

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

**STARRED QUESTION NO. 300.
TO BE ANSWERED ON WEDNESDAY, THE 09TH AUGUST, 2023.**

INDUSTRIAL ACTIVITY IN STATES

***300. SHRIMATI APARAJITA SARANGI:**

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

वाणिज्य एवं उद्योग मंत्री

- (a) the details of steps taken by the States to increase investments and attract more industrial activities;
- (b) the details of safeguards taken to reduce the sluggish commercial movement;
- (c) whether MSMEs are very crucial in increasing the employment levels and if so, the details thereof; and
- (d) the steps taken/proposed to be taken to increase commercial activities in the States?

ANSWER

वाणिज्य एवं उद्योग मंत्री (श्री पीयूष गोयल)

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

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED IN REPLY TO PARTS (a) TO (d) OF THE LOK SABHA STARRED QUESTION NO. 300 FOR ANSWER ON 09.08.2023.

(a) & (b): Industry is primarily a State subject. The Central Government comes out with several initiatives and policies to promote industrialization in various parts of the country from time to time. Government of India also provides a framework of reforms for improving business environment across all the States.

To increase investments, multiple activities have been undertaken by the State Governments including Investment promotion events, Investor meets to showcase their potential and infrastructure development and policies to enhance industrial activities. Additionally, states focus on improving ease of doing business rankings by simplifying processes and reducing red tape. To create Investor-friendly environments and attract businesses across various sectors, states offer various incentives, sector-specific policies, and support for startups and MSMEs. States have also created separate entities to increase industrialization, earmarked land for industrial use and set up investor facilitation cells.

A part from the steps initiated by States, the central government had launched Make in India initiative, a flagship program of central government on September 25, 2014, to facilitate investment, foster innovation, building best in class infrastructure, and making India a hub for manufacturing, design and innovation. The development of a robust manufacturing sector continues to be a key priority of the Indian Government. Since its launch, Make in India initiative has made significant achievements and presently focuses on 27 sectors under Make in India 2.0. The activities under the Make in India initiative are being undertaken by several Central Government Ministries/ Departments and various State Governments. Ministries formulate action plans, programs, schemes and policies for the sectors being dealt by them, while States also have their own Schemes for attracting investments. Due to the Make in India Initiative, FDI equity inflow in the manufacturing sector between 2014-2022 has increased by 57% over these previous 8 years.

Further, Government has taken a series of policy initiatives/measures and safeguards to improve the economic situation and convert the disruption caused by COVID 19 into an opportunity for growth. These includes Aatmanirbhar packages, introduction of Production Linked Incentive (PLI) Scheme in fourteen (14) sectors, investment opportunities under National Infrastructure Pipeline (NIP) and National Monetisation Pipeline (NMP), India Industrial Land Bank (IILB), Industrial Park Rating System (IPRS), soft launch of the National Single Window System (NSWS), etc. An institutional mechanism to fast-track investments has been put in place, in the form of Project Development Cells (PDCs) in all concerned Ministries/ Departments of Government of India. All the above initiatives/schemes are being implemented across various Ministries/Departments of Central Government and State Governments.

(c) & (d): The Central Government supplements the efforts of the State/UT Governments through various schemes, programs and policy initiatives for overall development and promotion of Micro, Small and Medium Enterprises (MSMEs) in the country. The Ministry of Micro, Small and Medium Enterprises implements various schemes for the growth and development of MSME sector in the country in areas of credit support, new enterprise development, formalization, technological assistance, infrastructure development, skill development and training and market assistance to MSMEs. The schemes/programs inter alia include Prime Minister's Employment

Generation Program (PMEGP), Credit Guarantee Scheme for Micro and Small Enterprises (CGTMSE), Micro and Small Enterprises-Cluster Development Program (MSE-CDP), Entrepreneurship Skill Development Program (ESDP), Procurement and Marketing Support Scheme (PMS) and National SC/ST Hub (NSSH).

To increase business environment & competitiveness and reduce logistic costs in the country, the central government has launched PM Gati Shakti National Master Plan (NMP), a GIS based platform with portals of various Ministries/Departments of Government on 13th October, 2021. It is a transformative approach to facilitate data-based decisions related to integrated planning of multi-modal infrastructure. Empowered Group of Secretaries (EGoS) and Network Planning Group (NPG) have been created as institutional arrangement. The National Logistics Policy (NLP) was launched on 17th September 2022 by Hon'ble PM to drive economic growth and business competitiveness of the country through an integrated, seamless, efficient, reliable, green, sustainable and cost-effective logistics network by leveraging best in class technology, processes, skilled manpower and improve performance. Broad targets of the National Logistics Policy are to (i) Reduce cost of logistics in India to be comparable to global benchmarks by 2030; (ii) improve the Logistics Performance Index Ranking– endeavor is to be among top 25 countries by 2030; and (iii) create data driven decision support mechanism for an efficient logistics ecosystem.

Further, to increase industrial activities, DPIIT coordinates with Ministries/Departments and States/UTs for initiatives to reduce compliance burden on citizen and business activities. The objective of this exercise is to improve Ease of Doing Business and Ease of Living by Simplifying, Rationalizing, Digitizing and Decriminalizing Government to Business and Citizen Interface across all the States/UTs. In order to have a continuous evaluation framework, DPIIT initiated a dynamic reform exercise called Business Reforms Action Plan (BRAP) for assessment of business environment in the States/Union Territories (UTs). Under BRAP, States and UTs are assessed on the basis of implementation of designated reform parameters contained in the Action Plan. BRAP covers both the Business-centric and Citizen-centric reforms spread across various reform areas. Some of the reform areas are Investment Enablers, Access to Information and Transparency, Online Single Window System, Land Allotment, Construction Permits Enablers, Labour Regulation Enablers, Environment Registration Enablers, Inspection Enablers, Obtaining Utility Permits, Contract Enforcement, Citizen-centric Certificates, Public Distribution System, Healthcare, etc.
