can substitute one against other depending on their relative costs and uncertainty consideration. If advantages are different then industries need to invest independently on them and if advantages obtained complement each other in strengthening industries' competitiveness then investment in such channels are complementary. However, the present study confined to trends and patterns of different ways of technology acquisition only and does not deal with issues of complex relationships among them¹.

The paper is structured in the following way: Section 2 conceptualizes technology and discusses about different modes of its acquisition. Section 3 deals with issues in preparation of the dataset. The next Section provides trends and patterns of different modes of technology acquisition. Section 5 outlines the methodology of constructing a composite technology index and presents the

¹ There exist a rich literature on the linkages between different sources of technology. See Siddharthan and Agarwal (1992), Kumar and Saqib (1996), Katrak (1997), Basant (1997, 2001), Aggarwal (2000) among others on the debate on the nature of relationship between technology imports and domestic R&D.

results obtained. Section 6 concludes the paper.

2. Technology and Modes of Acquisition

Technology can be defined as the application of knowledge, existing or newly created, in transforming factors of production into output. Technological change involves a new product development or relates to improvement of the product characteristics, modifications in production process or changes in existing organizational patterns.

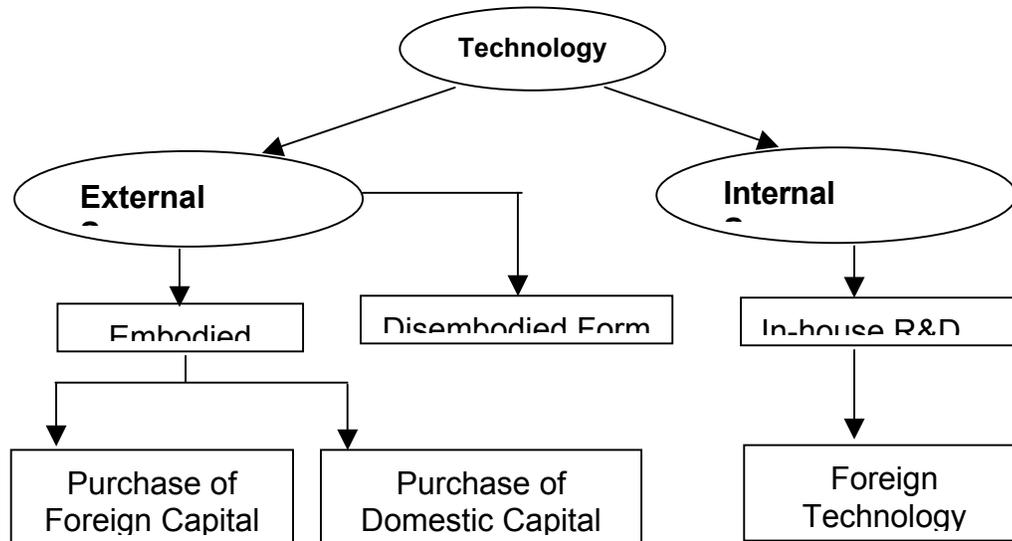
In the neoclassical economics although technology is the main factor affecting long-run economic growth, it has been assigned with an exogenous role. It is assumed to occur effortlessly at some constant rate of time. The firm- the black box that transforms inputs of labor and capital into output of goods and services is assumed to possess free knowledge on available technology. Given the perfectly competitive situation prevailing in factor and product market, the black box select the best technology to produce output dictated by the market signals.

The neoclassical depiction of technology, however, has little resemblance to the real world situation. Firms operate in imperfectly competitive world. Let alone developing and assimilating new technology, even knowing the existing technology and using it in production is not cost-free. For accumulating technological capabilities, whether be in mastering the existing technology or infusing minor improvements in existing processes and products or developing entirely new products, firms are required to make intangible and tangible investments like research and development (R&D), technology licensing, capital goods accumulation etc. Technical change is a function of these investments and not a simple function of time as in the neoclassical framework. The endogenous growth models, which appeared since late 1980s, clearly recognized the fact production and or access to technology involves costs and it is not an exogenous phenomenon to firms and industries (Grossman and Helpman 1990; Romer 1990).

Given the fact that acquiring technology is costly, an Indian industry has to make conscious investment in improving its technological capabilities. This may involves different types of investment as required by different modes of technology acquisition. The source of technology can be internal to an industry or

can be external (see Figure 1).

Figure 1: Modes of Technology Acquisition



The sector can strengthen its technological prowess by indigenous technological efforts i.e., investing in in-house R&D for new product and process development, reverse engineering or absorbing and improving imported foreign technologies. The sector can also get technology externally from different sources, which can be through embodied or disembodied modes.

The embodied mode of technology acquisition takes place when the industry invests in acquiring new vintages of machinery and equipments. The assumption here is that new innovation is embodied in these new capital goods. Depending upon the source of location, the embodied mode can be further divided into procuring capital goods domestically or importing from overseas. The disembodied channel includes investment in acquiring technology in the form of licenses, patents, knowhow, trademarks, designs, etc.

For developing countries tagged as technology-laggards, import of foreign technology has been a major source of their technological capability building. However, given a restrictive technology policy followed by India in the pre-1990s period, this mode of technology accumulation was moderate for Indian manufacturing (Lall 1996).

3. Database Construction

For Indian manufacturing obtaining data on different modes of technology acquisition at sectoral level is hard to come by. The principal source of industrial statistics in India, the Annual Survey of Industries (ASI), published by Central Statistical Organization (CSO) does not provide any information on the technological activities. The Department of Science and Technology (DST), Government of India in its annual publication 'R&D Statistics' provides R&D expenses at sectoral level. However, it suffers from sample bias as it includes only those R&D units, which are recognized by the DST. Moreover, among the recognized in-house R&D units in private sector not all participate in the DST survey. For example, 1130 private sector units included in the survey for 1996-97 about 121 units did not respond and 19 units reported to have zero R&D expenditure².

Given the unavailability of data on all the indicators of technology acquisition, we had to rely on the Prowess database of the Centre for Monitoring Indian Economy (CMIE). This database provides firm-level financial indicators covering all the required technology indicators, on about 4000 manufacturing enterprises. The in-house R&D expenditure incurred is taken as a measure of the sector's indigenous technology acquisition. The technology payments made overseas for licenses, patents, knowhow, and technical assistance is used as the measure of disembodied technology acquisition. The import of capital goods is taken as sector's embodied technology acquisition from abroad. For obtaining the figure on domestic embodied technology accumulation, we have made use of the data on stock of plant and machinery reported in Prowess. First, the sectoral investment in plant and machinery was obtained by subtracting last year's stock of plant and machinery to this year's stock. Second, the obtained investment in plant and machinery was adjusted for the imported machinery to arrive at the domestic capital goods formation.

The Prowess has its own industrial classification markedly different from NIC. To express Prowess database into standard industrial classification we developed an industrial concordance. Prowess for each firm provides 'activity' classification at a more detailed level of dis-aggregation. These activities were then mapped into NIC 1998 classification (which is same as International Standard Industrial Classification

² Source: Research and Development Statistics 1996-97, Table 5.1, pp. 25.

Revision 3) at 3-digit level. For some firms the activity classification was not reported in the Prowess and in that case we relied on the Prowess industrial category to group them into the appropriate NIC classification. The detailed concordance is provided in the Appendix Table 1.

4. Trends and Patterns in Technology Acquisition

4.1 Overall Manufacturing

The investment of Indian manufacturing in different modes of technology accumulation has been summarized in Table 1 and shown in Figures 2 and 3. These investments are provided in absolute monetary term as well as in intensity form (i.e., normalized by the size of sales or gross fixed asset) to know their strategic importance. In India there has been a general concern in both policy and academic circle on the declining trend of R&D. Between 1989-90 and 1999-00, although R&D has increased by 232 per cent in nominal term, as a percent of GNP declined by 22 basis points from 0.92 per cent to 0.70 per cent³. Given that public sector has been the main contributor to total R&D expenditure in India, this declining R&D intensity was inferred to have resulted from declining role of state in acquisition and application of scientific knowledge⁴.

The trend in R&D intensity of Indian manufacturing seems to have defied the declining trend observed in the case of total economy. The R&D as a percent of gross value added (GVA) had increased steadily between 1991 and 1997 from a 0.31 per cent to 1.76 per cent and then hover around 1.5 per cent during 1999-2001 (Table 1, Figure 2). The competitive pressures caused by the reform process in 1990s may explain partly this increasing intensity of Indian manufacturing firms to undertake R&D. With opening up of the economy, many technologically advanced Indian firms have increased their R&D activities to keep their strength in domestic market as well to expand their position in global market, while many technologically less competent firms were forced to undertake R&D functions to survive in the

³ The total R&D expenditure has increased from Rs. 3725.74 crore in 1989-90 to Rs. 12371.04 crore in 1999-2000. Source: The Comptroller & Auditor General of India (2002), Union Audit Reports, Report No.5 of 2001 (Scientific Department), New Delhi.

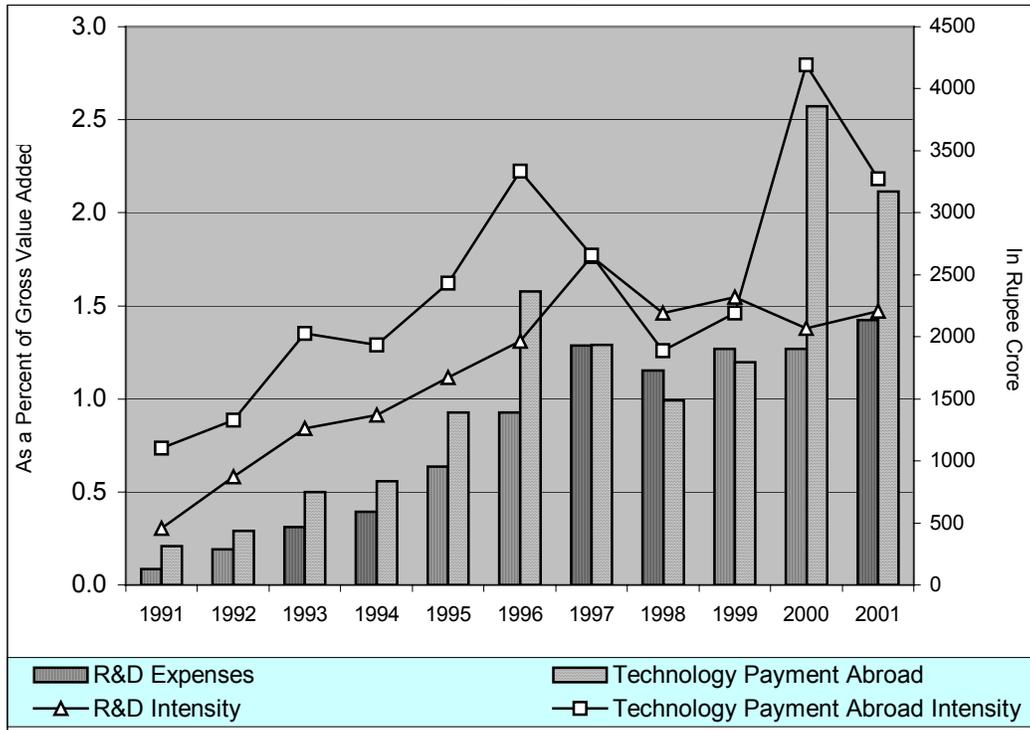
⁴ In 1999-2000, public sector including central and state governments has accounted for about 74.24 per cent of the total R&D. The share of private sector was about 25.78 per cent.

growing competition. The strategic interventions by government in expanding scientific infrastructure, skill formation, provision of grants-in-aid and soft loan for R&D, and other fiscal incentives like enhanced depreciation allowance on plant and machinery, customs duty exemption on government funded research, tax deduction for sponsored research programmes in approved national laboratories and for donations for scientific research etc., also seemed to have played role in encouraging R&D intensity of the manufacturing sector. However, in comparison to developed countries' manufacturing sector like the United States which spend more than 3 per cent of sales, the R&D intensity performance of Indian manufacturing is not satisfactory⁵. As competition in internal and international market is becoming increasingly technology driven, Indian manufacturing has to increase its productive R&D in tandem with global competitors.

As observed in the case of R&D, the investment trend in acquiring foreign disembodied technology has also been quite encouraging. The investment of Indian manufacturing in foreign technology has been more or less growing in the 1990s. Technology payments made abroad as a percent of gross value added has increased by three-times from 0.74 per cent in 1990-91 to 2.22 per cent in 1995-96 (Table 1, Figure 2). Another important point to note that Indian manufacturing seems to be relying more on foreign disembodied technology than in-house R&D as a way of technology acquisition. Over 1991-2001, except for two years, it had consistently invested more per unit of value added in acquiring foreign technology than in conducting in-house R&D. This disproportionate reliance on foreign technology by Indian manufacturing is in tune with the literature which emphasized that technology follower developing countries rely significantly on import of foreign technology to strengthen their technological capacity.

⁵ The United States R&D-to-sales ratio for all manufacturing increased from 2.6 per cent in the early 1980s to 3.3 per cent in 1997. Source: Gregory Tassej (1999) 'R&D Trends in the U.S. Economy: Strategies and Policy Implications', NIST Briefing Note.

Figure 2: R&D and Technology Payment Abroad, 1991-2001

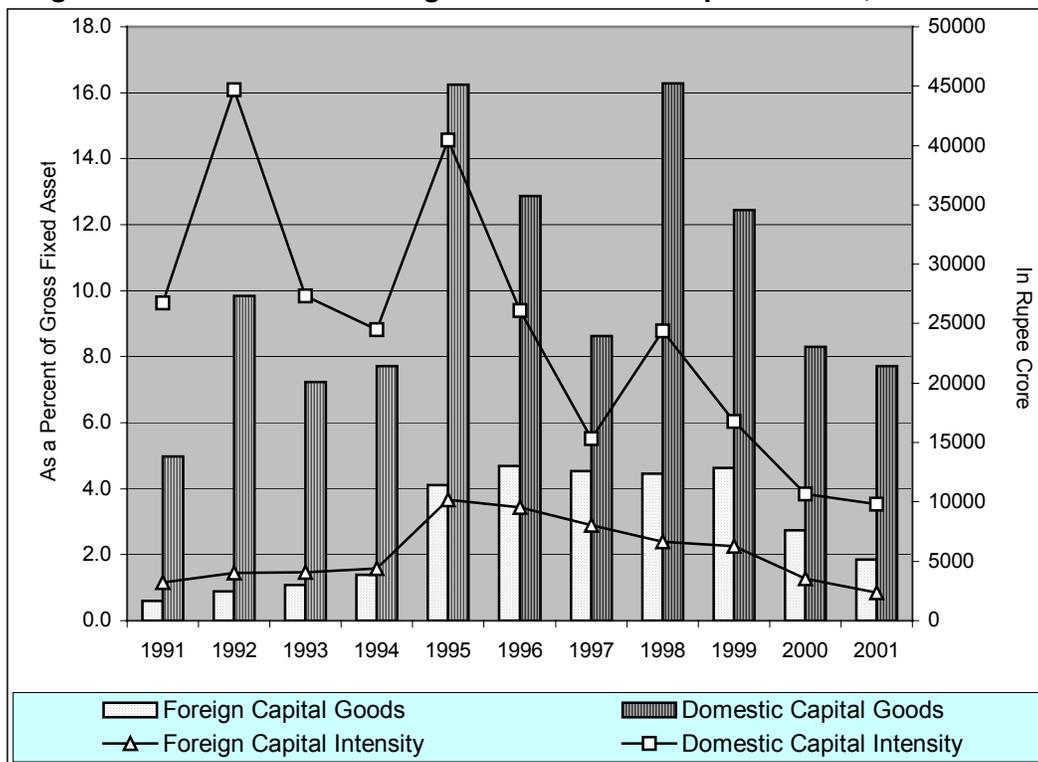


This simultaneously upward trend of investments in R&D and foreign disembodied technology per unit of value added also suggests that liberalization of technology import policy has not resulted in the neglect of in-house R&D. It appears that Indian manufacturing is increasing its technological capability by investing more in R&D as well as in importing foreign technology in the 1990s. Katak (2002) has also reached at the same conclusion for a sample of electrical and electronics and automobile industries where he found that in these industries, firms making products based on in-house R&D have achieved growth comparable to those enterprises using imported technologies over the period 1991 to 1998-99. This means that liberalization has not generated any relative disadvantage to the enterprises that market products based on in-house R&D as compared to those based on imported technologies. Therefore, indigenous technological developments and foreign technology imports have moved together without harming each other.

The accumulation of technology through capital goods, both foreign and domestic, has been quite disappointing in 1990s. Leaving few sporadic jumps in the acquisition of domestic capital goods as a percent of gross fixed asset, a marked

declining trend can be noted during 1991-2001. The investment of Indian manufacturing in domestic capital goods declined by 6-percentage point from 9.62 per cent in 1991 to 3.54 per cent in 2001 (Table 1, Figure 3). Likewise, investment in foreign capital goods that had marginally improved during 1991-1994, declined in the period 1995-2001. There have been hardly any changes in the import of capital goods as a percent of gross fixed asset between 1991 and 2001. Contrary to what was observed between R&D and importing foreign disembodied technology, among these two channels of embodied technology acquisition, the per unit investment of Indian manufacturing was consistently higher in the case of domestic capital goods than in foreign capital goods.

Figure 3: Investment in Foreign and Domestic Capital Goods, 1991-2001



Overall these trends indicate that imports of disembodied technology followed by in-house R&D have emerged as the most preferred modes of technology acquisition for Indian manufacturing during 1991-2001 as compared to employing indigenous or foreign capital goods.

4.2 Inter-industry Patterns of Technology Acquisition

The industrial composition of R&D investment by Indian manufacturing threw a skewed distribution during 1991-2001 as over 75 per cent of aggregate R&D is concentrated in just 10 industries out of a total of 56 (3-digit) industries (Table 2). Manufacture of other chemical products that include drugs and pharmaceutical products stood as the top contributor with 20 per cent of manufacturing R&D. It is followed by motor vehicles (10 per cent), manufacturing n.e.c. (8 per cent), refined petroleum products and general purpose machinery (7 per cent each), basic chemicals, special purpose machinery, basic iron and steel, and electronic components (5 per cent each), and parts & accessories for motor vehicles and their engines (4 per cent). About 11 industries had nearly zero percentage share indicating very little contribution or nothing to the total manufacturing R&D. Other industries' shares ranging from 1 per cent to 4 per cent of the aggregate R&D investment.

In terms of R&D intensity the same skewed pattern of innovative activity in Indian manufacturing can be observed. There are about 40 industries out of total 56 which have either spend one per cent of value added or less during 1991-2001 (Table 2). Among others, 13 industries estimated to have invested about 2-3 per cent, 2 industries about 4 per cent and only one industry about 5 per cent. Therefore, it can be concluded that R&D activity as a means of technology accumulation in Indian manufacturing has not been widespread among industries and a few industries that do R&D spend very little in terms of value added. The observed R&D intensity of Indian industries is also very less in comparison to global level. For example, the R&D intensity of the best performing Indian industry, other chemical products including pharmaceutical, is only about 5 per cent where as the U.S. pharmaceutical industry alone is investing more than 10 per cent of sales in R&D activities.

In Table 2, period-wise average R&D intensity between 1991-1995 and 1996-2001 also has been provided. Comparing the R&D intensities over these periods might capture the impact of liberalization process. Between these periods, R&D investment per unit of value added has been markedly increased for a number of industries. There are about 26 industries out of 56 for whom R&D intensity has grown at least by twice. The highest growth has been noted for 2 industries, electronic valves, tubes and other electronic components and 'leather, luggage, handbags saddlery' where R&D intensity became seven-times in 1996-2001 as compared to 1991-95. It has grown five-times for 3 industries ('spinning, weaving

and finishing of textiles', beverages, and plastic products), four-times for 1 industry (watches and clocks), three-times for 6 industries (non metallic mineral products n.e.c., medical appliances and instruments and appliances, railway and tramway locomotives and rolling stock, refined petroleum products, motor vehicles, and domestic appliances n.e.c.), two-times for another 14 industries⁶. For about 16 industries R&D intensity remained nearly at the same level in both the periods. The intensity has declined in the case of 7 industries where it became nearly half or even less for office, accounting and computing machinery, casting of metals and optical instruments and photographic equipment.

The highly concentrated character of Indian manufacturing in terms of technology accumulation has been further revealed by the inter-industry investment pattern of foreign disembodied technology. As summarized in Table 3, a sub-total of 6 industries accounted for about 77 per cent of investment devoted to acquire foreign disembodied technology during 1991-2001. The refined petroleum product has been the top acquirer of foreign technology with 30 per cent of aggregate technology payment made abroad. The other five industries in the pack are manufacturing n.e.c. with 16 per cent, basic chemicals with 11 per cent, basic iron and steel with 9 per cent, motor vehicles with 5 per cent, and other chemical products with 3 per cent. Another sub-total of 35 industries out of total 56 industries in Indian manufacturing have either spent less than 1 per cent of their value added in acquiring foreign technology or have spent nothing. The remaining 10 industries have spent in the range of about 1-2 per cent of their value added.

Expressing disembodied technology purchase by Indian industries as a per cent of gross value added has shown some interesting observations. For instance, refined petroleum product, top purchaser of foreign technology by absolute amount of technology payment, now stands at seventh position in terms of intensity. Manmade fibers has emerged as the single largest importer of foreign technology in the Indian manufacturing investing about 15 per cent of its value added in acquiring foreign knowhow during 1991-2001. With investing 6 per cent of value added, electric lamps and lighting equipment has been the second largest foreign technology purchaser.

⁶ These industries are other food products, 'accumulators, primary cells and primary batteries', 'television and radio receivers, sound or video recording', 'meat, fish, fruit, vegetables, oils', 'food, cork, straw and plaiting materials', footwear, basic precious and non ferrous metals, transport equipment n.e.c., paper and paper product, coke oven products, special purpose machinery, other chemical products, 'grain mill products, starches and starch products', and 'parts & accessories for motor vehicles and their engines'.

Next industries in the order are coke oven products and electricity distribution and control apparatus with 4 per cent each, and dairy products, office, accounting and computing machinery, refined petroleum, manufacturing n.e.c., optical instruments and photographic equipment, and motor vehicles with 3 per cent each. Of the total 56 industries about 13 industries had a technology import intensity of less than 1 per cent, 25 had nearly 1 per cent, and another 8 about 2 per cent.

Between 1991-95 and 1996-2001, the disembodied technology intensity increased noticeably, at least two fold, for about 12 industries such as refined petroleum products, paper and paper product, publishing, coke oven products, wearing apparel, ships and boats, office, accounting and computing machinery, transport equipment n.e.c., television and radio receivers, sound or video recording, aircraft and spacecraft, reproduction of recorded media, and leather, luggage, handbags saddlery. For 30 industries it remained more or less same while declined for 14 industries⁷. Therefore, only a small sub-set of industries in Indian manufacturing were observed to have increased their foreign technology intensity during the reference period. As compared to R&D where 26 industries reported increased intensity, this further dismay the apprehension that liberalized technology import policy will lead to greater reliance on foreign technology vis-à-vis in-house R&D activities.

The industry wise investment made by Indian manufacturing in accumulating foreign capital goods has been presented in Table 4. As found in the case of R&D and disembodied foreign technology, purchase of foreign capital goods by Indian manufacturing has also been highly concentrated in a few industries as top ten industries accounted for as much as 78 per cent of the aggregate foreign capital purchase. From 1991 to 2001, refined petroleum products imported the largest amount of foreign capital goods accounting for about 21 per cent. While basic iron and steel accounted for 11 per cent, spinning, weaving and finishing of textiles, motor vehicles, manufacturing n.e.c., and basic chemicals, each imported about 9 per cent of the total foreign capital goods purchased. The share of 31 industries out of 56 was very negligible, less than 1 per cent of the total

⁷ Industries with declining disembodied technology intensity are: tobacco products, television and radio transmitters and apparatus for line telephoning, other textiles, 'food, cork, straw and plaiting materials', knitted and crocheted fabrics and articles, insulated wire and cable, electric lamps and lighting equipment, glass and glass products, 'structural metal products, tanks, reservoirs and steam generators', beverages, furniture, watches and clocks, electricity distribution and control apparatus, and manmade fibers.

foreign capital goods. However, capital goods accumulation as a per cent of gross fixed asset shows that industries have added foreign capital goods to their capital stock worth at least 1 per cent of their gross fixed asset except 4 industries- saw milling and planning of wood, beverages, other food products, and railway and tramway locomotives and rolling stock. Reproduction of recorded media had the highest intensity of foreign capital goods at 37 per cent, followed by electric lamps and lighting equipment with about 9 per cent, motor vehicles with 7 per cent, footwear with 6 per cent, knitted and crocheted fabrics and articles, printing and services, other textiles, plastic products, wearing apparel, and transport equipment n.e.c. each with about 4 per cent.

The percentage distribution of total investment in purchasing domestic capital goods provides further evidence of skewed industrial concentration in technology acquisition. Table 5 shows that 81 per cent of total domestic capital goods acquisition during 1991-2001 has been accounted by top 10 industries alone. Notably, 11 industries each had a share of about 1 per cent and another 33 industries had a share of less than 1 per cent. The domestic capital goods purchased as a per cent of gross fixed asset shows that almost all Indian industries had spent over 2 per cent of their fixed assets. In this sense investment in domestic capital goods as a channel of technology acquisition is broad-based in Indian manufacturing. This higher intensity of domestic capital goods observed in the case of several Indian industries might partly be explained by the government policy of self-reliance in developing domestic capital goods sector. For long time Indian capital goods sector was provided with high level of import protection compelling industries to use domestic capital goods. It seems that this trend has not changed to a large extent even in reform period as many industries continue to use Indian made capital goods. Another factor could be that the Indian made capital goods are relatively more suitable to the prevailing domestic factor price conditions than foreign capital goods and enterprises oriented towards domestic market might have preferred domestic capital goods.

5. Developing A Composite Technology Acquisition Index

From policy perspective it is useful to know how Indian industries have performed in overall technology accumulation taking all the different measures of acquisition into consideration. The increasing global competition requires Indian industrial R&D to diversify, particularly towards more knowledge-based industries. These industries, known as strategic sectors, provide higher rates of return to domestic labour and capital than other industries, generate knowledge and productivity spillovers, create new markets and improve productivity growth in long-run. As a result industrial policies of advanced countries like the U.S., Japan, France, Germany and others are oriented towards these industries with heavy government interventions like cheap credit allocation, R&D subsidies, and other fiscal incentives. Hence, developing a composite index of technology acquisition can help us to understand the performance of technology-intensive sectors in India and to identify the sectors to be targeted by government policies for boosting technological activities.

For classifying Indian manufacturing industries according to technology intensity we have made use of technology classification developed by the Organization for Economic Co-operation and Development (OECD) and provided in *OECD Science, Technology and Industry Scoreboard 2003*. The OECD⁸ utilizing average industry-level aggregate OECD R&D intensities over 1991 to 1999 had classified ISIC Revision 3 industries into four categories: (i) high-technology, (ii) medium-high-technology, (iii) medium-low-technology and (iv) low-technology industries. However, by collapsing these four OECD technological classifications we have categorised Indian industries into two groups, i.e., high-technology and low-technology industries. The high-technology group includes OECD high-technology and medium-high-technology industries whereas the low-technology group covers OECD medium-low-technology and low-technology industries⁹. Out of the total 56

⁸ There are 12 OECD countries such as United States, Canada, Japan, Denmark, Finland, France, Germany, Ireland, Italy, Spain, Sweden, and United Kingdom.

⁹ The high-technology group includes industries such as Aircraft and spacecraft (353), Chemicals and Pharmaceuticals (24), Office, accounting and computing machinery (30), Radio, television and communication equipment (32), Medical, precision and optical instruments (33), Electrical machinery and apparatus, n.e.c. (31), Motor vehicles, trailers and semi-trailers (34), Railroad equipment and transport equipment, n.e.c. (352+359), and Machinery and equipment n.e.c. (29). The low-technology group includes industries like Coke, refined petroleum products and nuclear fuel (23), Rubber and plastic products (25), Other non-metallic mineral products (26), Building and repairing of ships and boats (351), Basic metals (27), Fabricated metal products, except machinery and equipment

industries 24 are classified as high technology-intensive industries and the rest 32 as low technology-intensive industries.

5.1 *The PCA Approach to Composite Technology Index*

Construction of an overall technology acquisition index for Indian manufacturing involves two types of issues: first, freeing different technology indicators from scale of measurement and second, aggregating the scale-freed indicators by assigning appropriate weights to arrive at a composite index. This study has used principal component analysis (PCA) method to construct the composite technology index. The PCA removes the problem of measurements by standardizing individual indicators and then objectively provides weights to standardized variables in aggregating them into the composite index¹⁰. The weights assigned are known as 'factor loadings' and are in fact correlation coefficients of the variables with the constructed principal component.

However, there is a difficulty in employing the PCA for the purpose of composite index making. This is concerned with the way PCA method is structured. One can have as many principal components as the number of indicators. The first principal component explains the maximum variance in the set of standardized indicators while the second component explicates the maximum in the residual variance (i.e., variance not explained by the first component) and so on. In many instances the first principal component which is normally used as the composite index may explain only about a moderate percentage of total variance in the indicator matrix. For example, in the present study the first principal explained only about one-thirds of the total variance. Since much of the variance is left unexplained, using first principal component as composite index is not reasonable. In order to overcome this difficulty and account for 100 per cent of the total variance in the composite index, we have extracted all principal components. Then these principal components were aggregated by using eigen values as weights to obtain the composite index. The composite index, thus, developed is as follows:

(28), Manufacturing, n.e.c. and recycling (36-37), Wood, pulp, paper, paper products, printing and publishing (20-22), Food products, beverages and tobacco (15-16), and Textiles, textile products, leather and footwear (17-19). In parentheses is the ISIC Rev 3 code.

¹⁰ Standardization refers to the deviation of a variable from its mean and then dividing by its standard deviation.

$$\text{Composite Technology Acquisition Index} = \frac{\sum_1^n l_i P_i}{\sum_1^n l_i} \quad (1)$$

Where P_i and l_i respectively denote the i th principal component and its eigen value. Using eigen values as weights in aggregation is justifiable as they provide lower weight to successive factors extracted in accordance with their variance explaining power.

The composite technology acquisition index (CTAI) has been constructed using four technology measures such as R&D intensity, foreign disembodied technology intensity, foreign capital goods intensity and domestic capital goods intensity. All these indicators are averages over the period 1991-2001. For example, R&D intensity is the cumulative R&D investment over 1991-2001 as a per cent of cumulative gross value added over the same period. As most of the developing countries, including India, are increasingly considering foreign direct investment as a means of new technology acquisition the study has broadened the concept of technology acquisition to include FDI as another indicator. The study has constructed CTAI in two variants, one excluding FDI and another including FDI.

The industry wise average foreign ownership participation during 1991-2001 has been employed to capture the effort of an Indian industry in acquiring technology through FDI route¹¹. It should be noted that the share of foreign controlled firms in industry sales or output has been used as the measure of FDI role in Indian manufacturing by several studies (Chandra, 1977; Kumar, 1994; Arthreye and Kapur, 1999). However, these studies in identifying foreign firms usually employed some arbitrary cut-off of ownership share like least 25 per cent or 10 per cent of the ownership resting with foreign entity. But the present study has used actual average foreign ownership share, which has the advantage of removing these arbitrary elements as well as indicating exact level of foreign ownership in a particular industry.

Appendix Table 2 provides average foreign ownership participation in Indian manufacturing during 1991-2001. The highest incidence of foreign ownership in Indian manufacturing during 1990s is observed in manmade fibers where foreign

¹¹ The average FDI participation has been calculated in two steps. In the first step, firm-level FDI ownership shares were averaged at industry level for each year over 1991-2001. Then, in the second step, industry-specific year wise averages were averaged over the period 1991-2001.

promoters, on an average, contributed about 38 per cent of total industry ownership. Motor vehicle emerged as the second most FDI participated industry with 18 per cent ownership share. The foreign ownership share in other industries ranged from 0 to 15 per cent. Out of the total 56 industries, while 15 industries had foreign ownership share of at least 10 per cent, 13 reported between 5 and 9 per cent, 23 industries had less than 5 per cent and 5 industries reportedly had no foreign ownership share. Therefore, this suggests that irrespective of liberalization measures undertaken during 1990s, incidence of FDI in Indian manufacturing is not so dominant and except manmade fibers, foreign ownership share in Indian manufacturing varies moderately among individual industries.

5.2 PCA Results and Discussion

The individual principal components, their eigen values and factor loadings are provided in the Appendix Table 3, and Table 6 and 7 in the text. With or without inclusion of FDI, the first and second principal components explain only about 34 and 27 per cent of total variance respectively (Table 6). These two components together cover around 60 per cent of the total variance, which suggests that the first component alone or even taking the second component into consideration also does not lead to a composite index wholly representative of the individual technology indicators. Hence, it is appropriate to construct a composite index as shown in equation 1, which takes into account the influence of all principal components.

Table 7 shows that weights attached to individual variables across different principal components vary as they assume sometimes positive or negative signs. It should be noted that weight or factor loading of R&D intensity is crucially dependant upon inclusion of FDI in the indicator matrix. The weights of R&D intensity in the first and second components, which are most dominant explanators by construction, turn out to be negative excluding FDI but when FDI is included R&D came out with positive weights. This could be due to the fact that the in-house R&D of Indian enterprises tends to benefit from knowledge-spillovers generated by the intangible assets brought in by foreign firms and/or their R&D activity. Including or excluding FDI, the weight of disembodied foreign technology has been observed to be positively contributing to the two most dominant components, first and second principal components.

The constructed Composite Technology Acquisition Indices (CTAIs) along with their rankings have been furnished in Table 8. To know whether the inclusion of FDI significantly changes the ranking of Indian industries in the overall technology acquisition index the non-parametric Spearman rank correlation test was conducted. The Spearman's rho which equals -0.016 was found to be statistically not different from zero¹². This indicates that the industrial ranking of CTAI including FDI has little resemblance with that of CTAI excluding FDI. The inter-industry scores of overall technology acquisition index excluding FDI varies between a minimum of -0.92 and a maximum of 2.2 as can be seen from the Table 6. Of the total 56 industries, the index score is equally divided between two opposite numerical signs e.g. positive for 28 industries and negative for another 28 industries. Among the top 15 technology acquirers in Indian manufacturing only four high-technology industries such as manmade fibers, electric lamps and lighting equipment, office, accounting and computing machinery, domestic appliances (n.e.c.) featured in the list, while the rest 11 are low-technology industries.

Among the bottom 15 industries in terms of scoring magnitude more number of high-technology industries are seen. Nine high-technology industries such as 'electronic valves and tubes and other electronic components', 'electric motors, generators and transformers', special purpose machinery, general purpose machinery, electricity distribution and control apparatus, 'railway and tramway locomotives and rolling stock', 'other electrical equipment n.e.c.', other chemical products, and 'accumulators, primary cells and primary batteries' can be figured out in the bottom list.

Overall this result suggests that the high-technology industries in Indian manufacturing have not done well in accumulating new technology during 1990s. Low-technology industries such as furniture, 'tanning and dressing of leather, manufacture of luggage, handbags and saddlery', coke oven products, reproduction of recorded media, refined petroleum products, 'grain mill products, starches and starch products', glass and glass products, building and repair of ships and boats, casting of metals, manufacturing n.e.c, and 'structural metal products, tanks, reservoirs and steam generators', seem to have been the leading industries in the overall technology acquisition by Indian manufacturing. This is a matter of concern because Indian high-technology industries who supposed to lead India's global competitiveness are lagging behind their low-technology counterparts in terms of

¹² Its 2-tailed significance level is 0.906.

overall technology acquisition.

The industrial ranking of CTAI including FDI, however, indicates that the above concerns may not be so high once FDI as another indicator of technology acquisition is taken into consideration. The inter-industry scores of overall technology acquisition index with FDI suggests that among the top 15 technology acquirers in Indian manufacturing only two low-technology industries such as reproduction of recorded media and coke oven products featured in the list (Table 8). The rest top 13 industries are high-technology industries, which, in the order of index scoring are manmade fibers, motor vehicles, electric lamps and lighting equipment, electronic valves and tubes and other electronic components, other chemical products, general purpose machinery, transport equipment n.e.c., parts & accessories for motor vehicles and their engines, electricity distribution and control apparatus, "accumulators, primary cells and primary batteries", other electrical equipment n.e.c., special purpose machinery, and "office, accounting and computing machinery". Among the bottom 15 industries in terms of scoring only three high-technology industries such as aircraft and spacecraft, railway and tramway locomotives and rolling stock, and insulated wire and cable appeared.

This divergent pictures depicted by CTAI excluding FDI and CTAI including FDI may not be surprising as the Spearman's rank correlation test indicated that the rankings of both these indices differ significantly from each other. Taking all the five modes of technology acquisition namely R&D, disembodied technology import, capital goods import, investment in domestic capital goods and FDI, the Indian high-technology industries appears to have done well relative to low-technology industries. Therefore, the study brings out the fact that in the construction of any composite technology index inclusion of all the relevant technology indicators is very crucial for inter-industry comparisons.

To see how have technology-intensive Indian industries performed in the late 1990s as compared to early 1990s, the CTAI including FDI has been computed for both the periods. Appendix Tables 4, 5, and 6 respectively presents the total variance, factor loadings, and principal components for these periods. Table 9 in the text summarizes the constructed index scores for these two periods of time. It can be seen that inter-industry ranking had changed significantly between these periods. Of the total 24 high technology industries, exactly half have moved downward in industry rankings because of their low level of investment in technology acquisition during 1996-2001. Significant downward movements include other electrical

equipment n.e.c. (from rank 3rd in 1991-95 to 39th rank in 1996-2000), parts & accessories for motor vehicles and their engines (from 5th to 43rd rank), transport equipment n.e.c. (from 6th to 31st rank), watches and clocks (from 8th to 21st rank), domestic appliances n.e.c. (from 9th to 34th rank), accumulators, primary cells and primary batteries (from 12th to 33rd rank), optical instruments and photographic equipment (from 15th to 54th rank), basic chemicals (from 17th to 45th rank), general purpose machinery (from 22nd to 41st rank), electricity distribution and control apparatus (from 24th to 47th rank), special purpose machinery (from 30th to 52nd rank), and television and radio receivers, sound or video recording (from 35th to 46th rank). Of the 32 low technology industries only 12 industries have witnessed a downward movements in their rankings. This suggests that only 38 per cent of low technology industries have seen downward movements in their rankings whereas 50 per cent of India's knowledge-based industries seen adverse rankings in the late 1990s. The fact that relatively more number of high technology industries have done poorly in acquiring new technology than low technology industries raises a serious concern on the technological activity in Indian industries. The policy makers should put more focus on these high-technology industries that have slid back in the 1990s.

6. Conclusion and Implications

This study examined the trends and patterns of technology acquisition in Indian manufacturing during the period 1991-2001. As compared to the previous period, the 1990s has seen dramatic liberalization in Indian technology policy with a view to withstand global competitiveness. Liberalization measures, among many others, include free imports of capital goods, lifting of foreign ownership restriction in majority of the industries and putting in place automatic approval procedures for FDI, and liberal policy regime for foreign technology collaborations. The present scenario of increased reforms towards integrating India with the global economy necessitates a clear analysis of the technological activities of Indian industries as technology forms the basis for global competition.

The study, to begin with, distinguished four modes of technology acquisition for Indian manufacturing such as in-house R&D, import of disembodied technology, foreign capital goods' import and investment in domestic capital goods. Later on, FDI has been added as another mode of technology acquisition. As far as Indian manufacturing is concerned information on all the technology indicators are not available at standard industrial classification, hence, this study constructed a new

technology indicator database for Indian manufacturing. First, a concordance was developed between Prowess database of CMIE and SIC Revision 1998. Second, using the concordance technological measures were derived from the Prowess database for 56 Indian industries at three digit level. Then the analysis was conducted by examining inter-industry distribution of absolute level of individual technology measures, their intensities and then by constructing a composite technology acquisition index.

A few pertinent conclusions from the research can be summarized here. First, the R&D intensity and dis-embodied technology intensity of Indian manufacturing have been rising during the period 1991-2001 contrary to the national level trend of declining R&D intensity. This increasing trend of manufacturing R&D intensity is observed to be broad-based among Indian industries between the periods 1991-95 and 1996-2001 whereas increase in dis-embodied technology intensity is limited to a small number of industries. The results indicate that liberalization of technology import policy does not have any adverse impact on in-house R&D activity in Indian manufacturing vis-à-vis foreign disembodied technology import. Second, the technological activities in Indian manufacturing is highly concentrated in character. The analysis revealed that large chunk of technological activity is confined to a small set of industries either in terms of R&D, import of disembodied technology or investment in foreign and domestic capital goods. Third, the investment of Indian manufacturing in accumulating capital goods, foreign as well as domestic, has seen dramatic decline in the 1990s. Fourth, the FDI participation in Indian manufacturing is quite moderate (less than 18 per cent) over 1991-2001 except the manmade fibers where 38 per cent of industrial ownership rest with foreign promoter. Fifth, the overall technology acquisition index over 1991-2001 which includes FDI suggests that high-technology industries in Indian manufacturing are doing well in technology accumulation.

However, policy makers should not be complacent on the fact high-technology industries have done better in the overall technology acquisition index including FDI than low-technology industries. The higher technology acquisition levels of high-technology vis-à-vis low-technology industries may be merely reflective of their sectoral differences. Given the definition of high-technology industries as those that intensively produced and used technology, it may not be surprising that they are also more technology acquires in Indian manufacturing than low-technology industries. A comparison of detailed industry-level technology acquisition in Indian industries with global peers may throw more insights on how many Indian industries

are performing better in the international context. The analysis by bifurcating the sample period into 1991-95 and 1996-2001 suggests that half of the Indian high-technology industries have slid downward in inter-industry rankings in the late 1990s. This is enough to suggest that technology acquisition efforts of these high technology industries have suffered setbacks in relative term. Targeting these low performing industries with appropriate policies are hence called for.

The fact that technology activities are concentrated in a small number of industries in Indian manufacturing, possess another concern for policy makers. The sectors which are not doing well in total manufacturing technological activities should be given more special focus and incentives for innovation. The rising technology intensities are surely encouraging trends but are not enough for serving India's long term strategic advantages in the global market. The technology intensity of Indian knowledge-based industries must be pushed forward to the levels of global competitors. The declining intensity of capital goods employment, foreign and domestic, is another area which need to looked into. Slower rate of employing new vintages of capital goods can put Indian industries at a disadvantageous position vis-à-vis their competitors.

Table 1: Different Measures of Technology Acquisition in Indian Manufacturing, 1991-2001

| Year | In Rs. Crore | | As a Per Cent of Gross Value Added | | In Rs. Crore | | As a per cent of Gross Fixed Asset | |
|------|--------------|---------------------------|------------------------------------|---------------------------|-----------------------|------------------------|------------------------------------|------------------------|
| | R&D | Technology Payment Abroad | R&D | Technology Payment Abroad | Foreign Capital Goods | Domestic Capital Goods | Foreign Capital Goods | Domestic Capital Goods |
| 1991 | 130 | 314 | 0.31 | 0.74 | 1676 | 13821 | 1.17 | 9.62 |
| 1992 | 285 | 435 | 0.58 | 0.89 | 2470 | 27349 | 1.45 | 16.09 |
| 1993 | 467 | 750 | 0.84 | 1.35 | 2983 | 20117 | 1.46 | 9.84 |
| 1994 | 591 | 834 | 0.91 | 1.29 | 3834 | 21426 | 1.58 | 8.82 |
| 1995 | 956 | 1391 | 1.11 | 1.62 | 11390 | 45149 | 3.67 | 14.56 |
| 1996 | 1393 | 2365 | 1.31 | 2.22 | 13027 | 35720 | 3.43 | 9.4 |
| 1997 | 1929 | 1935 | 1.76 | 1.77 | 12589 | 23979 | 2.89 | 5.51 |
| 1998 | 1727 | 1487 | 1.46 | 1.26 | 12372 | 45252 | 2.4 | 8.78 |
| 1999 | 1902 | 1795 | 1.55 | 1.46 | 12880 | 34559 | 2.25 | 6.04 |
| 2000 | 1904 | 3861 | 1.38 | 2.8 | 7599 | 23053 | 1.27 | 3.84 |
| 2001 | 2136 | 3173 | 1.47 | 2.18 | 5128 | 21431 | 0.85 | 3.54 |

Source: Authors' estimation based on Prowess Database, CMIE (2002).

Table 2: Industrial Composition of Cumulative R&D Investment in Indian Manufacturing, 1991-2001

| Industry | NIC 1998 | R&D (In Rs. Crore) | | | As a per cent of Total | | | As a per cent of Gross Value Added | | |
|--|----------|--------------------|---------|---------|------------------------|---------|---------|------------------------------------|---------|---------|
| | | 1991-95 | 1996-01 | 1991-01 | 1991-95 | 1996-01 | 1991-01 | 1991-95 | 1996-01 | 1991-01 |
| Production, processing and preservation of meat, fish, fruit, vegetables, oils and | 151 | 6 | 27 | 33 | 0.25 | 0.24 | 0.25 | 0.43 | 0.84 | 0.71 |
| Manufacture of dairy products | 152 | 5 | 21 | 26 | 0.19 | 0.19 | 0.19 | 0.32 | 0.42 | 0.39 |
| Manufacture of grain mill products, starches and starch products, and prepared an | 153 | 3 | 13 | 16 | 0.12 | 0.11 | 0.12 | 0.39 | 0.64 | 0.57 |
| Manufacture of other food products | 154 | 16 | 95 | 111 | 0.67 | 0.86 | 0.83 | 0.23 | 0.50 | 0.42 |
| Manufacture of beverages | 155 | 1 | 8 | 9 | 0.04 | 0.08 | 0.07 | 0.04 | 0.19 | 0.14 |
| Manufacture of tobacco products | 160 | 13 | 54 | 67 | 0.52 | 0.49 | 0.50 | 0.37 | 0.52 | 0.49 |
| Spinning, weaving and finishing of textiles | 171 | 46 | 474 | 520 | 1.90 | 4.31 | 3.87 | 0.25 | 1.33 | 0.96 |
| Manufacture of other textiles | 172 | 7 | 22 | 28 | 0.28 | 0.20 | 0.21 | 1.91 | 1.82 | 1.84 |

Table 2 (Continued)

| Industry | NIC 1998 | R&D (In Rs. Crore) | | | As a per cent of Total | | | As a per cent of Gross Value Added | | |
|--|----------|--------------------|---------|---------|------------------------|---------|---------|------------------------------------|---------|---------|
| | | 1991-95 | 1996-01 | 1991-01 | 1991-95 | 1996-01 | 1991-01 | 1991-95 | 1996-01 | 1991-01 |
| Manufacture of wearing apparel, except fur apparel | 181 | 8 | 18 | 26 | 0.32 | 0.17 | 0.20 | 0.12 | 0.14 | 0.13 |
| Tanning and dressing of leather; manufacture of luggage, Handbags saddlery & harness | 191 | 0 | 0 | 0 | 0.00 | 0.00 | 0.00 | 0.02 | 0.13 | 0.08 |
| Manufacture of footwear | 192 | 3 | 16 | 19 | 0.12 | 0.14 | 0.14 | 0.37 | 0.72 | 0.63 |
| Saw milling and planing of wood | 201 | 0 | 0 | 0 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Manufacture of products of food, cork, straw and plaiting materials | 202 | 1 | 5 | 6 | 0.04 | 0.04 | 0.04 | 0.21 | 0.41 | 0.36 |
| Manufacture of paper and paper product | 210 | 12 | 44 | 55 | 0.49 | 0.40 | 0.41 | 0.24 | 0.42 | 0.36 |
| Publishing | 221 | 0 | 0 | 0 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Printing and service activities related to printing | 222 | 0 | 0 | 0 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Reproduction of recorded media | 223 | 0 | 0 | 0 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Manufacture of coke oven products | 231 | 3 | 16 | 18 | 0.11 | 0.14 | 0.14 | 0.35 | 0.60 | 0.54 |
| Manufacture of refined petroleum products | 232 | 107 | 882 | 990 | 4.41 | 8.03 | 7.37 | 0.23 | 0.66 | 0.55 |
| Manufacture of basic chemicals | 241 | 173 | 533 | 706 | 7.13 | 4.85 | 5.26 | 0.61 | 0.84 | 0.77 |
| Manufacture of other chemical products | 242 | 444 | 2215 | 2658 | 18.27 | 20.15 | 19.81 | 3.01 | 4.99 | 4.50 |
| Manufacture of manmade fibers | 243 | 0 | 0 | 0 | 0.00 | 0.00 | 0.00 | 0.26 | 0.31 | 0.28 |
| Manufacture of rubber products | 251 | 90 | 186 | 276 | 3.70 | 1.69 | 2.06 | 1.85 | 1.80 | 1.82 |
| Manufacture of plastic products | 252 | 6 | 79 | 85 | 0.24 | 0.72 | 0.63 | 0.20 | 0.91 | 0.73 |
| Manufacture of glass and glass products | 261 | 2 | 8 | 10 | 0.10 | 0.07 | 0.07 | 0.27 | 0.35 | 0.33 |
| Manufacture of non metallic mineral products n.e.c. | 269 | 36 | 249 | 285 | 1.49 | 2.27 | 2.13 | 0.35 | 1.16 | 0.89 |
| Manufacture of Basic Iron and steel | 271 | 239 | 396 | 635 | 9.83 | 3.60 | 4.73 | 0.81 | 0.62 | 0.68 |

Table 2 (Continued)

| Industry | NIC 1998 | R&D (In Rs. Crore) | | | As a per cent of Total | | | As a per cent of Gross Value Added | | |
|---|----------|--------------------|---------|---------|------------------------|---------|---------|------------------------------------|---------|---------|
| | | 1991-95 | 1996-01 | 1991-01 | 1991-95 | 1996-01 | 1991-01 | 1991-95 | 1996-01 | 1991-01 |
| Manufacture of basic precious and non ferrous metals | 272 | 28 | 125 | 154 | 1.16 | 1.14 | 1.14 | 0.26 | 0.49 | 0.42 |
| Casting of metals | 273 | 5 | 5 | 10 | 0.20 | 0.05 | 0.07 | 0.74 | 0.38 | 0.50 |
| Manufacture of structural metal products, tanks, reservoirs and steam generators | 281 | 15 | 51 | 65 | 0.60 | 0.46 | 0.49 | 0.50 | 0.68 | 0.63 |
| Manufacture of other fabricated metal products; metal working service activities | 289 | 4 | 9 | 14 | 0.17 | 0.09 | 0.10 | 0.27 | 0.25 | 0.25 |
| Manufacture of general purpose machinery | 291 | 212 | 686 | 898 | 8.74 | 6.24 | 6.69 | 1.91 | 2.75 | 2.49 |
| Manufacture of special purpose machinery | 292 | 148 | 500 | 648 | 6.09 | 4.55 | 4.83 | 1.78 | 3.04 | 2.62 |
| Manufacture of domestic appliances n.e.c | 293 | 5 | 31 | 36 | 0.21 | 0.28 | 0.27 | 0.38 | 0.95 | 0.79 |
| Manufacture of office, accounting and computing machinery | 300 | 25 | 52 | 77 | 1.04 | 0.47 | 0.58 | 2.80 | 1.67 | 1.93 |
| Manufacture of electric motors, generators and transformers | 311 | 59 | 134 | 194 | 2.45 | 1.22 | 1.44 | 2.23 | 2.63 | 2.49 |
| Manufacture of electricity distribution and control apparatus | 312 | 4 | 6 | 10 | 0.17 | 0.05 | 0.07 | 2.08 | 1.76 | 1.89 |
| Manufacture of insulated wire and cable | 313 | 7 | 24 | 32 | 0.30 | 0.22 | 0.24 | 0.33 | 0.46 | 0.42 |
| Manufacture of accumulators, primary cells and primary batteries | 314 | 13 | 91 | 104 | 0.54 | 0.83 | 0.77 | 1.25 | 2.70 | 2.36 |
| Manufacture of electric lamps and lighting equipment | 315 | 0 | 0 | 0 | 0.01 | 0.00 | 0.00 | 0.25 | 0.29 | 0.26 |
| Manufacture of other electrical equipment n.e.c. | 319 | 66 | 169 | 235 | 2.72 | 1.54 | 1.75 | 2.35 | 2.62 | 2.54 |
| Manufacture of electronic valves and tubes and other electronic components | 321 | 48 | 561 | 609 | 1.97 | 5.11 | 4.54 | 0.88 | 5.98 | 4.11 |
| Manufacture of television and radio transmitters and apparatus for line telephone | 322 | 12 | 58 | 70 | 0.50 | 0.53 | 0.52 | 1.45 | 1.91 | 1.81 |

Table 2 (Continued)

| Industry | NIC 1998 | R&D (In Rs. Crore) | | | As a per cent of Total | | | As a per cent of Gross Value Added | | |
|---|----------|--------------------|---------|---------|------------------------|---------|---------|------------------------------------|---------|---------|
| | | 1991-95 | 1996-01 | 1991-01 | 1991-95 | 1996-01 | 1991-01 | 1991-95 | 1996-01 | 1991-01 |
| Manufacture of television and radio receivers, sound or video recording or reprod | 323 | 27 | 150 | 177 | 1.11 | 1.36 | 1.32 | 0.98 | 2.02 | 1.74 |
| Manufacture of medical appliances and instruments and appliances for measuring | 331 | 2 | 11 | 13 | 0.08 | 0.10 | 0.10 | 0.52 | 1.63 | 1.24 |
| Manufacture of optical instruments and photographic equipment | 332 | 0 | 0 | 1 | 0.02 | 0.00 | 0.00 | 1.47 | 0.09 | 0.30 |
| Manufacture of watches and clocks | 333 | 1 | 9 | 9 | 0.03 | 0.08 | 0.07 | 0.22 | 0.81 | 0.66 |
| Motor vehicles | 341 | 160 | 1242 | 1402 | 6.60 | 11.30 | 10.45 | 1.66 | 4.45 | 3.73 |
| Manufacture of parts & accessories for motor vehicles and their engines | 343 | 100 | 464 | 564 | 4.12 | 4.22 | 4.20 | 1.54 | 2.44 | 2.21 |
| Building and repair of ships and boats | 351 | 0 | 0 | 0 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Manufacture of railway and tramway locomotives and rolling stock | 352 | 1 | 2 | 3 | 0.03 | 0.02 | 0.02 | 0.14 | 0.41 | 0.28 |
| Manufacture of aircraft and spacecraft | 353 | 0 | 0 | 0 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Manufacture of transport equipment n.e.c. | 359 | 65 | 396 | 461 | 2.68 | 3.60 | 3.43 | 1.78 | 3.25 | 2.91 |
| Manufacture of furniture | 361 | 0 | 0 | 0 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Manufacturing n.e.c | 369 | 198 | 847 | 1044 | 8.14 | 7.70 | 7.78 | 0.71 | 1.05 | 0.96 |

Note: Due to rounding-off, the value of some of the variables is zero for certain industries. But it may not be in actual term.

Source: Authors' estimation based on Prowess Database, CMIE (2002).

**Table 3: Industrial Composition of Cumulative Technology Payment Abroad
by Indian Manufacturing, 1991-2001**

| Industry | NIC 1998 | Technology Payment (In Rs. Crore) | | | As a per cent of Total | | | As a per cent of Gross Value Added | | |
|--|-------------|---|-------------|-------------|---------------------------|-------------|-------------|---------------------------------------|-------------|-------------|
| | | 1991- 95 | 1996- 01 | 1991- 01 | 1991- 95 | 1996- 01 | 1991- 01 | 1991- 95 | 1996- 01 | 1991- 01 |
| Production, processing and preservation of meat, fish, fruit, vegetables, oils and | 151 | 5 | 7 | 12 | 0.13 | 0.05 | 0.07 | 0.35 | 0.23 | 0.27 |
| Manufacture of dairy products | 152 | 45 | 170 | 214 | 1.20 | 1.16 | 1.17 | 3.04 | 3.31 | 3.25 |
| Manufacture of grain mill products, starches and starch products, and prepared an | 153 | 8 | 12 | 20 | 0.22 | 0.08 | 0.11 | 1.07 | 0.59 | 0.72 |
| Manufacture of other food products | 154 | 8 | 27 | 35 | 0.21 | 0.19 | 0.19 | 0.11 | 0.14 | 0.13 |
| Manufacture of beverages | 155 | 4 | 1 | 5 | 0.10 | 0.01 | 0.03 | 0.16 | 0.03 | 0.07 |
| Manufacture of tobacco products | 160 | 13 | 20 | 33 | 0.35 | 0.14 | 0.18 | 0.39 | 0.19 | 0.24 |
| Spinning, weaving and finishing of textiles | 171 | 121 | 256 | 377 | 3.25 | 1.75 | 2.06 | 0.66 | 0.72 | 0.70 |
| Manufacture of other textiles | 172 | 4 | 4 | 8 | 0.09 | 0.03 | 0.04 | 0.97 | 0.37 | 0.51 |
| Manufacture of knitted and crocheted fabrics and articles | 173 | 12 | 13 | 25 | 0.33 | 0.09 | 0.14 | 1.93 | 0.54 | 0.83 |
| Manufacture of wearing apparel, except fur apparel | 181 | 10 | 47 | 57 | 0.26 | 0.32 | 0.31 | 0.15 | 0.37 | 0.29 |
| Tanning and dressing of leather; manufacture of luggage, Handbags saddlery & harness | 191 | 0 | 2 | 2 | 0.00 | 0.01 | 0.01 | 0.00 | 1.41 | 0.80 |
| Manufacture of footwear | 192 | 4 | 12 | 16 | 0.10 | 0.08 | 0.09 | 0.46 | 0.55 | 0.53 |
| Saw milling and planing of wood | 201 | 0 | 0 | 0 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Manufacture of products of food, cork, straw and plaiting materials | 202 | 1 | 0 | 1 | 0.02 | 0.00 | 0.01 | 0.12 | 0.04 | 0.06 |
| Manufacture of paper and paper product | 210 | 6 | 171 | 177 | 0.17 | 1.17 | 0.97 | 0.13 | 1.65 | 1.16 |
| Publishing | 221 | 0 | 5 | 5 | 0.01 | 0.03 | 0.03 | 0.03 | 0.16 | 0.12 |
| Printing and service activities related to printing | 222 | 0 | 0 | 0 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Reproduction of recorded media | 223 | 0 | 4 | 4 | 0.00 | 0.03 | 0.02 | 0.00 | 1.05 | 1.03 |
| Manufacture of coke oven products | 231 | 15 | 126 | 141 | 0.40 | 0.86 | 0.77 | 1.94 | 4.81 | 4.16 |
| Manufacture of refined petroleum products | 232 | 59 | 5519 | 5578 | 1.58 | 37.76 | 30.41 | 0.13 | 4.14 | 3.11 |

Table 3 (Continued)

| Industry | NIC 1998 | Technology Payment (In Rs. Crore) | | | As a per cent of Total | | | As a per cent of Gross Value Added | | |
|--|----------|-----------------------------------|---------|---------|------------------------|---------|---------|------------------------------------|---------|---------|
| | | 1991-95 | 1996-01 | 1991-01 | 1991-95 | 1996-01 | 1991-01 | 1991-95 | 1996-01 | 1991-01 |
| Manufacture of basic chemicals | 241 | 658 | 1377 | 2034 | 17.67 | 9.42 | 11.09 | 2.33 | 2.16 | 2.21 |
| Manufacture of other chemical products | 242 | 146 | 398 | 544 | 3.93 | 2.72 | 2.97 | 0.99 | 0.90 | 0.92 |
| Manufacture of manmade fibers | 243 | 2 | 0 | 2 | 0.06 | 0.00 | 0.01 | 26.65 | 1.09 | 15.07 |
| Manufacture of rubber products | 251 | 72 | 80 | 152 | 1.93 | 0.55 | 0.83 | 1.48 | 0.77 | 1.00 |
| Manufacture of plastic products | 252 | 21 | 63 | 83 | 0.55 | 0.43 | 0.45 | 0.70 | 0.72 | 0.71 |
| Manufacture of glass and glass products | 261 | 43 | 28 | 71 | 1.15 | 0.19 | 0.39 | 4.94 | 1.26 | 2.30 |
| Manufacture of non metallic mineral products n.e.c. | 269 | 39 | 102 | 140 | 1.04 | 0.70 | 0.77 | 0.37 | 0.47 | 0.44 |
| Manufacture of Basic Iron and steel | 271 | 670 | 956 | 1626 | 17.98 | 6.54 | 8.86 | 2.26 | 1.50 | 1.74 |
| Manufacture of basic precious and non ferrous metals | 272 | 107 | 276 | 384 | 2.88 | 1.89 | 2.09 | 0.98 | 1.07 | 1.05 |
| Casting of metals | 273 | 4 | 6 | 10 | 0.10 | 0.04 | 0.05 | 0.59 | 0.47 | 0.51 |
| Manufacture of structural metal products, tanks, reservoirs and steam generators | 281 | 44 | 24 | 67 | 1.17 | 0.16 | 0.37 | 1.49 | 0.32 | 0.65 |
| Manufacture of other fabricated metal products; metal working service activities | 289 | 22 | 34 | 56 | 0.59 | 0.23 | 0.30 | 1.46 | 0.88 | 1.04 |
| Manufacture of general purpose machinery | 291 | 138 | 316 | 455 | 3.72 | 2.16 | 2.48 | 1.25 | 1.27 | 1.26 |
| Manufacture of special purpose machinery | 292 | 120 | 149 | 269 | 3.23 | 1.02 | 1.47 | 1.44 | 0.91 | 1.09 |
| Manufacture of domestic appliances n.e.c | 293 | 22 | 52 | 74 | 0.60 | 0.35 | 0.40 | 1.67 | 1.58 | 1.60 |
| Manufacture of office, accounting and computing machinery | 300 | 18 | 112 | 130 | 0.49 | 0.77 | 0.71 | 2.02 | 3.61 | 3.25 |
| Manufacture of electric motors, generators and transformers | 311 | 28 | 67 | 94 | 0.74 | 0.46 | 0.51 | 1.04 | 1.30 | 1.21 |
| Manufacture of electricity distribution and control apparatus | 312 | 17 | 1 | 18 | 0.45 | 0.01 | 0.10 | 8.38 | 0.47 | 3.54 |
| Manufacture of insulated wire and cable | 313 | 16 | 11 | 27 | 0.44 | 0.07 | 0.15 | 0.74 | 0.20 | 0.36 |

Table 3 (Continued)

| Industry | NIC 1998 | Technology Payment (In Rs. Crore) | | | As a per cent of Total | | | As a per cent of Gross Value Added | | |
|---|----------|-----------------------------------|---------|---------|------------------------|---------|---------|------------------------------------|---------|---------|
| | | 1991-95 | 1996-01 | 1991-01 | 1991-95 | 1996-01 | 1991-01 | 1991-95 | 1996-01 | 1991-01 |
| Manufacture of accumulators, primary cells and primary batteries | 314 | 14 | 41 | 55 | 0.38 | 0.28 | 0.30 | 1.36 | 1.21 | 1.24 |
| Manufacture of electric lamps and lighting equipment | 315 | 6 | 1 | 7 | 0.15 | 0.01 | 0.04 | 8.25 | 2.18 | 5.74 |
| Manufacture of other electrical equipment n.e.c. | 319 | 38 | 46 | 83 | 1.01 | 0.31 | 0.45 | 1.34 | 0.71 | 0.90 |
| Manufacture of electronic valves and tubes and other electronic components | 321 | 73 | 132 | 205 | 1.97 | 0.90 | 1.12 | 1.35 | 1.40 | 1.38 |
| Manufacture of television and radio transmitters and apparatus for line telephone | 322 | 15 | 24 | 39 | 0.40 | 0.16 | 0.21 | 1.78 | 0.78 | 1.00 |
| Manufacture of television and radio receivers, sound or video recording or reprod | 323 | 45 | 180 | 225 | 1.20 | 1.23 | 1.23 | 1.61 | 2.44 | 2.21 |
| Manufacture of medical appliances and instruments and appliances for measuring | 331 | 3 | 4 | 7 | 0.08 | 0.03 | 0.04 | 0.78 | 0.58 | 0.65 |
| Manufacture of optical instruments and photographic equipment | 332 | 1 | 4 | 4 | 0.02 | 0.03 | 0.02 | 2.44 | 2.59 | 2.56 |
| Manufacture of watches and clocks | 333 | 5 | 1 | 6 | 0.14 | 0.01 | 0.03 | 1.49 | 0.10 | 0.45 |
| Motor vehicles | 341 | 267 | 690 | 957 | 7.16 | 4.72 | 5.22 | 2.76 | 2.47 | 2.55 |
| Manufacture of parts & accessories for motor vehicles and their engines | 343 | 82 | 334 | 416 | 2.20 | 2.29 | 2.27 | 1.26 | 1.76 | 1.63 |
| Building and repair of ships and boats | 351 | 18 | 69 | 88 | 0.49 | 0.48 | 0.48 | 0.97 | 2.26 | 1.77 |
| Manufacture of railway and tramway locomotives and rolling stock | 352 | 1 | 1 | 2 | 0.03 | 0.01 | 0.01 | 0.20 | 0.22 | 0.21 |
| Manufacture of aircraft and spacecraft | 353 | 0 | 46 | 46 | 0.00 | 0.31 | 0.25 | 0.00 | 1.14 | 0.72 |
| Manufacture of transport equipment n.e.c. | 359 | 53 | 308 | 361 | 1.42 | 2.11 | 1.97 | 1.45 | 2.53 | 2.28 |
| Manufacture of furniture | 361 | 0 | 0 | 0 | 0.00 | 0.00 | 0.00 | 7.00 | 0.72 | 1.33 |
| Manufacturing n.e.c | 369 | 604 | 2286 | 2891 | 16.23 | 15.64 | 15.76 | 2.16 | 2.83 | 2.66 |

Note: Due to rounding-off, the value of some of the variables is zero for certain industries. But it may not be in actual term.

Source: Authors' estimation based on Prowess Database, CMIE (2002).

Table 4: Industrial Composition of Cumulative Investment in Foreign Capital Goods in Indian Manufacturing, 1991-2001

| Industry | NIC 1998 | Foreign Capital Goods Import (In Rs. Crore) | | | As a per cent of Total | | | As a per cent of Gross Fixed Asset | | |
|--|----------|---|---------|---------|------------------------|---------|---------|------------------------------------|---------|---------|
| | | 1991-95 | 1996-01 | 1991-01 | 1991-95 | 1996-01 | 1991-01 | 1991-95 | 1996-01 | 1991-01 |
| Production, processing and preservation of meat, fish, fruit, vegetables, oils and | 151 | 84 | 147 | 231 | 0.37 | 0.23 | 0.27 | 1.79 | 0.89 | 1.09 |
| Manufacture of dairy products | 152 | 75 | 86 | 160 | 0.33 | 0.13 | 0.19 | 1.88 | 0.72 | 1.01 |
| Manufacture of grain mill products, starches and starch products, and prepared an | 153 | 32 | 55 | 86 | 0.14 | 0.09 | 0.10 | 1.99 | 0.97 | 1.20 |
| Manufacture of other food products | 154 | 80 | 210 | 289 | 0.36 | 0.33 | 0.34 | 0.41 | 0.39 | 0.39 |
| Manufacture of beverages | 155 | 22 | 30 | 51 | 0.10 | 0.05 | 0.06 | 0.41 | 0. | 0.25 |
| Manufacture of tobacco products | 160 | 133 | 449 | 583 | 0.60 | 0.71 | 0.68 | 3.30 | 3.50 | 3.45 |
| Spinning, weaving and finishing of textiles | 171 | 2541 | 5471 | 8012 | 11.37 | 8.60 | 9.32 | 4.21 | 2.91 | 3.22 |
| Manufacture of other textiles | 172 | 56 | 140 | 196 | 0.25 | 0.22 | 0.23 | 6.41 | 3.44 | 3.97 |
| Manufacture of knitted and crocheted fabrics and articles | 173 | 273 | 367 | 640 | 1.22 | 0.58 | 0.74 | 9.51 | 3.10 | 4.35 |
| Manufacture of wearing apparel, except fur apparel | 181 | 654 | 1662 | 2316 | 2.93 | 2.61 | 2.69 | 4.73 | 3.30 | 3.61 |
| Tanning and dressing of leather; manufacture of luggage, Handbags saddlery & harness | 191 | 5 | 9 | 13 | 0.02 | 0.01 | 0.02 | 1.93 | 1.52 | 1.64 |
| Manufacture of footwear | 192 | 183 | 156 | 339 | 0.82 | 0.25 | 0.39 | 16.77 | 3.38 | 5.94 |
| Saw milling and planing of wood | 201 | 0 | 0 | 0 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Manufacture of products of food, cork, straw and plaiting materials | 202 | 31 | 69 | 99 | 0.14 | 0.11 | 0.12 | 2.16 | 1.52 | 1.67 |
| Manufacture of paper and paper product | 210 | 458 | 858 | 1315 | 2.05 | 1.35 | 1.53 | 2.08 | 1.41 | 1.59 |
| Publishing | 221 | 51 | 112 | 162 | 0.23 | 0.18 | 0.19 | 3.43 | 1.34 | 1.65 |
| Printing and service activities related to printing | 222 | 7 | 2 | 9 | 0.03 | 0.00 | 0.01 | 11.22 | 1.19 | 4.00 |
| Reproduction of recorded media | 223 | 6 | 487 | 492 | 0.03 | 0.77 | 0.57 | 10.11 | 37.66 | 36.51 |
| Manufacture of coke oven products | 231 | 4 | 118 | 122 | 0.02 | 0.19 | 0.14 | 0.44 | 2.38 | 2.09 |
| Manufacture of refined petroleum products | 232 | 5049 | 12777 | 17826 | 22.59 | 20.09 | 20.74 | 2.51 | 1.95 | 2.08 |
| Manufacture of basic chemicals | 241 | 2188 | 5235 | 7423 | 9.79 | 8.23 | 8.64 | 1.60 | 1.54 | 1.56 |
| Manufacture of other chemical products | 242 | 399 | 1676 | 2075 | 1.78 | 2.64 | 2.41 | 1.37 | 1.54 | 1.50 |

Table 4 (Continued)

| Industry | NIC 1998 | Foreign Capital Goods Import (In Rs. Crore) | | | As a per cent of Total | | | As a per cent of Gross Fixed Asset | | |
|--|----------|---|---------|---------|------------------------|---------|---------|------------------------------------|---------|---------|
| | | 1991-95 | 1996-01 | 1991-01 | 1991-95 | 1996-01 | 1991-01 | 1991-95 | 1996-01 | 1991-01 |
| Manufacture of manmade fibers | 243 | 3 | 1 | 4 | 0.01 | 0.00 | 0.00 | 3.02 | 0.95 | 1.79 |
| Manufacture of rubber products | 251 | 291 | 548 | 839 | 1.30 | 0.86 | 0.98 | 1.86 | 1.63 | 1.70 |
| Manufacture of plastic products | 252 | 589 | 1592 | 2181 | 2.63 | 2.50 | 2.54 | 5.35 | 3.27 | 3.65 |
| Manufacture of glass and glass products | 261 | 197 | 270 | 466 | 0.88 | 0.42 | 0.54 | 5.14 | 1.90 | 2.58 |
| Manufacture of non metallic mineral products n.e.c. | 269 | 280 | 1452 | 1732 | 1.25 | 2.28 | 2.02 | 0.60 | 1.19 | 1.03 |
| Manufacture of Basic Iron and steel | 271 | 2545 | 6725 | 9271 | 11.39 | 10.58 | 10.79 | 1.30 | 1.44 | 1.40 |
| Manufacture of basic precious and non ferrous metals | 272 | 392 | 2200 | 2592 | 1.75 | 3.46 | 3.02 | 0.74 | 1.84 | 1.50 |
| Casting of metals | 273 | 37 | 89 | 125 | 0.16 | 0.14 | 0.15 | 1.89 | 1.24 | 1.37 |
| Manufacture of structural metal products, tanks, reservoirs and steam generators | 281 | 194 | 269 | 463 | 0.87 | 0.42 | 0.54 | 2.00 | 0.85 | 1.12 |
| Manufacture of other fabricated metal products; metal working service activities | 289 | 134 | 266 | 400 | 0.60 | 0.42 | 0.47 | 3.71 | 1.74 | 2.12 |
| Manufacture of general purpose machinery | 291 | 561 | 1005 | 1566 | 2.51 | 1.58 | 1.82 | 2.84 | 2.25 | 2.43 |
| Manufacture of special purpose machinery | 292 | 239 | 516 | 755 | 1.07 | 0.81 | 0.88 | 1.43 | 1.39 | 1.40 |
| Manufacture of domestic appliances n.e.c | 293 | 62 | 247 | 309 | 0.28 | 0.39 | 0.36 | 2.02 | 2.10 | 2.08 |
| Manufacture of office, accounting and computing machinery | 300 | 34 | 81 | 115 | 0.15 | 0.13 | 0.13 | 3.16 | 2.05 | 2.28 |
| Manufacture of electric motors, generators and transformers | 311 | 49 | 195 | 244 | 0.22 | 0.31 | 0.28 | 1.21 | 1.77 | 1.62 |
| Manufacture of electricity distribution and control apparatus | 312 | 2 | 10 | 11 | 0.01 | 0.02 | 0.01 | 1.04 | 3.26 | 2.49 |
| Manufacture of insulated wire and cable | 313 | 210 | 411 | 621 | 0.94 | 0.65 | 0.72 | 3.42 | 2.39 | 2.66 |
| Manufacture of accumulators, primary cells and primary batteries | 314 | 48 | 225 | 273 | 0.22 | 0.35 | 0.32 | 2.32 | 2.08 | 2.12 |

Table 4 (Continued)

| Industry | NIC 1998 | Foreign Capital Goods Import (In Rs. Crore) | | | As a per cent of Total | | | As a per cent of Gross Fixed Asset | | |
|---|----------|---|---------|---------|------------------------|---------|---------|------------------------------------|---------|---------|
| | | 1991-95 | 1996-01 | 1991-01 | 1991-95 | 1996-01 | 1991-01 | 1991-95 | 1996-01 | 1991-01 |
| Manufacture of electric lamps and lighting equipment | 315 | 15 | 45 | 60 | 0.07 | 0.07 | 0.07 | 5.95 | 10.52 | 8.81 |
| Manufacture of other electrical equipment n.e.c. | 319 | 97 | 214 | 311 | 0.44 | 0.34 | 0.36 | 2.14 | 1.49 | 1.64 |
| Manufacture of electronic valves and tubes and other electronic components | 321 | 289 | 596 | 885 | 1.29 | 0.94 | 1.03 | 3.15 | 3.00 | 3.04 |
| Manufacture of television and radio transmitters and apparatus for line telephone | 322 | 30 | 173 | 202 | 0.13 | 0.27 | 0.24 | 1.50 | 3.07 | 2.66 |
| Manufacture of television and radio receivers, sound or video recording or reprod | 323 | 202 | 681 | 883 | 0.90 | 1.07 | 1.03 | 3.13 | 2.54 | 2.65 |
| Manufacture of medical appliances and instruments and appliances for measuring | 331 | 1 | 26 | 27 | 0.00 | 0.04 | 0.03 | 0.18 | 1.92 | 1.46 |
| Manufacture of optical instruments and photographic equipment | 332 | 19 | 6 | 24 | 0.08 | 0.01 | 0.03 | 8.45 | 1.15 | 3.41 |
| Manufacture of watches and clocks | 333 | 65 | 70 | 135 | 0.29 | 0.11 | 0.16 | 5.57 | 2.27 | 3.18 |
| Motor vehicles | 341 | 1079 | 6936 | 8014 | 4.83 | 10.91 | 9.32 | 4.93 | 7.28 | 6.84 |
| Manufacture of parts & accessories for motor vehicles and their engines | 343 | 414 | 1616 | 2030 | 1.85 | 2.54 | 2.36 | 2.92 | 3.41 | 3.29 |
| Building and repair of ships and boats | 351 | 5 | 37 | 42 | 0.02 | 0.06 | 0.05 | 0.15 | 0.85 | 0.54 |
| Manufacture of railway and tramway locomotives and rolling stock | 352 | 4 | 3 | 8 | 0.02 | 0.01 | 0.01 | 0.62 | 0.33 | 0.45 |
| Manufacture of aircraft and spacecraft | 353 | 34 | 66 | 100 | 0.15 | 0.10 | 0.12 | 0.72 | 1.08 | 0.92 |
| Manufacture of transport equipment n.e.c. | 359 | 118 | 1028 | 1147 | 0.53 | 1.62 | 1.33 | 1.53 | 4.29 | 3.61 |
| Manufacture of furniture | 361 | 0 | 1 | 1 | 0.00 | 0.00 | 0.00 | 0.00 | 1.65 | 1.49 |
| Manufacturing n.e.c | 369 | 1788 | 5880 | 7668 | 8.00 | 9.25 | 8.92 | 1.98 | 1.94 | 1.95 |

Source: Authors' estimation based on Prowess Database, CMIE (2002).

Table 5: Industrial Composition of Cumulative Investment in Domestic Capital Goods in Indian Manufacturing, 1991-2001

| Industry | NIC 1998 | Domestic Capital Goods (In Rs. Crore) | | | As a per cent of Total | | | As a per cent of Gross Fixed Asset | | |
|--|----------|---------------------------------------|---------|---------|------------------------|---------|---------|------------------------------------|---------|---------|
| | | 1991-95 | 1996-01 | 1991-01 | 1991-95 | 1996-01 | 1991-01 | 1991-95 | 1996-01 | 1991-01 |
| Production, processing and preservation of meat, fish, fruit, vegetables, oils and | 151 | 852 | 940 | 1791 | 0.66 | 0.47 | 0.54 | 18.20 | 5.69 | 8.45 |
| Manufacture of dairy products | 152 | 551 | 586 | 1137 | 0.43 | 0.29 | 0.34 | 13.89 | 4.91 | 7.15 |
| Manufacture of grain mill products, starches and starch products, and prepared an | 153 | 158 | 719 | 878 | 0.12 | 0.36 | 0.27 | 9.93 | 12.77 | 12.14 |
| Manufacture of other food products | 154 | 1730 | 3214 | 4944 | 1.34 | 1.60 | 1.50 | 8.97 | 5.91 | 6.71 |
| Manufacture of beverages | 155 | 682 | 619 | 1301 | 0.53 | 0.31 | 0.39 | 12.85 | 3.97 | 6.22 |
| Manufacture of tobacco products | 160 | 361 | 738 | 1099 | 0.28 | 0.37 | 0.33 | 8.94 | 5.74 | 6.51 |
| Spinning, weaving and finishing of textiles | 171 | 7396 | 8546 | 15942 | 5.71 | 4.26 | 4.83 | 12.26 | 4.54 | 6.42 |
| Manufacture of other textiles | 172 | 150 | 176 | 326 | 0.12 | 0.09 | 0.10 | 16.99 | 4.34 | 6.60 |
| Manufacture of knitted and crocheted fabrics and articles | 173 | 442 | 724 | 1166 | 0.34 | 0.36 | 0.35 | 15.42 | 6.12 | 7.94 |
| Manufacture of wearing apparel, except fur apparel | 181 | 1556 | 2327 | 3883 | 1.20 | 1.16 | 1.18 | 11.26 | 4.62 | 6.05 |
| Tanning and dressing of leather; manufacture of luggage, Handbags saddlery & harness | 191 | 58 | 55 | 113 | 0.04 | 0.03 | 0.03 | 23.84 | 9.53 | 13.76 |
| Manufacture of footwear | 192 | 34 | 139 | 172 | 0.03 | 0.07 | 0.05 | 3.09 | 3.00 | 3.02 |
| Saw milling and planing of wood | 201 | 1 | 1 | 1 | 0.00 | 0.00 | 0.00 | 3.30 | 2.36 | 2.72 |
| Manufacture of products of food, cork, straw and plaiting materials | 202 | 213 | 274 | 487 | 0.16 | 0.14 | 0.15 | 15.06 | 6.06 | 8.21 |
| Manufacture of paper and paper product | 210 | 1894 | 5260 | 7154 | 1.46 | 2.62 | 2.17 | 8.62 | 8.63 | 8.63 |
| Publishing | 221 | 148 | 463 | 612 | 0.11 | 0.23 | 0.19 | 10.03 | 5.55 | 6.23 |
| Printing and service activities related to printing | 222 | 2 | 13 | 15 | 0.00 | 0.01 | 0.00 | 2.77 | 7.92 | 6.48 |
| Reproduction of recorded media | 223 | 19 | 26 | 45 | 0.01 | 0.01 | 0.01 | 33.66 | 2.04 | 3.36 |
| Manufacture of coke oven products | 231 | 128 | 456 | 584 | 0.10 | 0.23 | 0.18 | 14.53 | 9.21 | 10.01 |
| Manufacture of refined petroleum products | 232 | 39312 | 50235 | 89547 | 30.35 | 25.06 | 27.14 | 19.50 | 7.68 | 10.46 |
| Manufacture of basic chemicals | 241 | 13388 | 20720 | 34108 | 10.34 | 10.34 | 10.34 | 9.82 | 6.10 | 7.16 |
| Manufacture of other chemical products | 242 | 3316 | 7610 | 10927 | 2.56 | 3.80 | 3.31 | 11.39 | 6.99 | 7.92 |

Table 5 (Continued)

| Industry | NIC 1998 | Domestic Capital Goods (In Rs. Crore) | | | As a per cent of Total | | | As a per cent of Gross Fixed Asset | | |
|--|----------|---------------------------------------|---------|---------|------------------------|---------|---------|------------------------------------|---------|---------|
| | | 1991-95 | 1996-01 | 1991-01 | 1991-95 | 1996-01 | 1991-01 | 1991-95 | 1996-01 | 1991-01 |
| Manufacture of rubber products | 251 | 1214 | 2320 | 3534 | 0.94 | 1.16 | 1.07 | 7.76 | 6.88 | 7.16 |
| Manufacture of plastic products | 252 | 2091 | 3229 | 5319 | 1.61 | 1.61 | 1.61 | 19.00 | 6.62 | 8.90 |
| Manufacture of glass and glass products | 261 | 665 | 1021 | 1686 | 0.51 | 0.51 | 0.51 | 17.38 | 7.18 | 9.35 |
| Manufacture of non metallic mineral products n.e.c. | 269 | 3671 | 8472 | 12143 | 2.83 | 4.23 | 3.68 | 7.94 | 6.96 | 7.23 |
| Manufacture of Basic Iron and steel | 271 | 21709 | 22804 | 44514 | 16.76 | 11.38 | 13.49 | 11.11 | 4.89 | 6.73 |
| Manufacture of basic precious and non ferrous metals | 272 | 4680 | 5522 | 10202 | 3.61 | 2.75 | 3.09 | 8.89 | 4.61 | 5.91 |
| Casting of metals | 273 | 349 | 646 | 995 | 0.27 | 0.32 | 0.30 | 17.99 | 9.02 | 10.93 |
| Manufacture of structural metal products, tanks, reservoirs and steam generators | 281 | 1654 | 2557 | 4211 | 1.28 | 1.28 | 1.28 | 17.07 | 8.11 | 10.22 |
| Manufacture of other fabricated metal products; metal working service activities | 289 | 514 | 1026 | 1540 | 0.40 | 0.51 | 0.47 | 14.25 | 6.71 | 8.14 |
| Manufacture of general purpose machinery | 291 | 1314 | 1657 | 2971 | 1.01 | 0.83 | 0.90 | 6.66 | 3.71 | 4.61 |
| Manufacture of special purpose machinery | 292 | 1157 | 1525 | 2682 | 0.89 | 0.76 | 0.81 | 6.95 | 4.09 | 4.97 |
| Manufacture of domestic appliances n.e.c | 293 | 431 | 972 | 1404 | 0.33 | 0.49 | 0.43 | 14.08 | 8.24 | 9.45 |
| Manufacture of office, accounting and computing machinery | 300 | 150 | 274 | 424 | 0.12 | 0.14 | 0.13 | 14.11 | 6.92 | 8.45 |
| Manufacture of electric motors, generators and transformers | 311 | 299 | 404 | 702 | 0.23 | 0.20 | 0.21 | 7.32 | 3.66 | 4.65 |
| Manufacture of electricity distribution and control apparatus | 312 | 6 | 4 | 10 | 0.00 | 0.00 | 0.00 | 3.75 | 1.47 | 2.26 |
| Manufacture of insulated wire and cable | 313 | 553 | 1604 | 2157 | 0.43 | 0.80 | 0.65 | 9.01 | 9.32 | 9.24 |
| Manufacture of accumulators, primary cells and primary batteries | 314 | 264 | 561 | 825 | 0.20 | 0.28 | 0.25 | 12.71 | 5.18 | 6.39 |

Table 5 (Continued)

| Industry | NIC 1998 | Domestic Capital Goods (In Rs. Crore) | | | As a per cent of Total | | | As a per cent of Gross Fixed Asset | | |
|---|----------|---------------------------------------|---------|---------|------------------------|---------|---------|------------------------------------|---------|---------|
| | | 1991-95 | 1996-01 | 1991-01 | 1991-95 | 1996-01 | 1991-01 | 1991-95 | 1996-01 | 1991-01 |
| Manufacture of electric lamps and lighting equipment | 315 | 42 | 15 | 57 | 0.03 | 0.01 | 0.02 | 16.34 | 3.47 | 8.28 |
| Manufacture of other electrical equipment n.e.c. | 319 | 473 | 689 | 1161 | 0.37 | 0.34 | 0.35 | 10.40 | 4.79 | 6.14 |
| Manufacture of electronic valves and tubes and other electronic components | 321 | 1018 | 287 | 1306 | 0.79 | 0.14 | 0.40 | 11.09 | 1.45 | 4.49 |
| Manufacture of television and radio transmitters and apparatus for line telephone | 322 | 165 | 511 | 676 | 0.13 | 0.25 | 0.20 | 8.38 | 9.09 | 8.91 |
| Manufacture of television and radio receivers, sound or video recording or reprod | 323 | 806 | 2139 | 2945 | 0.62 | 1.07 | 0.89 | 12.48 | 7.97 | 8.85 |
| Manufacture of medical appliances and instruments and appliances for measuring | 331 | 58 | 83 | 140 | 0.04 | 0.04 | 0.04 | 11.76 | 6.06 | 7.57 |
| Manufacture of optical instruments and photographic equipment | 332 | 34 | 11 | 45 | 0.03 | 0.01 | 0.01 | 15.38 | 2.30 | 6.34 |
| Manufacture of watches and clocks | 333 | 181 | 89 | 270 | 0.14 | 0.04 | 0.08 | 15.55 | 2.89 | 6.35 |
| Motor vehicles | 341 | 1568 | 7538 | 9106 | 1.21 | 3.76 | 2.76 | 7.17 | 7.91 | 7.78 |
| Manufacture of parts & accessories for motor vehicles and their engines | 343 | 1379 | 3213 | 4593 | 1.07 | 1.60 | 1.39 | 9.71 | 6.78 | 7.45 |
| Building and repair of ships and boats | 351 | 180 | 618 | 798 | 0.14 | 0.31 | 0.24 | 5.19 | 14.27 | 10.23 |
| Manufacture of railway and tramway locomotives and rolling stock | 352 | 54 | 43 | 97 | 0.04 | 0.02 | 0.03 | 7.64 | 4.46 | 5.80 |
| Manufacture of aircraft and spacecraft | 353 | 44 | 925 | 969 | 0.03 | 0.46 | 0.29 | 0.92 | 15.17 | 8.94 |
| Manufacture of transport equipment n.e.c. | 359 | 572 | 2036 | 2607 | 0.44 | 1.02 | 0.79 | 7.38 | 8.48 | 8.22 |
| Manufacture of furniture | 361 | 2 | 10 | 12 | 0.00 | 0.00 | 0.00 | 26.27 | 13.55 | 14.77 |
| Manufacturing n.e.c | 369 | 9800 | 23828 | 33628 | 7.57 | 11.89 | 10.19 | 10.88 | 7.85 | 8.55 |

Source: Authors' estimation based on Prowess Database, CMIE (2002).

Table 6: Principal Components and Total Variance Explained, 1991-2001

| Principal Component | Without Foreign Direct Investment | | | With Foreign Direct Investment | | |
|---------------------|-----------------------------------|----------------------|---------------------|--------------------------------|----------------------|---------------------|
| | Eigen Values | Per Cent of Variance | Cumulative Variance | Eigen Values | Per Cent of Variance | Cumulative Variance |
| 1 | 1.359 | 33.98 | 33.98 | 1.682 | 33.65 | 33.65 |
| 2 | 1.065 | 26.62 | 60.59 | 1.353 | 27.05 | 60.70 |
| 3 | 1.000 | 25.00 | 85.59 | 1.064 | 21.29 | 81.99 |
| 4 | 0.576 | 14.41 | 100 | 0.577 | 11.53 | 93.52 |
| 5 | | | | 0.324 | 6.48 | 100 |

Table 7: Principal Components and Factor Loadings, 1991-2001

| Variables | Principal Components | | | | | | | | | |
|---|-----------------------------------|--------|--------|--------|--------------------------------|--------|--------|--------|--------|--|
| | Without Foreign Direct Investment | | | | With Foreign Direct Investment | | | | | |
| | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 5 | |
| R&D intensity (per cent) | -0.500 | -0.659 | 0.435 | 0.355 | 0.910 | 0.094 | 0.005 | -0.015 | -0.403 | |
| Disembodied Foreign Technology Intensity (per cent) | 0.326 | 0.229 | 0.894 | -0.206 | 0.325 | 0.576 | -0.635 | 0.365 | 0.164 | |
| Embodied Foreign Technology Intensity (per cent) | -0.517 | 0.760 | 0.108 | 0.379 | 0.853 | -0.162 | 0.276 | -0.185 | 0.367 | |
| Embodied Domestic Technology Intensity (per cent) | 0.857 | -0.014 | -0.021 | 0.514 | -0.042 | 0.518 | 0.765 | 0.380 | 6.E-03 | |
| FDI participation (per cent) | | | | | 0.133 | -0.847 | -0.016 | 0.514 | 3.E-05 | |

Table 8: Composite Technology Acquisition Index for Indian Manufacturing, 1991-2001

| Technology Category | NIC1998 | Industry | Without Foreign Direct Investment | | With Foreign Direct Investment | |
|---------------------|---------|---|-----------------------------------|------|--------------------------------|------|
| | | | Composite Index | Rank | Composite Index | Rank |
| Low Tech | 223 | Reproduction of recorded media | 0.699 | 6 | 2.085 | 1 |
| High Tech | 243 | Manufacture of manmade fibers | 2.199 | 1 | 1.808 | 2 |
| High Tech | 341 | motor vehicles | 0.089 | 21 | 0.971 | 3 |
| High Tech | 315 | Manufacture of electric lamps and lighting equipment | 0.979 | 3 | 0.664 | 4 |
| High Tech | 321 | Manufacture of electronic valves and tubes and other electronic components | -0.704 | 55 | 0.536 | 5 |
| High Tech | 242 | Manufacture of other chemical products | -0.389 | 46 | 0.383 | 6 |
| High Tech | 291 | Manufacture of general purpose machinery | -0.592 | 51 | 0.367 | 7 |
| High Tech | 359 | Manufacture of transport equipment n.e.c. | 0.059 | 23 | 0.293 | 8 |
| High Tech | 343 | Manufacture of parts & accessories for motor vehicles and their engines | -0.093 | 29 | 0.291 | 9 |
| High Tech | 312 | Manufacture of electricity distribution and control apparatus | -0.538 | 50 | 0.274 | 10 |
| High Tech | 314 | Manufacture of accumulators, primary cells and primary batteries | -0.351 | 43 | 0.27 | 11 |
| High Tech | 319 | Manufacture of other electrical equipment n.e.c. | -0.467 | 48 | 0.198 | 12 |
| Low Tech | 231 | Manufacture of coke oven products | 0.715 | 5 | 0.185 | 13 |
| High Tech | 292 | Manufacture of special purpose machinery | -0.617 | 52 | 0.182 | 14 |
| High Tech | 300 | Manufacture of office, accounting and computing machinery | 0.261 | 12 | 0.166 | 15 |
| High Tech | 323 | Manufacture of television and radio receivers, sound or video recording or reprod | 0.198 | 16 | 0.165 | 16 |
| High Tech | 332 | Manufacture of optical instruments and photographic equipment | 0.053 | 25 | 0.159 | 17 |
| Low Tech | 172 | Manufacture of other textiles | -0.313 | 42 | 0.143 | 18 |
| High Tech | 311 | Manufacture of electric motors, generators and transformers | -0.625 | 53 | 0.135 | 19 |
| Low Tech | 192 | Manufacture of footwear | -0.627 | 54 | 0.115 | 20 |
| High Tech | 322 | Manufacture of television and radio transmitters and apparatus for line telephone | 0.027 | 27 | 0.073 | 21 |
| Low Tech | 160 | Manufacture of tobacco products | -0.27 | 38 | -0.015 | 22 |
| Low Tech | 261 | Manufacture of glass and glass products | 0.395 | 9 | -0.02 | 23 |
| Low Tech | 251 | Manufacture of rubber products | -0.25 | 35 | -0.028 | 24 |

Table 8 (Continued)

| Technology Category | NIC1998 | Industry | Without Foreign Direct Investment | | With Foreign Direct Investment | |
|---------------------|---------|--|-----------------------------------|------|--------------------------------|------|
| | | | Composite Index | Rank | Composite Index | Rank |
| High Tech | 293 | Manufacture of domestic appliances n.e.c | 0.252 | 14 | -0.036 | 25 |
| High Tech | 333 | Manufacture of watches and clocks | -0.288 | 39 | -0.046 | 26 |
| Low Tech | 369 | Manufacturing n.e.c | 0.258 | 13 | -0.049 | 27 |
| Low Tech | 152 | Manufacture of dairy products | 0.163 | 17 | -0.08 | 28 |
| Low Tech | 232 | Manufacture of refined petroleum products | 0.626 | 7 | -0.087 | 29 |
| High Tech | 241 | Manufacture of basic chemicals | 0.006 | 28 | -0.089 | 30 |
| Low Tech | 289 | Manufacture of other fabricated metal products; metal working service activities | 0.039 | 26 | -0.118 | 31 |
| Low Tech | 252 | Manufacture of plastic products | 0.113 | 18 | -0.139 | 32 |
| Low Tech | 171 | Spinning, weaving and finishing of textiles | -0.266 | 36 | -0.149 | 33 |
| Low Tech | 173 | Manufacture of knitted and crocheted fabrics and articles | 0.056 | 24 | -0.164 | 34 |
| High Tech | 331 | Manufacture of medical appliances and instruments and appliances for measuring | -0.204 | 33 | -0.175 | 35 |
| Low Tech | 271 | Manufacture of Basic Iron and steel | -0.119 | 32 | -0.198 | 36 |
| Low Tech | 272 | Manufacture of basic precious and non ferrous metals | -0.305 | 41 | -0.277 | 37 |
| Low Tech | 181 | Manufacture of wearing apparel, except fur apparel | -0.29 | 40 | -0.277 | 38 |
| Low Tech | 269 | Manufacture of non metallic mineral products n.e.c. | -0.268 | 37 | -0.307 | 39 |
| Low Tech | 210 | Manufacture of paper and paper product | 0.092 | 20 | -0.314 | 40 |
| Low Tech | 361 | Manufacture of furniture | 0.988 | 2 | -0.329 | 41 |
| Low Tech | 222 | Printing and service activities related to printing | -0.247 | 34 | -0.337 | 42 |
| High Tech | 313 | Manufacture of insulated wire and cable | 0.098 | 19 | -0.34 | 43 |
| Low Tech | 221 | Publishing | -0.353 | 44 | -0.37 | 44 |
| Low Tech | 151 | Production, processing and preservation of meat, fish, fruit, vegetables, oils and | -0.108 | 30 | -0.376 | 45 |
| Low Tech | 281 | Manufacture of structural metal products, tanks, reservoirs and steam generators | 0.198 | 15 | -0.408 | 46 |
| Low Tech | 154 | Manufacture of other food products | -0.368 | 45 | -0.41 | 47 |
| Low Tech | 273 | Casting of metals | 0.296 | 11 | -0.419 | 48 |

Table 8 (Continued)

| Technology Category | NIC 1998 | Industry | Without Foreign Direct Investment | | With Foreign Direct Investment | |
|---------------------|----------|---|-----------------------------------|------|--------------------------------|------|
| | | | Composite Index | Rank | Composite Index | Rank |
| Low Tech | 153 | Manufacture of grain mill products, starches and starch products, and prepared an | 0.482 | 8 | -0.43 | 49 |
| Low Tech | 202 | Manufacture of products of food, cork, straw and plaiting materials | -0.118 | 31 | -0.434 | 50 |
| Low Tech | 351 | Building and repair of ships and boats | 0.391 | 10 | -0.458 | 51 |
| Low Tech | 191 | Tanning and dressing of leather; manufacture of luggage, Handbags saddlery & harn | 0.772 | 4 | -0.485 | 52 |
| High Tech | 352 | Manufacture of railway and tramway locomotives and rolling stock | -0.469 | 49 | -0.509 | 53 |
| High Tech | 353 | Manufacture of aircraft and spacecraft | 0.078 | 22 | -0.52 | 54 |
| Low Tech | 155 | Manufacture of beverages | -0.426 | 47 | -0.52 | 55 |
| Low Tech | 201 | Saw milling and planing of wood | -0.915 | 56 | -0.548 | 56 |

Note: Technological classification of industries is based on OECD Science, Technology and Industry Scoreboard 2003, Annex 1.2. Classification of manufacturing industries based on technology.

Table 9: Period-wise Composite Technology Acquisition Index for Indian Manufacturing, 1991-95 & 1996-2001

| Technology Category | NIC 1998 | Industry | 1991-1995 | | 1996-2001 | |
|---------------------|----------|--|-----------------|------|-----------------|------|
| | | | Composite Index | Rank | Composite Index | Rank |
| Low Tech | 223 | Reproduction of recorded media | 0.092 | 18 | -0.454 | 50 |
| High Tech | 243 | Manufacture of manmade fibers | -0.042 | 29 | 0.161 | 19 |
| High Tech | 341 | motor vehicles | -0.289 | 42 | -0.303 | 40 |
| High Tech | 315 | Manufacture of electric lamps and lighting equipment | -0.513 | 51 | -0.439 | 48 |
| High Tech | 321 | Manufacture of electronic valves and tubes and other electronic components | -0.356 | 47 | -0.611 | 53 |
| High Tech | 242 | Manufacture of other chemical products | -0.161 | 33 | -0.019 | 27 |
| High Tech | 291 | Manufacture of general purpose machinery | 0.016 | 22 | -0.308 | 41 |
| High Tech | 359 | Manufacture of transport equipment n.e.c. | 0.653 | 6 | -0.124 | 31 |
| High Tech | 343 | Manufacture of parts & accessories for motor vehicles and their engines | 0.736 | 5 | -0.337 | 43 |

Table 9 (Continued)

| Technology Category | NIC 1998 | Industry | Without Foreign Direct Investment | | With Foreign Direct Investment | |
|---------------------|----------|---|-----------------------------------|------|--------------------------------|------|
| | | | Composite Index | Rank | Composite Index | Rank |
| High Tech | 312 | Manufacture of electricity distribution and control apparatus | -0.007 | 24 | -0.437 | 47 |
| High Tech | 314 | Manufacture of accumulators, primary cells and primary batteries | 0.336 | 12 | -0.172 | 33 |
| High Tech | 319 | Manufacture of other electrical equipment n.e.c. | 0.825 | 3 | -0.287 | 39 |
| Low Tech | 231 | Manufacture of coke oven products | -0.887 | 55 | -0.789 | 56 |
| High Tech | 292 | Manufacture of special purpose machinery | -0.062 | 30 | -0.532 | 52 |
| High Tech | 300 | Manufacture of office, accounting and computing machinery | -0.381 | 49 | -0.125 | 32 |
| High Tech | 323 | Manufacture of television and radio receivers, sound or video recording or reprod | -0.182 | 35 | -0.426 | 46 |
| High Tech | 332 | Manufacture of optical instruments and photographic equipment | 0.186 | 15 | -0.629 | 54 |
| Low Tech | 172 | Manufacture of other textiles | 1.627 | 1 | 1.112 | 3 |
| High Tech | 311 | Manufacture of electric motors, generators and transformers | -0.151 | 32 | 0.946 | 4 |
| Low Tech | 192 | Manufacture of footwear | 0.196 | 14 | 0.436 | 5 |
| High Tech | 322 | Manufacture of television and radio transmitters and apparatus for line telephone | -0.269 | 40 | 0.05 | 24 |
| Low Tech | 160 | Manufacture of tobacco products | -0.035 | 27 | 0.224 | 16 |
| Low Tech | 261 | Manufacture of glass and glass products | 1.277 | 2 | 1.484 | 1 |
| Low Tech | 251 | Manufacture of rubber products | -0.267 | 39 | -0.094 | 30 |
| High Tech | 293 | Manufacture of domestic appliances n.e.c | 0.479 | 9 | -0.196 | 34 |
| High Tech | 333 | Manufacture of watches and clocks | 0.518 | 8 | 0.097 | 21 |
| Low Tech | 369 | Manufacturing n.e.c | -0.54 | 52 | -0.314 | 42 |
| Low Tech | 152 | Manufacture of dairy products | -0.233 | 38 | -0.224 | 36 |
| Low Tech | 232 | Manufacture of refined petroleum products | -0.475 | 50 | -0.284 | 38 |
| High Tech | 241 | Manufacture of basic chemicals | 0.121 | 17 | -0.406 | 45 |
| Low Tech | 289 | Manufacture of other fabricated metal products; metal working service activities | 0.083 | 19 | -0.446 | 49 |
| Low Tech | 252 | Manufacture of plastic products | 0.153 | 16 | -0.002 | 26 |
| Low Tech | 171 | Spinning, weaving and finishing of textiles | -0.18 | 34 | 0.398 | 8 |
| Low Tech | 173 | Manufacture of knitted and crocheted fabrics and articles | -0.334 | 44 | 0.068 | 23 |

Table 9 (Continued)

| Technology Category | NIC 1998 | Industry | Without Foreign Direct Investment | | With Foreign Direct Investment | |
|---------------------|----------|--|-----------------------------------|------|--------------------------------|------|
| | | | Composite Index | Rank | Composite Index | Rank |
| High Tech | 331 | Manufacture of medical appliances and instruments and appliances for measuring | -0.031 | 25 | 0.305 | 14 |
| Low Tech | 271 | Manufacture of Basic Iron and steel | 0.243 | 13 | 0.379 | 9 |
| Low Tech | 272 | Manufacture of basic precious and non ferrous metals | -0.332 | 43 | 0.019 | 25 |
| Low Tech | 181 | Manufacture of wearing apparel, except fur apparel | -0.36 | 48 | -0.456 | 51 |
| Low Tech | 269 | Manufacture of non metallic mineral products n.e.c. | -0.211 | 37 | -0.384 | 44 |
| Low Tech | 210 | Manufacture of paper and paper product | 0.015 | 23 | 0.351 | 12 |
| Low Tech | 361 | Manufacture of furniture | 0.62 | 7 | 0.258 | 15 |
| Low Tech | 222 | Printing and service activities related to printing | -0.033 | 26 | 0.087 | 22 |
| High Tech | 313 | Manufacture of insulated wire and cable | -0.04 | 28 | 0.376 | 10 |
| Low Tech | 221 | Publishing | -0.273 | 41 | 0.136 | 20 |
| Low Tech | 151 | Production, processing and preservation of meat, fish, fruit, vegetables, oils and | 0.037 | 21 | 0.431 | 6 |
| Low Tech | 281 | Manufacture of structural metal products, tanks, reservoirs and steam generators | -0.352 | 46 | -0.211 | 35 |
| Low Tech | 154 | Manufacture of other food products | 0.775 | 4 | 0.358 | 11 |
| Low Tech | 273 | Casting of metals | 0.365 | 11 | -0.058 | 29 |
| Low Tech | 153 | Manufacture of grain mill products, starches and starch products, and prepared an | 0.068 | 20 | 1.282 | 2 |
| Low Tech | 202 | Manufacture of products of food, cork, straw and plaiting materials | -0.069 | 31 | 0.399 | 7 |
| Low Tech | 351 | Building and repair of ships and boats | -0.751 | 54 | -0.052 | 28 |
| Low Tech | 191 | Tanning and dressing of leather; manufacture of luggage, Handbags saddlery & harn | -0.594 | 53 | -0.663 | 55 |
| High Tech | 352 | Manufacture of railway and tramway locomotives and rolling stock | -0.934 | 56 | -0.267 | 37 |
| High Tech | 353 | Manufacture of aircraft and spacecraft | -0.344 | 45 | 0.319 | 13 |
| Low Tech | 155 | Manufacture of beverages | 0.453 | 10 | 0.206 | 17 |
| Low Tech | 201 | Saw milling and planning of wood | -0.185 | 36 | 0.171 | 18 |

Note: Technological classification of industries is based on OECD Science, Technology and Industry Scoreboard 2003, Annex 1.2. Classification of manufacturing industries based on technology.

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Appendix Table 1: Prowess-SIC Revision 1998 Concordance

| Prowess Activity Classification | NIC 1998 Classification | |
|---|-------------------------|--|
| | Code | Description |
| Castor oil; Cotton seed oil; Edible oils; Egg powder; Eggs; Fish; "Fish, crustaceans & molluscus"; "Fish, live"; "Fruit & vegetable juices, concentrates"; "Fruits & nuts preserved, canned"; Ginger & ginger grass oil; Grapes; Groundnut oil; Margarine; Meat & edible offals of other animals; Meat of buffaloes; "Meat of sheep, goats"; Meat preparations; Mustard oil; Neem oil; Oil cakes & meals; "Oil cakes, meals and animal feeds"; Other fixed vegetable fats & oils nec; Palm oil; Pickles & chutneys; Poultry; Prawns; Rapeseed oil; Rice bran oil; Sauces & ketchup; Shrimps; Soyabean oil; Soyabean oil cake; "Squashes, jams, jellies, etc."; Sunflower seed oil; Vegetable / fruit products; Vegetable oils; "Vegetables, frozen"; Yeasts | 151 | Production, processing and preservation of meat, fish, fruit, vegetables, oils and |
| Cheese; Dairy products; Ghee; Icecreams & kulfi; Infant milk foods; Malted milk foods; Milk; "Milk & cream, concentrated, sweetened"; Milk powder; Skimmed milk powder; Vanaspati | 152 | Manufacture of dairy products |
| Animal and bird feeds; Atta; Biscuits; Bread; Cattle feed; Cereal milling products; Dextrose; "Flour, flakes of potatoes"; Lactose & lactose syrup; Maida; Maize starch; Malt; Malt and malt extract; Milling products; Other animal feed; Poultry feed; Pulses milling products; Starches; "Starches modified, adhesives, etc."; Wheat flour | 153 | Manufacture of grain mill products, starches and starch products, and prepared an |
| "Brazil nuts, cashew nuts"; Chocolate & sugar confectionery; Chocolate confectionery; Coffee; Coffee incl. instant coffee; Fruit & nuts; "Fruit & nuts, frozen, preserved"; Infant cereal foods; Instant & semi-processed foods (Packaged Foods); Maple sugar & maple syrup; Medicated confectionery; Miscellaneous food products; Other sweetening agents; Protein concentrates; "Semi processed snacks & foods, nec (Ready-to-eat ins"; Spices & Condiments; Sugar; Tea; Tea incl. instant tea | 154 | Manufacture of other food products |
| Beer; Beverages; "Beverages, spirits & vinegar"; "Country liquor, arrack, rectified spirits"; Ethyl alcohol (strength 80per cent or higher); Ethyl alcohol (strength less than 80per cent); Ice & snow; Indian made foreign liquors; Liquors; Mineral waters; Potable alcohol; Soft drinks; Wines | 155 | Manufacture of beverages |
| Bidis; "Chewing tobacco, jarda, scented tobacco"; Cigarette filter rods; Cigarettes; Other tobacco products; | 160 | Manufacture of tobacco products |
| Acrylic fibre; Acrylic filament yarn (AFY); Blended yarn; Cellulose acetate yarn; Cloth processed; Cotton & blended yarn; "Cotton & blended yarn, crimped"; "Cotton & blended yarn, processed"; "Cotton & blended yarn, texturised"; Cotton & cotton textiles; Cotton durries; Cotton sewing thread; Cotton yarn; Cotton yarn 1s to 10s; "Cotton, carded or combed"; Jute; Jute & jute products; Jute & other vegetable fibers; Jute yarn; Man-made fibers; Man-made filaments; Man-made filaments & fibers; Nylon filament yarn; Nylon tyre yarn; Partially oriented yarn (POY); Polyester filament yarn (PFY); Polyester staple fibre (PSF); Polypropylene fibre; Polypropylene filament yarn (PPFY); Sewing thread of man-made filaments; Silk & silk textiles; "Silk fabrics, processed"; Silk yarns; Synthetic filament yarn other than sewing threads; Synthetic monofilament of more than 66 decitex; Textiles; Textured yarn of synthetic filament yarn; Viscose rayon yarn (VFY); Viscose staple fibre (VSF); Wool & woollen textiles; Wool yarn; Woven fabrics of silk; Woven fabrics of wool; "Yarn of artificial staple fibers, excl. sewing thre"; "Yarn of other polyamides, excluding nylon"; "Yarn of synthetic staple fibers, excluding sewing | 171 | Spinning, weaving and finishing of textiles |

Appendix Table 1 (Contd...)

| | | |
|--|-----|--|
| Bed linen, table linen, etc.";Blankets & travelling rugs;"Carpets, etc."; Coir carpets & floor rugs;Coir mats;"Curtains, blinds, etc."; Embroidery in the piece;Felt;Fishing nets;Laces/Lace fabrics; Metallised yarn;Other textile articles;Plastic coated / polyethylene jute bags;Pneumatic mattresses; Rubberised coir products & bonded fabrics;Rubberised textile fabrics; Tarpaulins; Textile fabrics coated/ laminated with plastics; "Textile labels, badges, etc.";Textile products for technical uses; Towels including turkish towels;"Twine, cordage, rope & cables";Wool carpets;Wool mats;Worn clothing & other worn textile articles | 172 | Manufacture of other textiles |
| Coated / laminated textile fabrics;Hosiery fabrics;Knitted / crocheted fabrics;Man-made fabrics;Nylon tyre cord fabric;Other coated / laminated textile fabrics;Special woven fabrics;Terry towelling & similar woven terry fabrics;Woven blended fabrics of synthetic staple fibers &;Woven fabrics of artificial staple fibers;Woven fabrics of man-made filaments;Woven fabrics of synthetic staple fibers;Woven pile fabrics & chenille fabrics | 173 | Manufacture of knitted and crocheted fabrics and articles |
| Apparels - knitted / crocheted;Apparels - not knitted / crocheted; Apparels (Readymade garment);"Brassieres, girdles, etc.";Cloth (Fabrics); Denim;"Gloves, mittens, etc. knitted or crocheted";Knitted fabrics; Leather apparel & clothing accessories;Leather gloves;"Men's suits, trousers, etc. knitted or crocheted";Millmade fabric;"Other clothing accessories, knitted or crocheted";"Other garments, knitted or crocheted"; "Other garments, not knitted / crocheted" | 181 | Manufacture of wearing apparel,except fur apparel |
| Articles of leather;Jackets & jerseys;Leather finished;Leather Products;Other leather articles;Raw furskins;Raw hides & skins & leather;Wallets | 191 | Tanning and dressing of leather;manufacture of luggage,Handbags saddlery & harness |
| Canvas & sports shoes;"Footwear, nec";Leather shoes;Other shoes;"Parts of footwear, nec";Shoe uppers;Waterproof footwear | 192 | Manufacture of footwear |
| Wood;"Wood in the rough, logs, poles, etc.";Wood Products | 201 | Saw milling and planing of wood |
| Doors;Fibreboard of wood;Particle boards;Plywood;Veneer sheets & sheets of plywood; | 202 | Manufacture of products of food,cork,straw and plaiting materials |
| "Carbon paper, etc."; "Cartons, boxes, cases, etc.";Composite paper & paperboard;Computer stationery;"Filter blocks, slabs & plates of paper pulp";Kraft paper & paperboard;Newsprint;"Other paper, paperboard products";Paper;"Paper & paperboard, coated with china clay/kaolin"; "Paper & paperboard, corrugated, crepped, embossed,,"; Paper products; "Paper tarred, plastic coated, etc."; "Paper, nec"; "Paper, newsprint & paper board";Rayon grade pulp;"Registers, account books, note books, etc."; "Wallpaper, window transparencies of paper etc."; "Writing, printing paper"; | 210 | Manufacture of paper and paper product |
| Maps & hydrographic or similar charts;"Newspapers, journals & periodicals"; Other printed matter;"Printed books, brochures, etc."; "Printed books, newspapers, etc.";Printing and service activities related to printing | 221 | Publishing |
| Printing and allied activities nec;Service activity related to printing | 222 | Printing and service activities related to printing |
| Floppy disc drives;Floppy disks | 223 | Reproduction of recorded media |
| Bitumen & asphalt;Lube oils & lubricants;Paraffins incl. paraffin wax | 231 | Manufacture of coke oven products |

Appendix Table 1 (Contd...)

| | | |
|---|-----|---|
| Petroleum coke;Petroleum oil;Petroleum products (Refineries) | 232 | Manufacture of refined petroleum products |
| Acetic acid;Acetic acid & its salts; acetic anhydride;Acrylonitrile; Acrylonitrile butadiene styrene;Alcohols & their derivatives;Aluminium chloride;Aluminium fluoride;Aluminium hydroxide;Amine function compounds; Amino G acid;Ammonia;Ammonium nitrate;Ammonium nitrophosphate (20-20-0);Ammonium phosphate (16-20-0);Aniline & its salts & derivatives;Animal or vegetable fertilisers;Antimony oxides; Benzaldehyde; Benzene;Benzoic acid;Benzophenone;Bisphenol-A; Borax; Boric acid;Butanone (MEK);Calcium carbide;Calcium carbonates; Camphor;Carbon black;Carbon dioxide;Carbon products; Carboxymethylcellulose;Cellulose & its chemical derivatives;Cellulose acetates; Chemicals;Chlorates & perchlorates; Chlorobenzene; "Chromates of sodium, potassium, zinc & lead";Citric acid & its salts; Diammonium phosphate (DAP)(18-46-0);Di-calcium phosphate;Dimehyl sulphate;Dimethyl terephthalate (DMT);Disperse dyes;Duplicating ink;Dyes;Epoxy resins;Esters of inorganic acids & their salts;Ethyl acetate;Ethyl amines;Ethylene glycol;Expandable polystyrene;Fatty acids; Fertilisers; Fluorides; Furfuraldehyde; Glues;Guar gum;H acid;Hydrazine & hydrazine hydrate;Hydrogen peroxide;"Hydrogen, rare & other gases";Inorganic chemicals;Iron oxides;J acid;Lead oxides; Linear alkyl benzene;Linear low density polyethylene (LLDPE);Maleic anhydride;Menthol;Methanal (Formaldehyde);Methanol;Mixed fertilisers;Monochloroacetic acid;Nicotine & its salts; Nitrobenzene; Nitrocellulose;Nitrochlorobenzenes;Nitrogen;NPK mixed fertilisers; Organic chemicals;Other chlorides;Other colouring extracts of vegetable origin;Other colouring substances;"Other colouring substances, nec"; Other dyes;Other inorganic acids;"Other inorganic acids, nec";Other mixed fertilisers;Other organic chemicals;Oxides of boron & borax; "Oxides, hydroxides & peroxides of metals";Oxirane;Oxygen;Para nitrochlorobenzene;Paraformaldehyde;Phenol;Phenol derivatives; Phenols & their derivatives;Phenyl acetic acid & its salts;Phosphoric acid;Phosphorous;Phthalic Anhydride;Pigments;Plasticisers;Plastics in primary forms;Poly vinyl chloride;Polyacetals;"Polyacetals, etc."; Polyester or contract resins;"Polyethylene or polypropylene cordage, rope or twin";Polyethylene terephthalate (PET);Polyisobutylene;Polymers of propylene;Polymers of vinyl acetate or vinyl esters; Polypropylene; Polystyrene;Polytetrafluoroethylene;Polyurethanes;Polyvinyl acetate resins;Potasium carbonates;Printing ink;Propylene glycol;Purified Terephthalic acid (PTA);Refrigerant gases;Salts of inorganic acids & metals;Single superphosphate;Sodium;Sodium carbonate (Soda Ash);Sodium chlorate;Sodium hydrosulphites;Sodium hydroxide (Caustic Soda);Sodium sulphites;Sodium tripolyphosphate;Sorbitol;Stable bleaching powder;Stearic acid;Stearic acid esters;Sulphites & thiosulphates; Sulphonated & nitrated derivatives of hydrocarbons; Sulphur; Sulphur dioxide;Sulphuric acid;Sulphuric acid & oleum; Superphosphates;Synthetic colouring substances;Synthetic rubber; Titanium dioxide;Toluene;Ultramarine;Urea;Vinegar & substitutes;Vinyl acetate monomer (VAM);Zinc oxide | 241 | Manufacture of basic chemicals |

Appendix Table 1 (Contd...)

| | | |
|---|------------|---|
| <p>Adhesive medicinal tape;Anti dysentery medicaments; Antibiotics; Ayurvedic & unani medicaments;Basic pharmaceuticals nec;Beauty or make-up preparations;Benzene hexachloride; "Catalysts, reaction initiators";Cephalexin;Chemicals for photographic uses;"Chemicals, nec";Chlorpyrifos;CNS stimulant formulations; Copper sulphate; Cosmetics & toilet preparations; Dental cements & other bone reconstruction cements;"Detonating, safety & other fuses, igniters"; Dimethoate; Drug formulations;"Drugs, medicines & allied products"; Enzymes; Ephedrine;Essential oils;Essential oils other than of citrus fruits; Ethambutol; Explosives; Finishing agents;First aid boxes & kits; Folic acid;Formulations of mainly chloramphenicol; Gelatin; Homeopathic medicaments; Hydrogenated castor oil;Ibuprofen; Industrial explosives; Insecticides; Leather auxiliaries; Matches;Miscellaneous chemicals; Monocrotophos; Nickel catalyst; Organic surface-active agents other than soap;Organophosphorous insecticides;Ossein & bones treated with acid; Other essential oils;Other insecticides;"Other pharmaceutical products, nec";Other washing preparations;"Paints & dyes, etc.";Paints & varnishes; Paints & varnishes based on acrylic & vinyl polymer;Paints & varnishes based on polyesters; Paracetamol; Penicillin; Perfumes; Perfumes & toilet waters;Pesticides;"Pesticides & pesticide intermediates, nec";"Pharmaceutical products, nec"; "Photographic film in plates, roles, exposed";"Photographic film in plates, roles, unexposed"; Photographic or cinematographic goods; Photographic paper; Preparations for oral or dental hygiene; Quinalphos;Reactive dyes; Rifampicin;Rosin & resin acids;Rubber chemicals; Salbutamol; Salicylic acids & their esters;Soap;"Soap, washing preparations, waxes, etc."; Sulphamethiazole; Sulphamethoxazole;Synthetic detergents; Synthetic enamel;Theophylline & aminophylline;Tooth brush; Tooth paste; Trimethoprim; Vegetable alkaloids;"Washing soap flakes, chips & powder"; Wire enamel</p> | <p>242</p> | <p>Manufacture of other chemical products</p> |
| <p>"Slag wool, rock wool, etc."; "Synthetic staple fibers, not carded or combed"</p> | <p>243</p> | <p>Manufacture of manmade fibers</p> |
| <p>Aprons;Articles of vulcanised rubber;Conveyor or transmission beltings of vulcanised rubber;Cycle tyres;Gloves;"Hoses, tubes & pipes of vulcanised rubber";Hygiene & pharmaceutical rubber products; Natural rubber;Other forms of unvulcanised rubber;Other rubber products; Printer's roller; Reclaimed rubber;Retreaded & other tyres; Rubber & rubber products; Rubber blankets;"Rubber contraceptives, males";Rubbers;Sheath contraceptives;Solid rubber tyres; Styrene butadiene rubber;Tyre treads; Tyre tubes; Tyres; Unvulcanised rubber products;V belt;Vulcanised rubber thread & cord</p> | <p>251</p> | <p>Manufacture of rubber products</p> |
| <p>Amino/phenolic resins & polyurethanes;Biaxially oriented polypropylene (BOPP) film;"Boxes, cases & crates";Builders wares of plastics;"Carboys, bottles & flasks";Cellulose adhesive tapes;Floor coverings of plastics; Moulded luggage;Other articles of plastics; "Other articles of plastics, nec";Other phenolic resins;Other plastic packaging goods;"Other sheets, films & foils of plastics";Plastic packaging goods;Plastic Products; Polyester film;PVC belt conveyor; Sacks & bags;Sacks & bags of other plastics;Sacks & bags of polyethylene; Sheets of other plastics;Sheets of polyethylene;Sheets of vinyl chloride;"Sheets of vinyl chloride, rigid"; "Sheets, films, etc. of plastic, not reinforced";Synthetic leather cloth; "Tableware, kitchenware, other household articles";"Tubes, pipes & hoses & fittings of plastics";"Tubes, pipes & hoses of poly vinyl chloride"; "Tubes, pipes & hoses of polyethylene";"Tubes, pipes & hoses, flexible"</p> | <p>252</p> | <p>Manufacture of plastic products</p> |

Appendix Table 1 (Contd...)

| | | |
|---|------------|---|
| <p>"Blanks for spectacles, ophthalmic glasses";Bottles;Cast glass;Float glass & surface polished glass;Glass & glass wares;"Glass beads, bangles, imitation pearls, etc.";Glass containers;Glass fibers;Glass in tubes;"Glass tubes & bulbs, etc.";Kitchen glass wares;Laboratory glasswares;Other glass containers;Toughened & laminated (safety) glass;Wired cast glass</p> | <p>261</p> | <p>Manufacture of glass and glass products</p> |
| <p>Abrasive powder or grain on a base;Asbestos cement pipes; Asbestos-cement products;"Asphalt, bitumen or coal tar pitch products"; "Bricks, blocks & other ceramic products"; Cement; Ceramic household articles; "Ceramic pipes, conduits, guttering, etc.";Ceramic products; "Ceramic products, nec";"Ceramic sinks, wash basins, etc.";Ceramic tiles;Ceramic ware for laboratory uses; Clay nec;Corrugated asbestos sheets; Fabricated asbestos fibers & friction materials;Fire clay;Fire clay bricks; "Glazed ceramic tiles, paving & flags";Gypsum boards;High alumina bricks; Light structurals; Limestone;Magnesite bricks;Non-metallic minerals; Oil well cement; Ordinary portland cement;"Other articles of stone, plaster, cement, etc.";Other ceramic products;Other clays;Other refractories;Porcelain or china household articles;Portland slag cement; Prefabricated cement structurals;"Products of cement, concrete, etc."; Quick lime;Refractory bricks;"Unglazed ceramic tiles, paving & flags"</p> | <p>269</p> | <p>Manufacture of non metallic mineral products n.e.c.</p> |
| <p>"Alloy steel, nec";Bars & rods;Carbon constructional alloy steel; Charge chrome;"Clad, plated or coated flat rolled products";Cold rolled coils & other flat rolled products;Ferro alloys;Ferro chromium; Ferro manganese; Ferro silico manganese;Ferro silicon;Finished steel (incl. saleable steel); Flat rolled products;Hot rolled coils & other flat rolled products;Iron & steel; "Other alloy steels, nec";Other ferro alloys;Pig iron;Sheet piling of iron & steel;Sponge iron;Stainless steel;"Stainless steel angles, shapes & sections";Stainless steel bars & rods;Stainless steel flat rolled products; Stainless steel ingots;Stainless steel wires;"Steel, semi-finished (ingots & billets)"</p> | <p>271</p> | <p>Manufacture of Basic Iron and steel</p> |
| <p>Aluminium;Aluminium alloy ingots;Aluminium bars & rods;"Aluminium bars, rods & profiles";Aluminium foils;Aluminium powders & flakes; "Aluminium, unwrought";"Bars, rods, etc. of refined copper"; Brass; Copper; Copper alloys;"Copper bars, rods & profiles"; Copper enamelled winding wires;"Copper products, nec";Copper tubes & pipes; Copper wire;"Lead, refined";"Non-ferrous metals, nec"; "Refined copper & alloys, unwrought";Tin;"Tin plates, sheets & strips"; Tungsten;Wire of refined copper;Zinc;"Zinc, alloyed";"Zinc, unwrought"</p> | <p>272</p> | <p>Manufacture of basic precious and non ferrous metals</p> |
| <p>Aluminium castings;Cast iron castings;Castings;Castings & forgings;Forgings;S.G. iron castings;Steel castings</p> | <p>273</p> | <p>Casting of metals</p> |

Appendix Table 1 (Contd...)

| | | |
|--|------------|---|
| <p>Aluminium containers; Bundy tubes; "Containers, railway & ship"; ERW precision tubes; Galvanised iron drums & barrels; Galvanised pipes; LPG cylinders & other gas containers; "Medium structurals (scaffolding, shuttering, etc.)"; Other structurals; "Reservoirs, tanks & other fabrications"; "Reservoirs, tanks, etc."; Seamless tubes & pipes; "Self-adhesive plates, sheets, films, etc."; Steel tubular structural poles; Structures; Tin container; Towers & lattice masts; Tube & pipe fittings; Tubes & pipes; "Tubes & pipes, nec"; Welded steel tubular poles; "Wire ropes, galvanised"; Wires & ropes of iron & steel</p> | <p>281</p> | <p>Manufacture of structural metal products, tanks, reservoirs and steam generators</p> |
| <p>Aluminium kitchen ware; "Aluminium plates, sheets & strips"; Aluminium structures; Aluminium tubes & pipes; Articles of iron & steel; Chains & anchors of iron & steel; Crown caps; General hardware; "Granules & powders of pig iron, etc."; "Hand saws, & saw blades"; Hand tools; Locks; Metal furnitures & fixtures; Miscellaneous articles of base metals; "Miscellaneous articles of base metals, nec"; Other aluminium products; Other fabricated metal products; Razors & razor blades; "Scissors, etc."; "Screws, bolts, nuts, rivets, washers, etc."; Sewing needles; "Stoppers, caps & lids (including crown caps)"; "Table, kitchen articles of iron & steel"; "Tools, implements, etc."</p> | <p>289</p> | <p>Manufacture of other fabricated metal products; metal working service activities</p> |
| <p>Accessories of air conditioners & refrigerators; Ball bearings; Ball or roller bearings; Centrifugal pumps; Commercial refrigerators; Compressors; Conveyors; Cranes; Diesel engines; Fire alarm systems; Fire extinguishing/ protection systems; Forklift trucks; "Furnaces or ovens, nec"; Gears; General purpose machinery; Hard ferrites; High frequency melting furnaces; Hydraulic turbines; Industrial furnaces & ovens; Industrial valves; Instrument cooling fans; Internal combustion engines; Lifts & elevators; Material handling equipment; Mobile cranes; Needle roller bearings; Other cranes; Other material handling equipment; Other valves; Packaging machinery; Prime movers; Pumps; "Refrigerators, freezers, etc."; "Scrappers, shovels & excavators"; Steam boilers; Stoves; "Tapered roller bearing, incl. cone"; Valves; Weighing machinery; Window or wall airconditioners</p> | <p>291</p> | <p>Manufacture of general purpose machinery</p> |
| <p>Agitators & mixers; Agricultural implements; Agricultural machinery; Auto sheet metals parts; Auxiliary machinery used in textile machinery; Brewery machinery; Broaching machines; Cement manufacturing machinery; Chemical machinery; Construction machinery; Crawler tractors; Dairy machinery; Dot matrix printers; Drilling (oil) equipment; Drilling machines; Dryers; Earth moving machinery; Environment Control Equipment; Extrusion presses; Franking machines; "Grinder, tool or cutter machines"; Harvestors & harvestor threshers; Heat exchangers; Hydraulic presses; Industrial machinery; Injection moulding machines; Machine tools; "Machine tools for deburring, sharpening, grinding, "; "Machine tools for drilling, boring, milling, etc."; Machinery used in food & beverage industries; "Machines for cleaning, sorting food grain"; Machines for working on wire; Metallurgical machinery; Mining machinery; "Mining, construction & earth moving machinery"; Non-electrical machinery; Other chemical machinery; Other construction machinery; Other earth moving machinery; Other industrial machinery; Other machine tools & parts thereof; Paints & varnishes machinery; Paper & paper board manufacturing machinery; Pesticide sprayers; Power tillers; Printing machinery; Pulp & paper machinery; Rice mill machinery; Rubber & plastic products machinery; Sawing machines; Sawing or cutting off machines; Sewing machines; Sugar manufacturing machinery; Surface grinder; Textile (incl. jute) machinery; Textile doubling or twisting machines; Textile spinning machines; Textile winding or reeling machines; Tractors; Water treatment plants; Weaving machines</p> | <p>292</p> | <p>Manufacture of special purpose machinery</p> |

Appendix Table 1 (Contd...)

| | | |
|--|-----|--|
| Caps for lamps;Ceiling fans;Cookers;Cooking ranges; Coolers; Domestic appliances (Electro-mechanical);Domestic refrigerators; Electric appliances;Fans;"Grinders, mixers & fruit or vegetable juice extract"; "Industrial fans, etc."; "Mosquito repellents, insect killers";Non-electric cooking appliances;Solar appliances;Vacuum cleaners; <u>Washing machines; Water filters;Water heaters</u> | 293 | Manufacture of domestic appliances n.e.c |
| Accounting & invoicing machines;Analytical instruments;Computer peripherals;Computer systems;Computer terminals;CRT terminals; Data processing systems & office equipment;Deflection components; Electronic paper copiers;Microwave passive components;Mini/micro computers; Moulding compounds in electronics;Office Equipment ;Other computer peripherals;Printing ribbons | 300 | Manufacture of office,accounting and computing machinery |
| "AC motors, others";Air conditioning machines / systems;Distribution transformers;"Electric motors, nec";Electrical machinery other than electronics;"Electrical machinery, nec";Generating sets;Generating sets with diesel engines;Motors & generators;Portable generating sets; Pressed steel cooling radiators;Rectifiers;Stampings & laminations;Transformers | 311 | Manufacture of electric motors, generators and transformers |
| Photovoltaic power modules;Power control equipment;Uninterrupted power supplies;Voltage stabilisers / regulators | 312 | Manufacture of electricity distribution and control apparatus |
| Cables & other conductors;Copper winding wires;Cross linked polyethylene cables (XLPE);Insulated cables for telephones & telexes; "Insulated wires, nec";Power cables with aluminium;PVC insulated cables & flexes;Winding wires;"Wires & cables, insulated"; "Wires & cables, nec" | 313 | Manufacture of insulated wire and cable |
| Batteries incl. Ni-Cd batteries;Dry cells;Nickel-cadmium accumulators;"Rectifiers, battery charging";Storage batteries | 314 | Manufacture of accumulators, primary cells and primary batteries |
| Ampoules;Electric arc lamps;Electric filament or discharge lamps; Fluorescent lamps;Lamps | 315 | Manufacture of electric lamps and lighting equipment |
| Contactors;Electric signalling apparatus;"Electrical insulators, nec"; Electrodes;Electro-magnetic couplings;"Electro-magnets, permanent magnets, etc.";Filaments / electrodes;"Glass shells for electrical fittings, nec";"Lightning arresters, voltage limiters, etc.";Machines for resistance welding of metals;"Machines for resistance welding of metals, nec"; Miniature circuit breakers;Overhead line fittings;Parts principally for rotating electric machines;Permanent magnets; "Switchgears, nec"; <u>Switching apparatus;Welding machinery</u> | 319 | Manufacture of other electrical equipment n.e.c. |
| Capacitors;Ceramic capacitors;Connectors;Control panels; Diodes; Diodes & transistors;Electrolytic capacitors;Electronic components; Electronic materials;Electronic relays;Electronic test & measuring instruments; Electronics;Glass shells for BW TV tubes;Hybrid integrated circuits;Industrial electronics & automation equipment; Integrated circuits;Miscellaneous electronic equipment; Miscellaneous electronic products;Other electronic components; "Other electronic equipment, nec";Pacemakers;"Parts of electronic components, nec";Plastic & polymers in electronics;Plastic film capacitors;Printed circuit boards; Process control equipment;Process controllers;Quartz crystals;Reed relays;Reed switches;"Resistors, nec";Rotary switches;Semiconductor devices;Soft ferrites;Solar photovoltaics;Switch mode power supply systems;"Switches, nec";Switching systems;"Weighing system, load cell" | 321 | Manufacture of electronic valves and tubes and other electronic components |

Appendix Table 1 (Contd...)

| | | |
|--|-----|---|
| Communication & broadcasting equipment;Defence communication equipment;Electronic telephones;"Other communication equipment, nec";Rural automatic exchanges;Satellite communication equipment; Telegraph relays;Telephones;"Teleprinters, telexes"; Transmission equipment;TV signal boosters; | 322 | Manufacture of television and radio transmitters and apparatus for line telephone |
| Audio cassettes;Audio equipment;Audio pre-recorded cassettes; Cassettes;Consumer electronics;CR tubes;Other display devices; Radio receivers;Television receivers;"Television receivers, colour"; Terminal equipment;TV picture tubes BW;TV picture tubes colour; Video pre-recorded cassettes | 323 | Manufacture of television and radio receivers, sound or video recording or reprod |
| Control instrumentation & industrial electronics;Diagnostic equipment; Gauges;Measuring instruments;Medical electronics equipment; Meters; Meters electricity;Microscopes;Other testing & measuring instruments; Surgical equipment;Thermal analysis equipment; Thermistors/ varistors; Thermometers | 331 | Manufacture of medical appliances and instruments and appliances for measuring . |
| Cameras & other photographic instruments;"Cinematographic film, exposed & developed";Contact lenses;Optical instruments;Spectacle lenses | 332 | Manufacture of optical instruments and photographic equipment |
| Clocks & watches;Parts of clocks & watches;Wrist watches | 333 | Manufacture of watches and clocks |
| Cylinder liners;Heavy commercial vehicles;Light commercial vehicles; Locomotives;Passenger cars;Utility Vehicles incl. jeeps; | 341 | motor vehicles |
| Auto castings;Auto dashboard instruments;Auto head lights;Auto seating systems;Automobile ancillaries;"Automobile ancillaries, nec";Automobile engine parts;Automobile equipment;Automobile locks;Automotive filters; Axle shafts;Brake assembly;Brake linings; Brakes & parts thereof; Carburettors; Clutch assembly;Clutch facings; Clutch plates/discs; Crankshafts; Drive transmission & steering parts;Electric horns;Electrical automobile parts;Engine valves;"Filter elements, inserts";Flywheel magnetos;Fuel pumps;"Fuel pumps, diesel"; Gaskets;Gears including crown wheels;Hydraulic pumps; Ignition coils;Leaf springs (Automotive); "Other Automobile ancillaries, nec";Piston rings;Pistons;Propeller shafts; Radiators;Rotor pumps; Shock absorbers;Starter motors;Steering gears; Steering linkages; Suspension & braking parts;"Thickwall, thinwall bearings"; Timing chains;Wheels for automobiles;Wheels/wheel rims; Wiring harness & parts | 343 | Manufacture of parts & accessories for motor vehicles and their engines |
| "Ships, boats, etc.";Trawlers | 351 | Building and repair of ships and boats |
| Electromechanical components;Passenger coaches;Railway & tramway equipment;Railway signalling equipment;"Railway wagons, coaches, etc., nec";"Railway wagons, coaches, luggage vans, etc." | 352 | Manufacture of railway and tramway locomotives and rolling stock |
| Aircrafts | 353 | Manufacture of aircraft and spacecraft |
| Bicycle parts & accessories;Bicycles;Childrens' cycles; Mopeds; Motorcycles;Scooters;Three wheelers;Two wheelers | 359 | Manufacture of transport equipment n.e.c. |
| Furniture;Other furnishing articles;Straw products | 361 | Manufacture of furniture |
| Balances;Diamonds;Diversified;Jewellery;Jewellery of gold; "Jewellery of pearls, precious & semi-precious stone";Misc. Manufactured Articles; Other miscellaneous items;Pens & pencils;Sports goods;Synthetic semi precious stones;Toys & games;"Toys, games, sports goods, etc." | 369 | Manufacturing n.e.c |
| Ferrous waste & scrap | 371 | |

Appendix Table 2: Average Foreign Direct Ownership in Indian Manufacturing, 1991-2001

| Industry | NIC 1998 | FDI Ownership (per cent) | | |
|--|----------|--------------------------|---------|---------|
| | | 1991-95 | 1996-01 | 1991-01 |
| Production,processing and preservation of meat, fish, fruit .vegetables,oils and | 151 | 4.264 | 3.106 | 3.632 |
| Manufacture of dairy products | 152 | 5.104 | 3.189 | 4.060 |
| Manufacture of grain mill products,starches and starch products, and prepared an | 153 | 2.781 | 2.045 | 2.379 |
| Manufacture of other food products | 154 | 6.585 | 4.820 | 5.622 |
| Manufacture of beverages | 155 | 1.821 | 2.856 | 2.385 |
| Manufacture of tobacco products | 160 | 17.714 | 11.511 | 14.331 |
| Spinning,weaving and finishing of textiles | 171 | 1.584 | 1.891 | 1.751 |
| Manufacture of other textiles | 172 | 11.795 | 6.774 | 9.056 |
| Manufacture of knitted and crocheted fabrics and articles | 173 | 1.816 | 2.808 | 2.357 |
| Manufacture of wearing apparel,except fur apparel | 181 | 1.710 | 2.087 | 1.916 |
| Tanning and dressing of leather;manufacture of luggage,Handbags saddlery & harn | 191 | 2.664 | 2.669 | 2.667 |
| Manufacture of footwear | 192 | 8.690 | 4.423 | 6.362 |
| Saw milling and planing of wood | 201 | 0.000 | 0.000 | 0.000 |
| Manufacture of products of food,cork,straw and plaiting materials | 202 | 2.029 | 2.161 | 2.101 |
| Manufacture of paper and paper product | 210 | 3.434 | 2.591 | 2.974 |
| Publishing | 221 | 7.409 | 5.054 | 6.124 |
| Printing and service activities related to printing | 222 | 0.505 | 0.245 | 0.363 |
| Reproduction of recorded media | 223 | 4.025 | 4.025 | 4.025 |
| Manufacture of coke oven products | 231 | 11.184 | 10.360 | 10.734 |
| Manufacture of refined petroleum products | 232 | 2.430 | 2.745 | 2.602 |
| Manufacture of basic chemicals | 241 | 4.904 | 4.420 | 4.640 |
| Manufacture of other chemical products | 242 | 10.776 | 7.958 | 9.239 |
| Manufacture of manmade fibers | 243 | 23.629 | 47.258 | 37.806 |
| Manufacture of rubber products | 251 | 5.991 | 6.125 | 6.064 |
| Manufacture of plastic products | 252 | 5.884 | 3.960 | 4.835 |
| Manufacture of glass and glass products | 261 | 8.789 | 10.002 | 9.451 |
| Manufacture of non metallic mineral products n.e.c. | 269 | 4.213 | 3.861 | 4.021 |
| Manufacture of Basic Iron and steel | 271 | 2.401 | 2.296 | 2.344 |
| Manufacture of basic precious and non ferrous metals | 272 | 2.875 | 2.983 | 2.934 |
| Casting of metals | 273 | 4.008 | 2.003 | 2.914 |
| Manufacture of structural metal products,tanks,reservoirs and steam generators | 281 | 1.830 | 2.094 | 1.974 |
| Manufacture of other fabricated metal products;metal working service activities | 289 | 15.217 | 10.114 | 12.433 |
| Manufacture of general purpose machinery | 291 | 16.399 | 14.403 | 15.310 |
| Manufacture of special purpose machinery | 292 | 10.785 | 8.681 | 9.638 |

Appendix Table 2 (Contd...)

| | | | | |
|---|-----|--------|--------|--------|
| Manufacture of domestic appliances n.e.c | 293 | 9.856 | 11.690 | 10.856 |
| Manufacture of office,accounting and computing machinery | 300 | 1.254 | 2.740 | 2.064 |
| Manufacture of electric motors, generators and transformers | 311 | 6.615 | 6.051 | 6.307 |
| Manufacture of electricity distribution and control apparatus | 312 | 0.000 | 0.000 | 0.000 |
| Manufacture of insulated wire and cable | 313 | 2.351 | 2.531 | 2.449 |
| Manufacture of accumulators, primary cells and primary batteries | 314 | 15.055 | 13.219 | 14.053 |
| Manufacture of electric lamps and lighting equipment | 315 | 4.965 | 2.758 | 3.761 |
| Manufacture of other electrical equipment n.e.c. | 319 | 14.614 | 10.390 | 12.310 |
| Manufacture of electronic valves and tubes and other electronic components | 321 | 9.582 | 8.473 | 8.977 |
| Manufacture of television and radio transmitters and apparatus for line telephone | 322 | 10.662 | 8.978 | 9.743 |
| Manufacture of television and radio receivers, sound or video recording or reprod | 323 | 8.270 | 8.351 | 8.314 |
| Manufacture of medical appliances and instruments and appliances for measuring . | 331 | 7.365 | 4.677 | 5.899 |
| Manufacture of optical instruments and photographic equipment | 332 | 10.953 | 12.627 | 11.866 |
| Manufacture of watches and clocks | 333 | 8.540 | 12.967 | 10.955 |
| motor vehicles | 341 | 15.269 | 19.898 | 17.794 |
| Manufacture of parts & accessories for motor vehicles and their engines | 343 | 12.118 | 10.050 | 10.990 |
| Building and repair of ships and boats | 351 | 0.000 | 0.000 | 0.000 |
| Manufacture of railway and tramway locomotives and rolling stock | 352 | 0.000 | 0.000 | 0.000 |
| Manufacture of aircraft and spacecraft | 353 | 0.000 | 0.000 | 0.000 |
| Manufacture of transport equipment n.e.c. | 359 | 1.888 | 1.511 | 1.683 |
| Manufacture of furniture | 361 | 0.000 | 13.333 | 10.000 |
| Manufacturing n.e.c | 369 | 3.012 | 2.459 | 2.711 |

Source: Author's estimation based on Prowess Database, CMIE (2002).

Appendix Table 3: Principal Components for Indian Manufacturing, 1991-2001

| Techno-logy Category | NIC 1998 | Industry | Principal Components | | | | | | | | | |
|----------------------|----------|--|-----------------------------------|--------|--------|--------|--------------------------------|--------|--------|--------|--------|--|
| | | | Without Foreign Direct Investment | | | | With Foreign Direct Investment | | | | | |
| | | | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 5 | |
| Low Tech | 151 | Production, processing and preservation of meat, fish, fruit, vegetables, oils and | 0.335 | -0.222 | -0.707 | 0.097 | -0.566 | -0.455 | -0.260 | 0.081 | -0.264 | |
| Low Tech | 152 | Manufacture of dairy products | 0.440 | 0.246 | 0.402 | -1.057 | 0.075 | -0.409 | 0.264 | -1.029 | 1.044 | |
| Low Tech | 153 | Manufacture of grain mill products, starches and starch products, and prepared an | 1.385 | -0.099 | -0.606 | 1.313 | -0.470 | -1.493 | -0.135 | 1.308 | 0.148 | |
| Low Tech | 154 | Manufacture of other food products | 0.020 | -0.167 | -0.876 | -0.775 | -0.527 | -0.143 | -0.211 | -0.806 | -0.868 | |
| Low Tech | 155 | Manufacture of beverages | -0.008 | -0.033 | -1.012 | -1.123 | -0.885 | -0.170 | -0.087 | -1.146 | -0.391 | |
| Low Tech | 160 | Manufacture of tobacco products | -0.282 | 0.262 | -0.738 | -0.415 | 0.243 | 0.267 | 0.231 | -0.478 | -2.512 | |
| Low Tech | 171 | Spinning,weaving and finishing of textiles | -0.396 | 0.007 | -0.367 | -0.290 | -0.656 | 0.291 | -0.015 | -0.286 | 0.443 | |
| Low Tech | 172 | Manufacture of other textiles | -0.720 | -0.394 | -0.082 | 0.399 | 0.092 | 0.733 | -0.395 | 0.383 | -0.708 | |
| Low Tech | 173 | Manufacture of knitted and crocheted fabrics and articles | 0.130 | 0.526 | -0.544 | 0.056 | -0.638 | -0.250 | 0.494 | 0.049 | 0.113 | |
| Low Tech | 181 | Manufacture of wearing apparel,except fur apparel | -0.290 | 0.490 | -0.847 | -0.766 | -0.900 | 0.120 | 0.444 | -0.783 | -0.165 | |
| Low Tech | 191 | Tanning and dressing of leather;manufacture of luggage,Handbags saddlery & harn | 1.939 | 0.239 | -0.770 | 1.682 | -0.461 | -2.061 | 0.194 | 1.670 | -0.093 | |
| Low Tech | 192 | Manufacture of footwear | -1.400 | 0.598 | -0.479 | -1.326 | -0.480 | 1.314 | 0.575 | -1.350 | -0.710 | |
| Low Tech | 201 | Saw milling and planing of wood | -0.859 | 0.021 | -1.072 | -2.508 | -1.248 | 0.636 | -0.037 | -2.525 | -0.014 | |
| Low Tech | 202 | Manufacture of products of food,cork,straw and plaiting materials | 0.323 | 0.046 | -0.915 | -0.076 | -0.817 | -0.489 | -0.004 | -0.095 | -0.230 | |
| Low Tech | 210 | Manufacture of paper and paper product | 0.558 | 0.135 | -0.469 | -0.111 | -0.469 | -0.652 | 0.108 | -0.115 | 0.162 | |
| Low Tech | 221 | Publishing | -0.065 | 0.258 | -1.017 | -1.014 | -0.584 | -0.076 | 0.207 | -1.054 | -1.166 | |
| Low Tech | 222 | Printing and service activities related to printing | -0.198 | 0.593 | -1.015 | -0.583 | -1.111 | -0.011 | 0.536 | -0.601 | -0.079 | |
| Low Tech | 223 | Reproduction of recorded media | -3.453 | 5.512 | 0.159 | 2.530 | -0.827 | 3.352 | 5.516 | 2.524 | -0.138 | |
| Low Tech | 231 | Manufacture of coke oven products | 1.148 | 0.400 | 0.833 | 0.070 | 0.975 | -0.979 | 0.443 | 0.088 | 0.270 | |
| Low Tech | 232 | Manufacture of refined petroleum products | 1.146 | 0.285 | 0.402 | 0.414 | 0.042 | -1.124 | 0.301 | 0.448 | 1.348 | |

Appendix Table 3 (Contd...)

| | | | | | | | | | | | |
|-----------|-----|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| High Tech | 241 | Manufacture of basic chemicals | 0.161 | 0.015 | 0.136 | -0.599 | -0.060 | -0.160 | 0.021 | -0.585 | 0.578 |
| High Tech | 242 | Manufacture of other chemical products | -1.026 | -2.218 | 1.068 | 1.965 | 0.718 | 1.202 | -2.158 | 1.997 | 0.695 |
| High Tech | 243 | Manufacture of manmade fibers | 2.302 | 1.581 | 5.215 | -2.137 | 5.816 | -1.242 | 1.863 | -2.048 | 0.426 |
| Low Tech | 251 | Manufacture of rubber products | -0.334 | -0.672 | 0.054 | 0.205 | -0.029 | 0.339 | -0.668 | 0.208 | 0.127 |
| Low Tech | 252 | Manufacture of plastic products | 0.294 | 0.189 | -0.463 | 0.547 | -0.353 | -0.372 | 0.163 | 0.535 | -0.253 |
| Low Tech | 261 | Manufacture of glass and glass products | 0.804 | 0.412 | 0.002 | 0.080 | 0.375 | -0.762 | 0.413 | 0.069 | -0.554 |
| Low Tech | 269 | Manufacture of non- metallic mineral products n.e.c. | -0.018 | -0.309 | -0.555 | -0.284 | -0.499 | -0.080 | -0.338 | -0.296 | -0.171 |
| Low Tech | 271 | Manufacture of Basic Iron and steel | 0.038 | -0.003 | -0.091 | -0.751 | -0.399 | -0.095 | -0.011 | -0.737 | 0.752 |
| Low Tech | 272 | Manufacture of basic precious and non ferrous metals | -0.172 | 0.094 | -0.471 | -1.069 | -0.582 | 0.068 | 0.068 | -1.073 | 0.150 |
| Low Tech | 273 | Casting of metals | 1.053 | -0.050 | -0.705 | 0.888 | -0.528 | -1.173 | -0.090 | 0.876 | -0.092 |
| Low Tech | 281 | Manufacture of structural metal products,tanks,reservoirs and steam generators | 0.862 | -0.141 | -0.598 | 0.642 | -0.574 | -0.979 | -0.176 | 0.638 | 0.216 |
| Low Tech | 289 | Manufacture of other fabricated metal products;metal working service activities | 0.414 | 0.266 | -0.543 | -0.258 | 0.285 | -0.416 | 0.242 | -0.304 | -1.824 |
| High Tech | 291 | Manufacture of general purpose machinery | -1.252 | -0.906 | 0.468 | -0.296 | 0.865 | 1.405 | -0.872 | -0.316 | -1.262 |
| High Tech | 292 | Manufacture of special purpose machinery | -1.138 | -1.147 | 0.419 | -0.207 | 0.366 | 1.224 | -1.120 | -0.205 | -0.161 |
| High Tech | 293 | Manufacture of domestic appliances n.e.c | 0.639 | 0.010 | -0.115 | 0.420 | 0.421 | -0.596 | 0.007 | 0.398 | -0.988 |
| High Tech | 300 | Manufacture of office,accounting and computing machinery | 0.163 | -0.434 | 1.025 | 0.448 | 0.206 | -0.070 | -0.386 | 0.509 | 2.154 |
| High Tech | 311 | Manufacture of electric motors, generators and transformers | -1.183 | -1.029 | 0.428 | -0.388 | 0.074 | 1.232 | -1.005 | -0.372 | 0.507 |
| High Tech | 312 | Manufacture of electricity distribution and control apparatus | -1.415 | -0.319 | 1.185 | -1.866 | -0.121 | 1.486 | -0.262 | -1.794 | 2.705 |
| High Tech | 313 | Manufacture of insulated wire and cable | 0.525 | 0.179 | -0.755 | 0.421 | -0.682 | -0.665 | 0.137 | 0.408 | -0.103 |
| High Tech | 314 | Manufacture of accumulators, primary cells and primary batteries | -0.722 | -0.887 | 0.384 | 0.239 | 0.791 | 0.857 | -0.860 | 0.222 | -1.095 |
| High Tech | 315 | Manufacture of electric lamps and lighting equipment | 0.436 | 1.712 | 1.537 | -0.063 | 0.603 | -0.270 | 1.784 | 0.008 | 2.372 |

Appendix Table 3 (Contd...)

| | | | | | | | | | | | |
|-----------|-----|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| High Tech | 319 | Manufacture of other electrical equipment n.e.c. | -0.848 | -1.091 | 0.306 | 0.240 | 0.580 | 0.952 | -1.068 | 0.228 | -0.833 |
| High Tech | 321 | Manufacture of electronic valves and tubes and other electronic components | -1.857 | -1.709 | 1.169 | 0.624 | 0.620 | 2.031 | -1.644 | 0.658 | 0.803 |
| High Tech | 322 | Manufacture of television and radio transmitters and apparatus for line telephone | 0.046 | -0.534 | 0.055 | 0.971 | 0.333 | 0.003 | -0.529 | 0.960 | -0.595 |
| High Tech | 323 | Manufacture of television and radio receivers, sound or video recording or reprod | 0.188 | -0.377 | 0.529 | 0.710 | 0.482 | -0.091 | -0.349 | 0.724 | 0.288 |
| High Tech | 331 | Manufacture of medical appliances and instruments and appliances for measuring | -0.055 | -0.419 | -0.325 | 0.055 | -0.215 | 0.009 | -0.435 | 0.044 | -0.280 |
| High Tech | 332 | Manufacture of optical instruments and photographic equipment | -0.005 | 0.588 | 0.146 | -0.965 | 0.540 | 0.081 | 0.599 | -0.982 | -0.904 |
| High Tech | 333 | Manufacture of watches and clocks | -0.337 | 0.143 | -0.589 | -0.444 | 0.032 | 0.305 | 0.117 | -0.488 | -1.665 |
| High Tech | 341 | motor vehicles | -1.050 | -0.840 | 1.557 | 1.946 | 1.680 | 1.376 | -0.750 | 1.959 | -0.504 |
| High Tech | 343 | Manufacture of parts & accessories for motor vehicles and their engines | -0.447 | -0.598 | 0.503 | 0.644 | 0.615 | 0.564 | -0.568 | 0.645 | -0.336 |
| Low Tech | 351 | Building and repair of ships and boats | 1.245 | 0.236 | -0.398 | 0.032 | -0.593 | -1.355 | 0.209 | 0.045 | 0.910 |
| High Tech | 352 | Manufacture of railway and tramway locomotives and rolling stock | -0.166 | -0.066 | -0.892 | -1.193 | -1.052 | -0.024 | -0.115 | -1.202 | 0.225 |
| High Tech | 353 | Manufacture of aircraft and spacecraft | 0.765 | 0.196 | -0.809 | -0.216 | -0.882 | -0.936 | 0.148 | -0.220 | 0.365 |
| High Tech | 359 | Manufacture of transport equipment n.e.c. | -0.437 | -0.885 | 1.049 | 1.253 | 0.104 | 0.524 | -0.834 | 1.314 | 2.188 |
| Low Tech | 361 | Manufacture of furniture | 2.300 | 0.310 | -0.596 | 1.898 | 0.319 | -2.313 | 0.279 | 1.864 | -1.312 |
| Low Tech | 369 | Manufacturing n.e.c | 0.474 | 0.002 | 0.390 | -0.005 | -0.046 | -0.457 | 0.018 | 0.028 | 1.278 |

Note: Technological classification of industries is based on OECD Science, Technology and Industry Scoreboard 2003, Annex 1.2. Classification of manufacturing industries based on technology.

**Appendix Table 4: Principal Components and Total Variance Explained,
1991-95 and 1996-01**

| Principal Component | 1991-1995 | | | 1996-2001 | | |
|---------------------|--------------|----------------------|---------------------|--------------|----------------------|---------------------|
| | Eigen values | per cent of Variance | Cumulative Variance | Eigen values | per cent of Variance | Cumulative Variance |
| 1 | 1.546 | 30.928 | 30.928 | 1.463 | 29.255 | 29.255 |
| 2 | 1.353 | 27.065 | 57.993 | 1.180 | 23.605 | 52.861 |
| 3 | .996 | 19.919 | 77.912 | 1.029 | 20.578 | 73.439 |
| 4 | .633 | 12.651 | 90.563 | .786 | 15.725 | 89.164 |
| 5 | .472 | 9.437 | 100.000 | .542 | 10.836 | 100.000 |

Appendix Table 5: Principal Components and Factor Loadings, 1991-95 and 1996-01

| Variables | Principal Components | | | | | | | | | |
|---|----------------------|-------|-------|-------------|-------------|------------|-------|-----------|-------------|-------|
| | 1991-1995 | | | | | 1996-2001 | | | | |
| | 1 | 2 | 3 | 4 | 5 | 1 | 2 | 3 | 4 | 5 |
| R&D intensity (per cent) | .302 | -.802 | .107 | .396 | .312 | .589 | .438 | -.131 | -.641 | .181 |
| Disembodied Foreign Technology Intensity (per cent) | .765 | .169 | -.355 | -.378 | .342 | 4.972 E-02 | .770 | .521 | .158 | -.330 |
| Embodied Foreign Technology Intensity (per cent) | .197 | .337 | .899 | -8.569 E-02 | .179 | .304 | -.378 | .825 | -3.233 E-02 | .287 |
| Embodied Domestic Technology Intensity (per cent) | .421 | .690 | -.158 | .567 | -1.623 E-02 | -.742 | .451 | 4.818E-02 | 3.321 E-02 | .492 |
| FDI participation (per cent) | .809 | -.302 | .159 | -6.368 E-02 | -.475 | .686 | .223 | -.239 | .590 | .274 |

Appendix Table 6: Principal Components for Indian Manufacturing, 1991-95 and 1996-01

| Techno-logy Category | NIC 1998 | Industry | Principal Components | | | | | | | | | |
|----------------------|----------|--|----------------------|--------|--------|--------|--------|-----------|--------|--------|--------|--------|
| | | | 1991-95 | | | | | 1996-2001 | | | | |
| | | | 1 | 2 | 3 | 4 | 5 | 1 | 2 | 3 | 4 | 5 |
| Low Tech | 151 | Production, processing and preservation of meat, fish, fruit, vegetables, oils and | -0.270 | 0.673 | -0.496 | 0.996 | -0.363 | -0.316 | -0.717 | -0.623 | -0.305 | -0.151 |
| Low Tech | 152 | Manufacture of dairy products | -0.056 | 0.453 | -0.599 | -0.169 | -0.064 | -0.222 | 0.926 | 0.807 | 0.524 | -2.223 |
| Low Tech | 153 | Manufacture of grain mill products, starches and starch products, and prepared an | -0.692 | 0.107 | -0.339 | -0.352 | 0.087 | -1.593 | 0.284 | -0.282 | -0.129 | 1.610 |
| Low Tech | 154 | Manufacture of other food products | -0.597 | -0.169 | -0.590 | -0.471 | -1.120 | -0.368 | -0.763 | -0.764 | 0.076 | -0.055 |
| Low Tech | 155 | Manufacture of beverages | -0.922 | 0.496 | -0.862 | 0.034 | -0.406 | -0.285 | -1.195 | -0.783 | 0.019 | -0.803 |
| Low Tech | 160 | Manufacture of tobacco products | 0.664 | -0.494 | 0.566 | -0.742 | -2.665 | 0.234 | -0.769 | -0.466 | 0.745 | 0.672 |
| Low Tech | 171 | Spinning, weaving and finishing of textiles | -0.699 | 0.620 | 0.227 | -0.127 | 0.372 | 0.043 | -0.587 | -0.099 | -0.679 | -0.510 |
| Low Tech | 172 | Manufacture of other textiles | 1.033 | -0.448 | 1.233 | 1.538 | 0.150 | 0.557 | -0.587 | -0.386 | -0.545 | 0.152 |
| Low Tech | 173 | Manufacture of knitted and crocheted fabrics and articles | -0.127 | 1.259 | 1.580 | -0.007 | 1.286 | -0.458 | -0.768 | -0.062 | 0.020 | -0.114 |
| Low Tech | 181 | Manufacture of wearing apparel, except fur apparel | -0.809 | 0.652 | 0.437 | -0.322 | 0.213 | -0.318 | -1.144 | -0.089 | 0.016 | -0.540 |
| Low Tech | 191 | Tanning and dressing of leather; manufacture of luggage, Handbags saddlery & harness | -0.310 | 1.518 | -0.673 | 1.587 | -0.487 | -1.130 | 0.212 | 0.167 | 0.356 | 0.171 |
| Low Tech | 192 | Manufacture of footwear | 0.090 | 0.460 | 4.342 | -2.035 | 0.691 | 0.288 | -1.015 | -0.149 | -0.091 | -0.796 |
| Low Tech | 201 | Saw milling and planing of wood | -1.573 | -0.241 | -0.775 | -1.332 | -0.127 | -0.275 | -1.529 | -0.741 | -0.188 | -1.529 |
| Low Tech | 202 | Manufacture of products of food, cork, straw and plaiting materials | -0.694 | 0.686 | -0.381 | 0.421 | -0.111 | -0.550 | -0.972 | -0.533 | -0.172 | -0.046 |
| Low Tech | 210 | Manufacture of paper and paper product | -0.843 | 0.058 | -0.191 | -0.532 | -0.318 | -0.895 | 0.331 | 0.221 | 0.201 | -0.170 |
| Low Tech | 221 | Publishing | -0.413 | 0.295 | 0.256 | -0.628 | -1.118 | -0.407 | -0.991 | -0.568 | 0.403 | -0.183 |

Appendix Table 6 (Contd...)

| | | | | | | | | | | | | |
|-----------|-----|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Low Tech | 222 | Printing and service activities related to printing | -1.090 | 0.588 | 2.499 | -1.907 | 1.144 | -1.122 | -0.912 | -0.474 | -0.096 | 0.248 |
| Low Tech | 223 | Reproduction of recorded media | 0.591 | 2.955 | 1.473 | 2.643 | 0.181 | 1.631 | -3.231 | 5.623 | 0.115 | 2.049 |
| Low Tech | 231 | Manufacture of coke oven products | 0.364 | 0.083 | -0.747 | 0.071 | -1.554 | -0.288 | 2.490 | 1.584 | 1.485 | -1.072 |
| Low Tech | 232 | Manufacture of refined petroleum products | -0.436 | 1.056 | -0.382 | 1.069 | -0.150 | -0.555 | 1.743 | 1.422 | 0.510 | -1.713 |
| High Tech | 241 | Manufacture of basic chemicals | -0.291 | -0.142 | -0.474 | -0.416 | 0.068 | -0.210 | 0.483 | 0.341 | 0.189 | -0.949 |
| High Tech | 242 | Manufacture of other chemical products | 0.749 | -2.094 | 0.038 | 1.807 | 0.674 | 1.112 | 1.108 | -0.749 | -2.246 | 1.327 |
| High Tech | 243 | Manufacture of manmade fibers | 5.235 | 1.371 | -2.178 | -2.961 | 1.017 | 3.345 | 0.126 | -1.678 | 4.727 | 0.721 |
| Low Tech | 251 | Manufacture of rubber products | -0.075 | -1.287 | -0.068 | 0.352 | 0.774 | 0.029 | 0.058 | -0.428 | -0.477 | 0.433 |
| Low Tech | 252 | Manufacture of plastic products | 0.057 | 1.139 | 0.496 | 0.694 | -0.360 | -0.277 | -0.417 | -0.036 | -0.176 | 0.177 |
| Low Tech | 261 | Manufacture of glass and glass products | 0.823 | 0.954 | 0.176 | -0.200 | -0.053 | -0.186 | 0.063 | -0.137 | 0.924 | 0.177 |
| Low Tech | 269 | Manufacture of non-metallic mineral products n.e.c. | -0.801 | -0.223 | -0.587 | -0.534 | -0.502 | -0.356 | -0.325 | -0.500 | -0.366 | 0.254 |
| Low Tech | 271 | Manufacture of Basic Iron and steel | -0.447 | -0.105 | -0.635 | 0.001 | 0.641 | -0.243 | -0.174 | 0.090 | -0.034 | -1.152 |
| Low Tech | 272 | Manufacture of basic precious and non ferrous metals | -0.824 | 0.010 | -0.679 | -0.541 | -0.201 | -0.189 | -0.510 | -0.060 | 0.032 | -0.936 |
| Low Tech | 273 | Casting of metals | -0.193 | 0.452 | -0.450 | 1.170 | 0.000 | -1.054 | -0.343 | -0.325 | -0.047 | 0.535 |
| Low Tech | 281 | Manufacture of structural metal products, tanks, reservoirs and steam generators | -0.381 | 0.680 | -0.575 | 0.741 | 0.395 | -0.827 | -0.433 | -0.503 | -0.262 | 0.393 |
| Low Tech | 289 | Manufacture of other fabricated metal products; metal working service activities | 0.792 | 0.198 | 0.359 | -0.174 | -2.062 | -0.151 | -0.237 | -0.340 | 0.922 | 0.217 |
| High Tech | 291 | Manufacture of general purpose machinery | 0.904 | -1.782 | 0.580 | 0.037 | -1.026 | 1.424 | 0.415 | -0.505 | -0.159 | 0.113 |
| High Tech | 292 | Manufacture of special purpose machinery | 0.311 | -1.537 | -0.036 | 0.113 | -0.228 | 1.030 | 0.232 | -0.646 | -0.992 | 0.006 |
| High Tech | 293 | Manufacture of domestic appliances n.e.c | 0.253 | 0.195 | -0.288 | 0.027 | -1.140 | -0.047 | 0.588 | -0.053 | 0.799 | 0.603 |

Appendix Table 6 (Contd...)

| | | | | | | | | | | | | |
|-----------|-----|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| High Tech | 300 | Manufacture of office, accounting and computing machinery | 0.108 | -1.141 | 0.080 | 1.982 | 2.664 | -0.133 | 1.611 | 1.082 | -0.229 | -1.372 |
| High Tech | 311 | Manufacture of electric motors, generators and transformers | -0.026 | -1.698 | -0.134 | 0.670 | 0.813 | 0.830 | 0.202 | -0.286 | -0.949 | -0.588 |
| High Tech | 312 | Manufacture of electricity distribution and control apparatus | 0.085 | -1.388 | -0.990 | -0.996 | 3.309 | 0.562 | -1.066 | -0.186 | -1.236 | -1.259 |
| High Tech | 313 | Manufacture of insulated wire and cable | -0.774 | 0.195 | 0.109 | -0.538 | 0.233 | -1.005 | -0.505 | -0.287 | -0.097 | 0.953 |
| High Tech | 314 | Manufacture of accumulators, primary cells and primary batteries | 0.877 | -0.766 | 0.133 | 0.445 | -1.399 | 1.081 | 0.526 | -0.494 | -0.241 | 0.464 |
| High Tech | 315 | Manufacture of electric lamps and lighting equipment | 0.865 | 1.212 | 0.014 | -0.853 | 1.373 | 0.316 | -0.601 | 1.851 | 0.252 | -1.043 |
| High Tech | 319 | Manufacture of other electrical equipment n.e.c. | 0.990 | -1.773 | 0.278 | 0.984 | -0.419 | 0.895 | 0.118 | -0.727 | -0.580 | 0.347 |
| High Tech | 321 | Manufacture of electronic valves and tubes and other electronic components | 0.219 | -0.337 | 0.206 | -0.018 | -0.582 | 2.435 | 0.924 | -0.480 | -2.804 | -0.137 |
| High Tech | 322 | Manufacture of television and radio transmitters and apparatus for line telephone | 0.329 | -1.150 | -0.132 | 0.012 | -0.414 | -0.053 | 0.352 | -0.263 | -0.227 | 1.457 |
| High Tech | 323 | Manufacture of television and radio receivers, sound or video recording or reprod | 0.212 | -0.233 | 0.114 | 0.251 | -0.217 | 0.153 | 1.256 | 0.417 | -0.066 | 0.128 |
| High Tech | 331 | Manufacture of medical appliances and instruments and appliances for measuring | -0.248 | -0.178 | -0.731 | 0.059 | -0.941 | 0.023 | -0.262 | -0.418 | -0.572 | 0.183 |
| High Tech | 332 | Manufacture of optical instruments and photographic equipment | 1.046 | -0.012 | 1.644 | 0.652 | 0.478 | 0.716 | 0.301 | 0.227 | 1.545 | -1.961 |
| High Tech | 333 | Manufacture of watches and clocks | 0.275 | 0.768 | 0.657 | 0.017 | -0.640 | 0.832 | -0.976 | -0.823 | 0.672 | -0.069 |
| High Tech | 341 | motor vehicles | 1.038 | -1.291 | 0.963 | -0.390 | -0.486 | 1.862 | 1.958 | 0.576 | -0.405 | 2.028 |

Appendix Table 6 (Contd...)

| | | | | | | | | | | | | |
|-----------|-----|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| High Tech | 343 | Manufacture of parts & accessories for motor vehicles and their engines | 0.542 | -1.068 | 0.347 | 0.272 | -0.543 | 0.603 | 0.811 | 0.126 | -0.298 | 0.477 |
| Low Tech | 351 | Building and repair of ships and boats | -1.356 | -0.038 | -0.872 | -1.211 | 0.065 | -2.123 | 1.242 | 0.625 | 0.385 | 0.797 |
| High Tech | 352 | Manufacture of railway and tramway locomotives and rolling stock | -1.293 | 0.077 | -0.709 | -0.639 | 0.078 | -0.473 | -1.043 | -0.594 | -0.377 | -0.895 |
| High Tech | 353 | Manufacture of aircraft and spacecraft | -1.651 | -0.384 | -0.504 | -1.715 | -0.026 | -2.296 | 0.667 | 0.155 | 0.189 | 1.712 |
| High Tech | 359 | Manufacture of transport equipment n.e.c. | -0.522 | -1.126 | -0.280 | 0.336 | 1.434 | 0.076 | 1.430 | 0.848 | -1.538 | 0.245 |
| Low Tech | 361 | Manufacture of furniture | 0.366 | 1.923 | -2.029 | 0.966 | 1.071 | -1.148 | 0.532 | -0.406 | 1.479 | 2.470 |
| Low Tech | 369 | Manufacturing n.e.c. | -0.408 | -0.025 | -0.419 | -0.136 | 0.509 | -0.523 | 1.083 | 0.785 | -0.003 | -0.852 |

Note: Technological classification of industries is based on OECD Science, Technology and Industry Scoreboard 2003, Annex 1.2. Classification of manufacturing industries based on technology.