

Availability of initial Capital for new enterprises

1369. SHRI BALAVANT ALIAS BAL APTE:
SHRI PRABHAT JHA:

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

- (a) whether Government believes that the availability of initial capital for new enterprise in the country is almost negligible;
- (b) if so, the details of the capital invested in new enterprises during the last five years;
- (c) the provision of the Government to provide initial capital for new enterprise; and
- (d) whether Government is going to take any step to encourage the availability of initial capital for new enterprise?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) and (b) In the deregulated Industrial environment, decision to make investment are made by the entrepreneurs. The industrial units intimate their intention for investment in setting up of industries by way of filling an Industrial Entrepreneur Memorandum. Industrial Licences are issued to certain specified industries as per the new industrial policy. The investment proposed in terms of Industrial Entrepreneur Memoranda (IEMs) filed and Letters of Intent (LOIs)/Direct Industrial Licences (DILs) issued during the last five years is Rs. 43,48,686 crore.

(c) and (d) The Department of Industrial Policy and Promotion is implementing a Central Capital Investment Subsidy Scheme, 2007 for the Industrial Development in the North Eastern Region, under the North East Industrial and Investment Promotion Policy (NEIIPP), 2007. The Policy provides for subsidy @30% of the investment in plant and machinery, without any upper ceiling. Year-wise releases for the last five years are given in Statement-I (See below).

Further, Incentive packages of subsidy for entrepreneurs of Jammu and Kashmir, Himachal Pradesh and Uttarakhand are offered under Special Package Scheme. The Capital Investment Subsidy released for the last five years under this scheme is given in Statement-II.

Statement-I

Year-wise release of funds under the Central Capital Investment subsidy scheme for the North East Region during the last five years

(Rupees in crore)

Name of the Scheme	2005-06	2006-07	2007-08	2008-09	2009-10
Capital Investment Subsidy	15.00	5.28	12.50	48.17	8.31

Statement-II

Year-wise release of funds under the Central Capital Investment Subsidy Scheme under special packages scheme during the last five years

(Rupees in crore)

Name of the Scheme	2005-06	2006-07	2007-08	2008-09	2009-10
Capital Investment Subsidy	14.00	21.00	29.00	45.57	37.50

Strategy of increasing exports of labour intensive engineering goods

1370. SHRI KALRAJ MISHRA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether Government has lately evolved and adopted a strategy of increasing exports of labour intensive engineering goods;
- (b) if so, the details thereof; and
- (c) the steps so far taken in implementation of the strategy?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) Yes, Sir.

(b) and (c) Under the Reward/Incentive Schemes in the Foreign Trade Policy (FTP) 2009-14, incentives for labour intensive engineering goods have been announced as under:

- (i) 112 new products added under Focus Product Scheme (FPS), eligible for incentives in the form of Duty Credit Scrip @2% of FOB value of exports to all markets.
- (ii) 113 new products given higher incentives in the form of Duty Credit Scrip @5% of FOB value of exports under Special FPS on exports to all markets.
- (iii) 1837 new products added under Market Linked Focus Product Scheme (MLFPS) eligible for incentive in the form of Duty Credit Scrip @ 2% of FOB value of exports to specified markets.
- (iv) Export of labour intensive engineering goods to 110 countries notified under Focus Market Scheme under FTP is eligible for incentive in the form of Duty Credit Scrip @ 3% of FOB value of exports. Details of the countries are available at DGFT website: <http://dgft.gov.in>
- (v) Under the Focus Product Scheme, there is a provision that to promote investment in upgradation of technology of specified sectors, additional Duty Credit Scrips shall be given to Status Holders @ 1% of the FOB value of past exports. This facility, in addition to other specified sectors, will also be available for engineering sector