

**Growth of organised manufacturing production**

1769. DR. BHALCHANDRA MUNGEKAR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) what was the rate of growth of organised manufacturing production during the last three years ending 31st March, 2015;

(b) what steps were taken to enhance this rate of growth;

(c) what impact did these steps have on the performance of the manufacturing sector; and

(d) what steps are planned for the next two to three years?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): (a) The Index of Industrial Production (IIP) measures performance of industrial sector, including mining, manufacturing and electricity sector at base year 2004-05. The IIP in manufacturing sector measures the performance of organised manufacturing sector. As per IIP, the rate of growth of manufacturing sector was 1.3 %, (-) 0.8 % and 2.3 during 2012-13, 2013-14 and 2014-15 respectively.

(b) to (d) The Government has taken/is continuously taking measures including administrative and regulatory to accelerate the growth of industrial sector. Global economic scenario as well as the steps taken by the Government impact performance in the manufacturing sector in the short, medium and long term. For creation of conducive business environment, the Government is constantly simplifying and rationalizing the processes and the procedures for boosting investor sentiment, simplifying the Foreign Direct Investment (FDI) policy and correcting the inverted duty structure. Some of the recent initiatives towards this end include pruning the list of industries that can be considered as defence industries requiring industrial license, two extensions of two years each in the initial validity of three years of the industrial license permitted up to seven years, removal of stipulation of annual capacity in the industrial license, and deregulating the annual capacity for defence items for Industrial License. The recent amendments in FDI policy include allowing FDI in Defence up to 49%, in Railway infrastructure up to 100%, in Insurance and Pension Sector upto 49%. The investment limit requiring prior permission from Foreign Investment Promotion Board (FIPB)/Cabinet Committee of Economic Affairs is increased from ₹ 1200 crore to ₹ 3000 crore. The definition of investment by Non Resident Indians (NRIs), Person of Indian Origin (PIOs) and Overseas Citizen of India (OCIs) in FDI policy has been revised. Further, except for Defence and private sector banking for which specific

conditions apply, composite caps on foreign investment have been recently allowed so that uniformity and simplicity are brought in across the sectors in FDI policy for attracting foreign investment.

*Inter-alia*, the Government has launched the e-Biz Mission Mode Project under the National e-Governance Plan, and is implementing the Delhi Mumbai Industrial Corridor (DMIC) project. In addition, the Government has conceptualized Amritsar Kolkata Industrial Corridor, Chennai-Bengaluru Industrial Corridor, Bengaluru Mumbai Economic Corridor and the Vizag-Chennai Industrial Corridor (as the first phase of an East Coast Economic Corridor), and setting up a National Industrial Corridor Development Authority (NICDA) for coordinating and overseeing progress of the various industrial corridors.

Recently, the Government has launched “Make in India” Programme with 25 thrust sectors to provide a major push to manufacturing in India. An Investor Facilitation Cell has also been created in ‘Invest India’ to assist, guide, handhold and facilitate investors during the various phases of business life cycle. This Cell provides necessary information on vast range of subjects; such as, policies of the Ministries and State Governments, various incentive schemes and opportunities available, to make it easy for the investors to make necessary investment decision. Information on 25 thrust sectors has been put up on ‘Make in India’s web portal (<http://www.makeinindia.com>) along with details of FDI Policy, National Manufacturing Policy, Intellectual Property Rights and Delhi Mumbai Industrial Corridor and other National Industrial Corridors.

#### **Ranking of India in doing business report**

1770. SHRI VIVEK GUPTA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government is aware of India's falling ranking in the Ease of Doing Business Report, which is 142 among 189 countries if so, the last five years' rankings and the reasons for such falling;

(b) whether Government refutes the finding that India occupies the 142nd place;

(c) the number of total clearance required to start functioning of an industry along with number of State clearances required by the Centre; and

(d) whether Government is planning to build a policy to enhance the ease of doing business in India?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): (a) Yes, Sir.