

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

RAJYA SABHA
UNSTARRED QUESTION NO. 2430
TO BE ANSWERED ON 08th AUGUST, 2018

INTRODUCTION OF MAJOR ADMINISTRATIVE REFORMS

2430. DR. VINAY P. SAHASRABUDDHE:

Will the Minister of **COMMERCE & INDUSTRY** be pleased to state:

- (a) whether Government has taken any new and specific policy initiative after June, 2014 to achieve the objectives of the Ministry, if so, the details of these initiatives and what is the overall impact of these initiatives; and
- (b) whether Government has introduced any major administrative reforms specifically to achieve the objectives of the Ministry in its functioning after May, 2014, if so, the details thereof and what has been their impact?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI C. R. CHAUDHARY)

In the Ministry of Commerce and Industry, the following Administrative Reforms initiatives have been implemented: -

(a) to (b): **(i) Government e-Marketplace (GeM)**:- Government on 12.04.2017 decided to set up Government e-Marketplace (GeM) as a National Public Procurement Portal as Section 8 Company registered under the Companies Act, 2013 for facilitating procurement of Goods & Services required by Central & State Government organizations. The procurement of Goods & Services by Ministries or Departments is mandatory for Goods or services available on GeM. GeM is a totally online procurement portal which leverages technology to enhance transparency, efficiency and speed in public procurement. It provides the tools of e-bidding, reverse e-auction and demand aggregation to facilitate the Government users to achieve the best value for their money.

(ii) Council for Trade Development and Promotion:- Council for Trade Development and Promotion was notified (in July 2015) under the chairpersonship of the Union Commerce and Industry Minister, in which the Trade & Commerce Ministers of all the states are members along with the Secretaries of the Central Ministries/Departments dealing with infrastructure and finance and the apex industry associations. The main objective of council is to ensure a continuous dialogue with State Governments and UTs on measures for providing an International trade enabling environment in the State and to create a framework for making the States active partners in boosting India's trade.

(iii) Creation of Logistics Division:- The Transaction of Business Rules have been amended in July, 2017 and Department of Commerce has been mandated for Integrated development of logistic sector. As a first step, infrastructure status has been granted to Logistics activities like warehousing, cold chains etc. This would facilitate access to long term credit. A new Division

namely 'Logistics Division' has been created under Department of Commerce to look into various activities of Logistics Sector in the Country.

(iv) Foreign Direct Investment (FDI):- Government of India in the last 4 years has carried out a number of unprecedented FDI policy reforms to allow easy flow of foreign investment in the country. 100 reforms covering 25 sectors of the economy have been undertaken. Further the foreign investment approvals have been smoothly transitioned into the new regime after the abolition of FIPB due to clear detailed Standard Operating Procedure (SOP) issued by the Government.

Measures taken by the Government on FDI policy liberalization coupled with improvement in ease of doing business climate has resulted in unprecedented growth of FDI inflows. FDI inflows in India stood at US \$ 36.05 billion in 2013-2014 and have consistently increased since then. In 2014-2015, it increased to US \$ 45.15 billion and further to US \$ 55.56 billion in 2015-2016 and to US \$ 60.22 billion in 2016-2017 and fiscal year 2017-2018 registered a record inflow of US \$ 61.96 billion, a new all-time high.

As per World Investment Report 2018 of UNCTAD, India continues to be placed among the top 10 FDI recipient countries in the world. Analysis of data in respect of top ten FDI destinations shows that between 2013 and 2017 India held second position in terms of growth rate i.e. 42 %, next only to France which has grown by 45%.

(v) Business Reform Action Plan (BRAP):- Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry in collaboration with the World Bank conducts an annual reform exercise for all States/UTs under the Business Reform Action Plan (BRAP). The aim of this exercise is to improve delivery of various Government regulatory functions and services in an efficient, effective and transparent manner.

The reform plan has expanded from 285 to 372 action points in 2015 and 2017 respectively. States/UTs have conducted reforms to ease their regulations and systems in areas such as labour, environmental clearances, single window system, construction permits, contract enforcement, registering property and inspections. States/UTs have also enacted Public Service Delivery Guarantee Act to enforce the timelines on registrations and approvals.

No. of reforms in 2017 (7758) were 3 times more than the reforms done in 2015 (2532). In 2015, no State had an implementation score of 70 per cent whereas in 2017-18 States have an implementation score of more than 80 per cent. The average implementation score has increased to 60.21 per cent.

India has leapt 30 positions over its rank of 130 in World Bank's Doing Business Report, 2017. The DB Report is an assessment of 190 economies and covers 10 indicators which span the lifecycle of a business. India has improved its rank in 6 out of 10 indicators and has moved closer to international best practices (Distance to Frontier score). This edition of the report acknowledges India as a top improver compared to last year's report, the highest jump in rank of any country in the DB Report, 2018. India is the only country in South Asia and BRICS economies to feature among most improved economies of the DB Report last year.

(vi) Public Procurement:- To boost efforts to promote Make in India, Department of Industrial Policy & Promotion issued Public Procurement (Preference to Make in India) Order on 15th June, 2017 asking all Ministries and Departments, Government Companies and Autonomous Bodies, whether it is procurement of goods, services or works including turnkey works to provide an opportunity to the local bidders meeting minimum local content requirement to get half of the order.
