

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

LOK SABHA

**UNSTARRED QUESTION NO. 4701.
TO BE ANSWERED ON WEDNESDAY, THE 29TH MARCH, 2023.**

**SETTING UP OF INDUSTRIES IN ANDAMAN AND
NICOBAR ISLANDS**

4701. SHRI KULDEEP RAI SHARMA:

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

वाणिज्य एवं उद्योग मंत्री

- (a) whether the Union Government encourages State Governments for setting up of industries through various policy measures and if so, the details thereof;
- (b) whether the Union Government has received proposals from Andaman and Nicobar Islands for setting up of industries and if so, the details and the status thereof during each of the last three years and the current year;
- (c) the action taken by the Union Government on such proposals; and
- (d) the other steps taken by the Union Government to set up more industries in Andaman and Nicobar Islands?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री सोम प्रकाश)

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY
(SHRI SOM PARKASH)**

(a) to (d): Setting up of industries is a State subject. However, Government of India through the Department for Promotion of Industry & Internal Trade (DPIIT) and other Central Ministries/ Departments, provides an enabling eco-system for the overall industrial development of the country, including Andaman and Nicobar Islands through many policy interventions.

No centralised information with respect to proposal from Andaman and Nicobar Islands for setting up industries is available. However, information collated from ministries under the Central Government, of the efforts made for promoting and strengthening industries in the country including Andaman and Nicobar Islands is given below:

Under **Startup India** initiative of DPIIT, it is an endeavor to provide capital at various stages of business cycle of a startup. The Government of India is implementing Fund of Funds for Startups (FFS) and **Startup India Seed Fund Scheme (SISFS)**. Both the Schemes are implemented on a Pan-India basis. The Startup India Seed Fund Scheme (SISFS) has been approved for the period of 4 years starting from 2021-22 with a corpus of Rs. 945 crore. The Scheme aims to provide financial assistance to Startups for proof of concept, prototype development, product trials, market entry and commercialization. The Scheme is implemented from 1st April 2021. Year-wise startups recognised by DPIIT for Andaman and Nicobar Islands as on 28th February, 2023 is given below:

State/UT	2020	2021	2022	2023
Andaman and Nicobar Islands	5	13	9	4

One District One Product (ODOP) Scheme: The Central Government has initiated the One-District-One-Product (ODOP) in different States/UTs. ODOP is seen as a transformational step towards realizing the true potential of a district, fueling its economic growth, generating employment and rural entrepreneurship. Products from Andaman and Nicobar Islands included under ODOP along with District Details are mentioned below:

S. No.	District Name	Product
1.	Nicobar	Coconut & Coconut based products
2.	North and Middle Andaman	Fishries/Marine products
3.	South Andaman	Marine Products

DPIIT, in consultation with the State Governments, started a comprehensive reform exercise in States and UTs in December 2014. Under the **Business Reform Action Plan (BRAP)**, all States/UTs in the country are ranked on the basis of reforms undertaken by them on designated parameters. BRAP covers reform areas such as Information Wizard, Single Window Systems, Online Building Permission System, Inspection Reforms, Labour Reforms, etc.

Till date five editions of BRAP (2015, 2016, 2017-18, 2019 and 2020) have been completed and States/UTs have been assessed accordingly. The Action Plan for BRAP, 2022 (i.e., the sixth edition) was shared with States/UTs for its implementation and is currently under progress. Over the

past few years, UT Administration of Andaman & Nicobar has taken multiple initiatives to facilitate Ease of Doing Business in the UT:

- Online systems with Information wizard and dashboards have been implemented to aid businesses in obtaining information, approvals and clearances online in the UT
- Online system for e-payment of bills, display information on tariffs, notify customers on planned outages

Government of India intends to promote Trade, Business and Industries in Andaman & Nicobar Islands through its exercise of BRAP 2022 and enhance its overall development.

Initiatives have also been taken by the Government of India to facilitate multi-modal connectivity by providing integrated and seamless connectivity for movement of people, goods and services from one mode of transport to another. **PM Gati Shakti** is a National Master Plan for multi-modal connectivity. Gati Shakti — a digital platform — brings 16 Ministries including Railways and Roadways together for integrated planning and coordinated implementation of infrastructure connectivity projects.

Government of India has also undertaken integration of industrial parks across the country onto the **India Industrial Land Bank (IILB)**, a GIS enabled platform, which will allow showcasing of respective industrial parks to investors on one common platform. Details of the Industrial Parks located in Andaman and Nicobar Islands which have been integrated onto IILB are given below:

S.No.	District	Park Name
1	South Andaman	Industrial Estate Dolly Gunj
2	North & Middle Andaman	Industrial Estate Bakultala
3	Nicobars	Industrial Estate Campbell Bay Joginder Nagar
4	South Andaman	Industrial Estate Garacharma
5	South Andaman	Industrial Estate Hut Bay
6	South Andaman	Industrial Estate Mithakhari

Lakshadweep and Andaman & Nicobar Islands Industrial Development Scheme (LANDIS), 2018 was notified by Department for Promotion of Industry and Internal Trade. As per Allocation of Business Rules, with implementation of the scheme and budget for the scheme being administered by Ministry of Home Affairs. Benefits under the Scheme are as under:

- Central Capital Investment for Access to Credit (CCIIAC)
- Central Interest Incentive (CII)
- Central Comprehensive Insurance Incentive (CCII)
- Good and Service Tax (GST) Reimbursement
- Income Tax (IT) Reimbursement
- Transport Incentive (TI), and
- Employment Incentive (EI)

The said scheme has been extended from time to time till 31.03.2023. However, till date no unit had qualified for registration under the scheme.

Ministry of MSME, through Khadi and Village Industries Commission (KVIC), is implementing **Prime Minister's Employment Generation Programme (PMEGP)** for assisting entrepreneurs in setting up of new units in the non-farm sector across the country including Andaman & Nicobar Islands. It aims to generate employment opportunities for traditional artisans/ rural and urban unemployed youth at their doorstep.

Under PMEGP, General Category beneficiaries can avail of Margin Money (MM) subsidy of 25% of the project cost in rural areas and 15% in urban areas. For beneficiaries belonging to Special Categories such as Scheduled Castes, Scheduled Tribes, OBCs, Minorities, Women, Ex-servicemen, Physically Handicapped, Transgenders, beneficiaries belonging to Northeastern Region, Hill and Border areas, and Aspirational Districts, the Margin Money subsidy is 35% in rural areas and 25% in urban area. The maximum cost of project is Rs. 50 lakhs in the manufacturing sector and Rs. 20 lakhs in the service sector.

Since 2018-19, 2nd financial assistance of up to Rs. 1 cr. for upgradation and expansion of well-performing existing PMEGP/REGP/MUDRA units have been introduced with subsidy of 15% (20% for NER and hilly areas).

Details on Units assisted, Margin Money (MM) subsidy disbursed and Estimated employment generated in Andaman and Nicobar Islands during last 3 years and current year under PMEGP are given below:

Year	MM Subsidy Disbursed (Rs. in Lakhs)	Units Assisted	Estimated Employment Generated
2019-20	146.16	93	744
2020-21	186.12	155	1240
2021-22	238.69	162	1296
2022-23 (as on 28.03.2023)	167.25	94	752

Ministry of Food Processing Industries is implementing a centrally sponsored "**PM Formalisation of Micro food processing Enterprises (PMFME) Scheme**" for providing financial, technical and business support for upgradation of micro food processing enterprises in the country including Andaman and Nicobar Islands with the support of States/ UTs Government through identified State Nodal Agency.
