

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE**

LOK SABHA

**UNSTARRED QUESTION NO. 1884.
TO BE ANSWERED ON WEDNESDAY, THE 3RD JULY, 2019.**

SETTING UP OF INDUSTRIES

1884. SHRI PANKAJ CHAUDHARY:

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

वाणिज्य एवं उद्योग मंत्री

- (a) whether the Government has formulated/proposes to formulate a plan to promote setting up of the industries providing more opportunities of employment;
- (b) if so, the details thereof; and
- (c) the steps being taken by the Government for promoting labour oriented technology?

ANSWER

वाणिज्य एवं उद्योग मंत्री (श्री पीयूष गोयल)

**THE MINISTER OF COMMERCE & INDUSTRY
(SHRI PIYUSH GOYAL)**

- (a) to (c):** Yes, Sir. Government has formulated several schemes for promoting setting up of industries. New industries when setup, lead to increase in employment opportunities. Brief description of important schemes of Department for Promotion of Industry and Internal Trade (DPIIT) along with Ministry of Labour and Employment and Ministry of Micro, Small and Medium Enterprises (MSMEs) are given in **Annexure**.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHA UNSTARRED QUESTION NO. 1884 FOR ANSWER ON 03.07.2019.

A. Initiatives of Department for Promotion of Industry and Internal Trade

1. Make in India

The 'Make in India' initiative was launched on 25.09.2014 with the objective of facilitating investment, fostering innovation, building best in class manufacturing infrastructure, making it easy to do business and enhancing skill development. Make in India initiative focuses on 27 sectors and action plans have been prepared for 25 sectors.

2. Startup India

Startup India was launched on January, 16th 2016 with an objective to build a strong eco-system for nurturing innovation and startups in the country that will drive sustainable economic growth and generate large scale employment opportunities. Since its inception, 19,351 Startups across the country have been recognised by Department for Promotion of Industry and Internal Trade (DPIIT) as on 24.06.2019. The incentives provided to Startups under Startup India initiative are:

- i) Self-Certification under 6 Labour Laws & 3 Environmental Laws
- ii) Relaxations in Public Procurement Norms
- iii) Faster exit under the Bankruptcy Code
- iv) Rebates on Patent & Trademark filing fees, support from facilitators and expedited examination of Patent application
- v) Income Tax exemption on income of Startups
- vi) Exemption from Income Tax on investments received above fair market value
- vii) Funding support under the Fund of Funds for Startups
- viii) Guidance and facilitation support from Startup India Hub

3. Ease of Doing Business

In order to improve the business environment in the country, DPIIT has taken up a series of measures to simplify and rationalize the regulatory processes (registration and inspection processes) and introduction of information technology as enabler to make governance more efficient and effective. As a result of these initiatives, India has improved its rank in the World Bank's Doing Business Report (DBR) 2019 to 77th as against 100th rank in the DBR 2018.

4. Modified Industrial Infrastructure Upgradation Scheme (MIIUS)

Under MIIUS, notified in July 2013, projects have been undertaken to upgrade infrastructure in existing Industrial Parks/ Estates/ Areas. Greenfield projects have also been undertaken in backward areas and North Eastern Region (NER). Projects are implemented by the State Implementing Agency (SIA) designated by the State Government. Central Grant upto 50% of the project cost with a ceiling of Rs.50 crore

is provided with at least 25% contributions of SIA. In case of North Eastern States, the Central Grant and minimum contribution of the SIA are up to 80% and 10% respectively.

5. Industrialization in North Eastern Region

The Government of India has notified North East Industrial Development Scheme (NEIDS) – 2017 to promote industrialization in the States of North East Region including Sikkim effective from 1.4.2017 to 31.3.2022. The incentives under the scheme include– (i) Central Capital Investment Incentive for access to credit (CCIIAC) (ii) Central Interest Subsidy (CII) (iii) Central Comprehensive Insurance Incentive (CCII) (iv) Goods and Services Tax (GST) Reimbursement (v) Income Tax (IT) Reimbursement (vi) Transport Incentive (TI) and (vii) Employment Incentive (EI). This scheme replaces the erstwhile scheme North East Industrial and Investment Promotion Policy (NEIIPP), 2007, which ended on 31st March, 2017, under which 27,644 industrial units were set up. These units generated employment for 2,28,224 people and attracted an investment of Rs.11,466.22 crore in NER states up to 31.03.2017. Since inception, Rs. 2,452.71 crore has been released to the States of NER under the scheme, of which, Rs. 528.00 crore was released in the FY 2018-19.

6. Scheme for Himachal Pradesh and Uttarakhand

Special Package (package–I and package–II) for the States of Himachal Pradesh and Uttarakhand were introduced from January 2003 to 31st March, 2017. Central Capital Investment Subsidy was made available to the eligible industrial units in the state. DPIIT has introduced Industrial Development Scheme (IDS) for Himachal Pradesh and Uttarakhand with two incentives namely, (i) Central Capital Investment Incentive for access to credit (ii) Central Comprehensive Insurance Incentive w.e.f. 01.04.2017 to 31.03.2022. The committed liability will also be covered. Pursuant to decision of the Cabinet Committee on Economic Affairs to pay a budgetary support to the industrial units that are already availing excise duty exemptions Department for Promotion of Industry and Internal Trade (DPIIT) notified “Scheme of Budgetary Support to the eligible units located in the States of Jammu & Kashmir, Uttarakhand, Himachal Pradesh and North Eastern States including Sikkim under Goods and Service Tax Regime” dated 05.10.2017. It will remain in force from 01.07.2017 till 30.06.2027. The Scheme is offered as a measure of goodwill to continue committed liability for the residual period out of a total of 10 years. Under this new Scheme, budgetary support to the extent of Central Government’s share in the CGST collected from the industrial units is to be provided.

7. Make in India in Public Procurement

The Public Procurement (Preference to Make in India), Order 2017 was issued pursuant to Rule 153(iii) of the General Financial Rules 2017 as an enabling provision to promote domestic value addition in public procurement. The policy aims at incentivizing production linked through local content requirements thereby encouraging domestic manufacturers’ participation in public procurement activities over entities merely importing to trade or assemble items.

This Order is applicable on procurement of goods, services and works (including turnkey works) by a Central Ministry/ Department, their attached/subordinate offices, autonomous bodies controlled by the Government of India and Government companies.

The salient features of the Order are:

- i) In procurement of all goods, services or works in respect of which the estimated value of procurement is less than INR 50 Lakh, only local suppliers are eligible to bid (except in certain cases). However, in procurement of all goods, services or works, in respect of which the Nodal Ministry / Department has communicated that there is sufficient local capacity and local competition, only local suppliers shall be eligible to bid irrespective of purchase value.
- ii) In other cases and where the lowest bid (L1) is not by a local supplier:
 - a. If goods are divisible, local suppliers get Purchase Preference for half of the contract bid at the L1 price;
 - b. If the goods are not divisible or the services being procured are being valued on price alone, the entire contract shall be awarded to such local supplier subject to his matching the L1 price.
- iii) The margin of Purchase preference for local suppliers is 20%.
- iv) As per the Order, restrictive and discriminatory clauses against domestic suppliers cannot be included in procurement by Central Government agencies.
- v) As per Clause 10(d) of the Order, if a Nodal Ministry is satisfied that Indian suppliers of an item are not allowed to participate and/ or compete in procurement by any foreign government, it may, if it deems appropriate, restrict or exclude bidders from that country from eligibility for procurement of that item and/ or other items relating to that Nodal Ministry.

8. Indian Footwear Leather and Accessories Development Programme (IFLADP)

IFLADP is a central sector scheme with an approved expenditure of Rs. 2,600 crore for implementation during 2017-18 to 2019-20. The scheme aims to develop infrastructure, increase production, facilitate investments, generate employment and address environment concerns specific to leather and footwear sector.

B. Initiatives of Ministry of Labour and Employment

Government has implemented the National Career Service (NCS) Project which comprises of a digital portal that provides a nation-wide online platform for jobseekers and employers for job matching in a dynamic, efficient and responsive manner and has a repository of career content.

Pradhan Mantri Rojgar Protsahan Yojana has been initiated by the Ministry of Labour and Employment in the year 2016-17 for incentivizing industry for promoting employment generation. Under this scheme, Government is paying the entire

employer's contribution (12 % or as admissible) towards the EPS and EPF for all sectors w.e.f. 01.04.2018 to all eligible new employees for the next 3 years from the date of registration of the new employee.

C. Initiatives of Ministry of Micro, Small and Medium Enterprises (MSMEs)

- i) A Survey on '**Unincorporated Non-agricultural Enterprises (excluding construction)**' 73rd round (July, 2015-June, 2016) shows that the total employment in the MSME Sector is 1,109.89 lakh.
- ii) The focus of most of the schemes implemented by the Ministry of MSME is to support Micro, Small and Medium Enterprises by providing them with access to finance, market access, common facilities and common infrastructure through the MSE Clusters and also promoting self-employment through Entrepreneurship Development Programmes and also technical skilling through intensive short term and long term training programmes in the Tool Rooms/Technology Centres and make the youth employable in the industries. During 2018-19, 18 MSME Technology Centres have trained 2, 08,174 trainees.
- iii) The main schemes of this Ministry inter-alia include Prime Minister's Employment Generation programme (PMEGP), Mission Solar Charkha, Scheme of Fund for Regeneration of Traditional Industries (SFURTI), A Scheme for Promoting innovation, Rural Industry & Entrepreneurship (ASPIRE), Credit Guarantee Fund Scheme, Credit Linked Capital Subsidy Scheme (CLCSS), National Manufacturing Competitiveness programme (NMCP), Marketing Assistance Scheme and MSE-Cluster Development programme.
- iv) MSME Technology Centres (TCs) also play an important role in bridging the gap between demand and supply of skilled manpower by providing training to youth and making them employable.
- v) To ease credit flow to MSEs, Government is implementing 'Credit Guarantee Trust Fund for Micro and Small Enterprises (CGTMSE) Scheme, the Corpus of which has been enhanced from Rs. 2500 crore to Rs. 7500 crore with increase of the individual loan limit of Rs. 1 crore to Rs. 2 crore. The extent of Guarantee coverage above Rs. 50 lakh was also enhanced from 50% to 75%. During 2014-18, as many as 16 lakh entrepreneurs were provided guarantee coverage of more than Rs. 80,000 crore, thereby generating employment opportunities.
- vi) Under Prime Minister's Employment Generation Programme (PMEGP), as many as 1.93 lakh units were set up providing employment to 14.75 lakh people between 2014-18.
- vii) A digital platform viz. MSME SAMPARK portal has been launched wherein job-seekers (passed out trainees/students of MSME Technology Centres) and recruiters get connected.
