

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

**UNSTARRED QUESTION NO. 1643.
TO BE ANSWERED ON WEDNESDAY, THE 13TH DECEMBER, 2023.**

ENHANCING INDUSTRIAL ACTIVITIES IN STATES

**1643. DR. KRISHNA PAL SINGH YADAV:
DR. VISHNU PRASAD M.K.:
SHRI SATYADEV PACHAURI:
SHRI CHANDRA PRAKASH JOSHI:
SHRI L.S. TEJASVI SURYA:
SHRI T.R.V.S. RAMESH:
SHRI KUNWAR PUSHPENDRA SINGH CHANDEL:
SHRI MANOJ KOTAK:
DR. HEENA VIJAYKUMAR GAVIT:
DR. SUJAY RADHAKRISHNA VIKHE PATIL:
PROF. RITA BAHUGUNA JOSHI:
SHRI VINOD L. CHAVDA:
SHRI UNMESH BHAIYYASAHEB PATIL:
SHRI BASANTA KUMAR PANDA:
DR. SHRIKANT EKNATH SHINDE:
SHRI RAMESH CHANDER KAUSHIK:**

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

वाणिज्य एवं उद्योग मंत्री

- (a) the details of the steps taken by the Government to boost investments and attract more industrial activities;
- (b) the measures implemented by the Government to stimulate Foreign Direct Investment (FDI) inflows;
- (c) the safeguards put in place to mitigate sluggish commercial movement and enhance commercial activities in the States particularly in Rajasthan and Haryana;
- (d) the steps taken by the Government to enhance the Ease of Doing Business in India and the resulting rankings in Ease of Doing Business;
- (e) the role of the National Single Window System (NSWS) portal, created by the Department for Promotion of Industry and Internal Trade (DPIIT), in facilitating investor-related clearances with transparency and accountability; and
- (f) whether MSMEs are very crucial in increasing the employment levels and if so, the details thereof?

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): Make in India initiative was launched 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 had significant achievements and presently focuses on 27 sectors (**Annexure I**) under Make in India 2.0, which is implemented across various Ministries/Departments of Central Government and State Governments. In addition to ongoing schemes of various Departments and Ministries, Government has taken various steps to boost domestic and foreign investments in India. These include the introduction of Goods and Services Tax, reduction in corporate tax, improving ease of doing business, FDI policy reforms, measures for reduction in compliance burden, measures to boost domestic manufacturing through public procurement orders, Phased Manufacturing Programme (PMP) and QCOs (Quality Control Orders), to name a few. Further, keeping in view India's vision of becoming 'Atmanirbhar', PLI Schemes for 14 key sectors (**Annexure 2**) have been announced with an outlay of Rs. 1.97 lakh crore to enhance India's Manufacturing capabilities and Exports. With the announcement of PLI Schemes, significant production, employment, and economic growth is expected over the next 5 years and more.
- (b): To promote Foreign Direct Investment (FDI), the Government has put in place an investor friendly policy, wherein most sectors, except certain strategically important sectors, are open for 100% FDI under the automatic route (without government approval). Almost 90% of the FDI inflow is received under the automatic route. India continues to open up its economy to global investors by raising FDI limits, removing regulatory barriers, developing infrastructure and improving business environment. Further, to ensure that India remains an attractive and investor friendly destination, the Government reviews FDI policy on an ongoing basis and makes changes from time to time after having intensive consultations with stakeholders including apex industry chambers, Associations, representatives of industries/groups and other organizations, taking into consideration their views/comments. FDI policy provisions have been progressively liberalized and simplified across various sectors such as Pension, Other Financial Services, Asset reconstruction Companies, Broadcasting, Pharmaceuticals, Single Brand Retail Trading, Construction & Development, Power Exchanges, e-commerce activities, Coal Mining, Contract Manufacturing, Digital Media, Civil Aviation etc. In the recent past, reforms in the FDI Policy have been undertaken in sectors such as Defence, Insurance, Petroleum & Natural Gas and Telecom.
- (c): 'Industry' is primarily a State subject. The Union Government supplements efforts of all States/UTs through various measures to enhance commercial activity in the country. The Government has taken a series of policy initiatives to improve the economic situation. These include Atmanirbhar packages, 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), liberalization of FDI policy, 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 implemented across various Ministries/Departments, Central Government and State Governments, including Rajasthan and Haryana. Further, PLI Schemes for 14 Sectors (**Annexure II**) for core competence and cutting edge technology have been notified by the concerned Ministries/ Departments after approval of the Union Cabinet. These Schemes are in their various stages of implementation. The PLI scheme is expected to have a cascading effect on the country's MSME ecosystem. The anchor units that will be built in every sector are likely to set a new supplier/vendor base in the entire value chain. Most of these ancillary units are expected to be built in the MSME sector.

(d): Department for Promotion of Industry and Internal Trade (DPIIT) is the Nodal Department for coordinating the initiatives under Ease of Doing Business (EoDB), which are aimed at creating a conducive business environment in India. Series of steps have been taken to enhance EoDB in India by Ministries/Departments and States/Union Territories (UTs). These include:

- (i) Reducing Compliance Burden on Businesses and Citizens by Simplifying, Rationalizing, Digitizing and Decriminalizing Government to Business and Citizen Interfaces.
- (ii) Assessment of States/UTs on the basis of implementation of designated reform parameters under annual exercise called Business Reform Action Plan (BRAP). 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, Sector-specific reforms, etc.

India ranks 63rd in the last World Bank's Doing Business Report (DBR), 2020 published in October, 2019. India's rank in the DBR improved from 142nd in 2014 to 63rd in 2019, registering a jump of 79 ranks in a span of 5 years.

(e): National Single Window System (NSWS) was soft-launched on 22nd September 2021. It functions as a unified platform for applying for all G2B clearances from various Ministries/Departments. The NSWS Portal has the following key modules and functionalities to improve transparency and ease of doing business in India:

- **Know Your Approval (KYA):** An intelligent questionnaire for businesses to identify relevant business approvals across 32 Central Departments and 32 States/UTs. The KYA Module of NSWS provides a comprehensive list of approvals necessary for specific business cases.
- **Unified Application System:** Common Information, including documents, is collected once and auto-populated across forms and platforms.
- **Single User Dashboard to track Approvals Status across Ministries and States** making it easier for businesses to track the status of their applications.
- **Dashboard and reporting capabilities** to monitor and track usage, application status, etc. by Senior Govt. Officials.
- **Online Payment support for applications:** PayGov (Meity), BharatKosh, SBI Payment Gateway are integrated into the platform providing a seamless payment experience.

- **Digital Signature:** NSWS enables businesses as well as licensing officers to digitally sign their documents to facilitate doing business along with streamlined processing of applications.
- **Centralized Grievance Redressal Mechanism:** All “customer support” has been centralized across 32 Central Ministries through the NSWS helpline. Businesses can seek technical support, license information, and fee related details.

The culmination of all these factors has provided a seamless experience to investors in terms of reducing time effort, and cost.

(f): Yes Sir, MSMEs play a crucial role in increasing the employment levels. The Micro, Small and Medium Enterprises (MSME) sector has emerged as a highly vibrant and dynamic sector of the Indian economy. It contributes significantly to the economic and social development of the country by fostering entrepreneurship and generating large scale employment opportunities at comparatively lower capital cost, next only to agriculture. As per the National Sample Survey (NSS) 73rd round, MSME sector has created 11.10 crore jobs (including 360.41 lakh in Manufacturing, 387.18 lakh in Trade and 362.82 lakh in Other Services) in the rural and the urban areas across the country.

The Ministry of MSME has been implementing the Prime Minister’s Employment Generation Programme (PMEGP), through Khadi and Village Industries Commission (KVIC), which aims at providing employment opportunities to traditional artisans/ rural and urban unemployed youth at their doorstep by assisting entrepreneurs across the country in setting up of new units in the non-farm sector. Since 2008-09 till 30.11.2023, about 9.16 lakh micro enterprises have been assisted across the country thereby providing employment to an estimated 74.87 lakh persons.

ANNEXURE REFERRED TO IN REPLY TO PART (a) OF THE LOK SABHA USTARRED QUESTION NO. 1643 FOR ANSWER ON 13.12.2023.

List of 27 Sectors under 'Make in India' programme is as below:

Manufacturing Sectors:

- (i) Aerospace and Defence
- (ii) Automotive and Auto Components
- (iii) Pharmaceuticals and Medical Devices
- (iv) Bio-Technology
- (v) Capital Goods
- (vi) Textile and Apparels
- (vii) Chemicals and Petro-chemicals
- (viii) Electronics System Design and Manufacturing (ESDM)
- (ix) Leather & Footwear
- (x) Food Processing
- (xi) Gems and Jewellery
- (xii) Shipping
- (xiii) Railways
- (xiv) Construction
- (xv) New and Renewable Energy

Service Sectors

- (i) Information Technology & Information Technology enabled Services (IT & ITeS)
- (ii) Tourism and Hospitality Services
- (iii) Medical Value Travel
- (iv) Transport and Logistics Services
- (v) Accounting and Finance Services
- (vi) Audio Visual Services
- (vii) Legal Services
- (viii) Communication Services
- (ix) Construction and Related Engineering Services
- (x) Environmental Services
- (xi) Financial Services
- (xii) Education Services

**ANNEXURE REFERRED TO IN REPLY TO PARTS (a) & (c) OF THE LOK SABHA
USTARRED QUESTION NO. 1643 FOR ANSWER ON 13.12.2023.**

The 14 key sectors where PLI scheme exists are:

1. Mobile Manufacturing and Specified Electronic Components (Large Scale Electronics Manufacturing),
2. Critical Key Starting Materials/Drug Intermediaries & Active Pharmaceutical Ingredients,
3. Manufacturing of Medical Devices,
4. Automobiles and Auto Components,
5. Pharmaceuticals Drugs,
6. Specialty Steel,
7. Telecom & Networking Products,
8. Electronic/ Technology Products (IT Hardware),
9. White Goods (ACs and LEDs),
10. Food Products,
11. Textile Products: MMF segment and technical textiles,
12. High efficiency solar PV modules,
13. Advanced Chemistry Cell (ACC) Battery, and
14. Drones and Drone Components.
