

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF INDUSTRIAL POLICY & PROMOTION**

LOK SABHA

**UNSTARRED QUESTION NO. 2740.
TO BE ANSWERED ON MONDAY, THE 12TH MARCH, 2018.**

PROMOTION OF MANUFACTURING SECTOR

**2740. SHRI JAYADEV GALLA:
SHRI MANSHANKAR NINAMA:
SHRIMATI PRATIMA MONDAL:
SHRI S.P. MUDDAHANUME GOWDA:**

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

वाणिज्य एवं उद्योग मंत्री

- (a) whether the growth rate of the manufacturing sector has increased after implementation of the 'Make in India' initiative in the country, if so, the details thereof and if not, the reasons therefor;
- (b) whether the Union Government is working with different States to remove dependencies on States to achieve the set targets under the 'Make in India' initiative, if so, the details thereof and if not, the reasons therefor;
- (c) whether the Government has launched certain schemes for providing incentives to the manufacturing companies providing employments to persons belonging to economically weaker sections/ backward classes in the country and if so, the details thereof; and
- (d) the other steps taken/proposed to be taken by the Government to promote the manufacturing sector in the country?

ANSWER

**वाणिज्य एवं उद्योग मंत्रालय में राज्यमंत्री (श्री सी.आर. चौधरी)
THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY
(SHRI C.R. CHAUDHARY)**

- (a):** The year wise growth rate of manufacturing sector as reflected by Index of Industrial production with base 2011-12 after implementation of the 'Make in India' initiative in the country is given in the Table below:

Year	Growth Rate
2015-16	2.8
2016-17	4.4
April to December 2017-18	3.8*
*Provisional	

The slower growth during April–December 2017 as compared to the previous year has been primarily due to large scale destocking by manufacturing units, during the first quarter of the current financial year (April-June 2017), in the run up to the introduction of the Goods and Services Tax (GST) w.e.f 1st July 2017. Slowdown in the growth rate of exports of sectors such as Ready Made Garments (RMG) of all textiles and Gems and Jewellery has also partly affected the performance of manufacturing sector during the current financial year. However, as per the latest available Index of Industrial Production the manufacturing sector production has seen strong rebound in recent months registering an increase of 10.7 percent in November 2017 and 8.4 percent in December 2017.

- (b):** Keeping in view the significance of the regulatory environment on business, a detailed plan of regulatory reforms has been implemented not only in the Central Government Ministries but also in States through the active engagements with State Governments. In this context, DIPP has been closely working with the State/UT Governments to help them identify constraints in doing business and improving overall business environment in their respective State/UT. To help the low scoring States, leader States have been requested to help and guide them in the implementation of the reforms and share the best practices.
- (c):** Government has approved a special package of Rs. 2600 crore for employment generation in leather and footwear sector to be implemented till 31st March, 2020. In the package, leather, footwear and accessories sector has been provided with special incentives for employment generation including introduction of fixed term employment considering the seasonal nature of the industry.

Government has also approved a special package of approx. Rs. 6000 crore for apparel sector. In the package, garment sector has been provided with special incentives for employment generation and fixed term employment has been introduced. Under the fixed term employment, a workman will be considered at par with permanent workman in terms of working hours, allowances, wages and other statutory benefits. The Government will also contribute 12% of the wages of the new employees in the EPF for all the sectors for next three years. Also, the facility of fixed term employment will be extended to all sectors.

- (d):** Government has under the National Manufacturing Policy granted 'Final Approval' to three National Investment and Manufacturing Zones (NIMZs), which are (i) Prakasam in Andhra Pradesh (ii) Sangareddy (erstwhile Medak) in Telangana and (iii) Kalinganagar, Jajpur District in Odisha. In addition, 13 NIMZs have also been granted 'in-principle' approval.

Further, 122 Industrial Licences for Defence sector manufacturing have been issued since the launch of 'Make in India' initiative.