

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

LOK SABHA

**UNSTARRED QUESTION NO. 3137.
TO BE ANSWERED ON MONDAY, THE 6TH AUGUST, 2018.**

PROCUREMENT POLICY

3137. SHRI SATISH CHANDRA DUBEY:

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

वाणिज्य एवं उद्योग मंत्री

- (a) whether there is a negative attitude towards domestic value addition in Government procurement policy, difficult conditions of contract, continuous import and old machinery for which no replacement incentive is given zero import duty under 'Project import' and delay in project implementation are major factors for restricting domestic demand; and
- (b) if so, the reaction of the Government thereto along with the measures taken to improve the situation?

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): National Capital Goods Policy, 2016 had identified issues like lack of positive bias towards domestic value addition in public procurement policies, difficult contract conditions, persistent import and use of second-hand machinery with no incentive for replacement, zero duty import under 'Project Imports' and delays in project implementation as having an adverse effect on the domestic demand of capital goods.
- (b): Government has issued "Public Procurement (Preference to Make in India) Order, 2017" on 15th June, 2017 to encourage 'Make in India' and promote manufacturing and production of goods and services in India with a view to enhance income and employment. The Order provides for purchase preference to local suppliers in public procurements by Central Government agencies. Further, restrictive and discriminatory clauses against domestic supplier cannot be included in public procurement by Central Government agencies.

The General Financial Rules have been revised to encourage procurement by domestic manufacturers by introducing elements like government e-market place, life cycle cost, reverse auction and purchase preference to locally manufactured goods.