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

LOK SABHA

UNSTARRED QUESTION NO. 2086.

GROWTH OF INDUSTRIES IN MANUFACTURING SECTOR

2086. SHRI RAKESH SINGH:

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

(a) whether the growth of most of the industries in manufacturing sector of the country has declined and if so, the details thereof;

(b) whether the employment opportunities in this sector have been affected adversely due to the said problems;

(c) if so, the details thereof;

(d) if not, the reasons therefor;

(e) whether the Government has taken any measures to deal with it; and

(f) if so, the details thereof?

ANSWER

THE MINISTER OF COMMERCE & INDUSTRY
(SHRI PIYUSH GOYAL)

(a): The total Foreign Direct Investment (FDI) inflow was USD 318.80 billion between April 2014 and September 2019 – representing nearly 50% of the cumulative FDI in India since April 2000. In 2018-19, FDI inflow stood at a record of USD 62 billion, highest ever recorded for a fiscal year ever.

(b) to (d): The Ministry of Statistics & Programme Implementation, NSO has been bringing out the employment related statistics in the formal sector including the manufacturing sector, covering the period September 2017 onwards, using information on the number of subscribers who have subscribed under three major schemes, namely the Employees Provident Fund (EPF) scheme, the Employees’ State Insurance (ESI) Scheme and the National Pension Scheme (NPS).
### Payroll Reporting in India

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<tbody>
<tr>
<td>Employees’ Provident Funds Scheme</td>
<td>84,57,404</td>
<td>1,39,44,349</td>
<td>88,07,540</td>
<td>3,12,09,293</td>
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<tr>
<td>Employees’ State Insurance Scheme</td>
<td>83,35,929</td>
<td>1,49,65,972</td>
<td>1,17,46,073</td>
<td>3,50,47,974</td>
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<td>National Pension Scheme</td>
<td>4,53,446</td>
<td>7,50,400</td>
<td>5,25,024</td>
<td>17,28,870</td>
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</tbody>
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Source: Ministry of Statistics and Programme Implementation.

Note—EPF is applicable to establishments having more than 20 workers, ESI is applicable to establishments having more than 10 workers, NPS is applicable to any citizen of India, whether resident or non-resident aged between 18-60 years as on date of submission of application.

(e) & (f): Promoting growth of industries is a continuous and ongoing effort of the Government. Recently, Government has taken various steps, in addition to the ongoing schemes, to boost industrial production of India.

1. **Infrastructure:**
   (a) The National Infrastructure Pipeline (NIP) was launched in December, 2019, under which expenditure of Rs 102 lakh crore is proposed as capital expenditure in infrastructure sectors in India during the fiscals 2020 to 2025.
   (b) To reduce logistics cost in India, Budget 2020-21 announced release of a National Logistics Policy.
   (c) **Accelerated development of highways** is being undertaken. This will include development of 2500 Km access control highways, 9000 Km of economic corridors, 2000 Km of coastal and land port roads and 2000 Km of strategic highways.

2. **Reduction in Corporate Tax:** A new provision has been inserted in the Income-tax Act with effect from FY 2019-20 which allows any domestic company an option to pay income-tax at the rate of 22% subject to condition that they will not avail any exemption/incentive. For new manufacturing companies incorporated on or after 01.10.2019, the rate was brought down to 15 per cent. Budget 2020-21 announced that this reduction of corporate tax rate to 15 per cent for new manufacturing companies will be extended to new power generation companies as well.

3. **Start-ups:** The government proposes to provide early life funding, including a seed fund to support ideation and
development of early stage Start-ups. Further, time period within which Employee Stock Options (ESOPs) can be issued by Startups recognized by the Department for Promotion of Industry & Internal Trade (DPIIT) to promoters or Directors holding more than 10% of equity shares, has been enhanced from 5 years to 10 years from the date of their incorporation.

4. **For easing Liquidity Problems of NBFCs and Banks**
   Government announced capital infusion of Rs 70,000 crore into public sector banks, formulated a Partial Credit Guarantee scheme for the NBFCs after the Union Budget 2019-20, and merged 10 major Public Sector Banks into four.

5. Some **Trade Policy measures were announced in Budget 2020-21** to promote domestic manufacturing such as increasing basic customs duties (BCD) on footwear, toys and furniture; modification of Customs Act for strict enforcement of Rules of Origin norms for sensitive imports; strengthening of safeguard duties and anti-dumping duty etc.

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