

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

**UNSTARRED QUESTION NO. 2677.
TO BE ANSWERED ON TUESDAY, THE 04TH AUGUST, 2026.**

INDUSTRIAL AND ECONOMIC DEVELOPMENT PACKAGE

2677. SHRI GURJEET SINGH AUJLA:

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

वाणिज्य एवं उद्योग मंत्री

- (a) whether Government recognizes that Amritsar, a historic and religious city attracting millions of domestic and international tourists annually, remains economically underdeveloped despite its strategic location on international border, with no major industrial base and limited avenues for employment, if so, the details thereof;
- (b) whether Government intends to formulate a special industrial and trade promotion package for Amritsar, given that cross-border trade via Attari-Wagah border remains suspended, leaving border farmers and youth with few opportunities, if so, the details thereof;
- (c) whether the Ministry consider establishing border area industrial corridors, tourism-linked manufacturing units, and agro-based industries in region to boost employment, strengthen local economy, provide economic security in a region frequently impacted by tensions due to its proximity to international border, if so, the details thereof; and
- (d) whether the Amritsar should be included by the Government in a special economic vision plan for border districts to ensure balanced regional development?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री जितिन प्रसाद)

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY
(SHRI JITIN PRASADA)**

(a) to (d): State Governments adopt different policy measures to promote industrial development. The Union Government supplements the efforts of the State/UT Governments through various schemes, programmes, and policy initiatives for the overall development and promotion of industry across the Country, including Punjab.

During the last 4 years, Amritsar district has received investments amounting to ₹8,706 crore through the Fast Track Single Window Portal with potential employment generation of 32,069 persons. These investments span various sectors including Agri & Food Processing, Agro-based Industries (including Processing of Agro-waste), Tourism & Hospitality.

Amritsar qualifies as a Border District under Punjab Industrial & Business Development Policy, 2026. The Policy provides an enhanced fiscal incentive framework for industrial units established therein. The incentives available under this framework include Capital Investment Incentive, Interest Subsidy, Net SGST reimbursement, Employment Generation Subsidy, Stamp Duty exemption/reimbursement, Change of Land Use (CLU) fee exemption, and Electricity Duty exemption, among others, subject to the terms and conditions prescribed under the Policy. Eligible units in Amritsar may avail an overall fiscal incentive ceiling of up to 125% (which is higher than the ceilings of incentives available in other districts) of the eligible Fixed Capital Investment (FCI), subject to a maximum of ₹500 crore, along with a flexible eligibility period of 10 to 15 years.

The Government of India has approved development of Integrated Manufacturing Cluster (IMC) at Rajpura-Patiala with an area of 1,098.85 acres under the Amritsar-Kolkata Industrial Corridor (AKIC) in August 2024 for total project cost of Rs. 1,367.72 crore. Project Manager for New Cities (PMNC) and EPC Contractor have been appointed for implementation of internal trunk infrastructure works. As per DPR, Integrated Manufacturing Cluster (IMC) at Rajpura-Patiala under the Amritsar-Kolkata Industrial Corridor (AKIC) has an estimated employment generation potential of approximately 64,200 jobs.

The Punjab Industrial & Business Development Policy, 2026 identifies Agri & Food Processing Industries and Processing of Agro-waste into Energy/Bioenergy/Manure as Priority Sectors, with enhanced fiscal support available to eligible units established in Border Districts, including Amritsar.

In addition, the Punjab Food Processing Policy, 2026 provides sector-specific incentives such as 100% exemption of Mandi Fee/Market Fee/Rural Development Fee and other State taxes on the purchase of raw material for eligible food processing units for a period of five years, along with 100% Net SGST reimbursement, subject to prescribed conditions.

The Punjab Tourism & Hospitality Policy, 2026 has also been notified to promote tourism-linked economic activity in the region. These measures are aimed at leveraging Amritsar's tourism potential to generate allied manufacturing and service-sector employment in the border region.
