

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:3526

ANSWERED ON:20.08.2004

INCENTIVES FOR DEVELOPMENT OF NEW EXISTING INDUSTRIAL UNITS

Ajnala Dr. Rattan Singh;Gandhi Shri Pradeep;Libra Shri Sukhdev Singh;Shukla Smt. Karuna;Singh Shri Dushyant

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

- (a) whether the Government has formulated any policy for granting special package of incentives to some States such as Himachal Pradesh, J&K, Uttaranchal, Jharkhand, Chhattisgarh for development of new/existing industrial units in these States;
- (b) if so, the details thereof,
- (c) whether Government is aware that grant of these incentives have adversely affected industrial growth in Punjab;
- (d) if so, whether Government propose to grant same incentive package to Punjab also to check the migration of industrialists to neighbouring States;
- (e) if so, the reaction of the Government in this regard;
- (f) whether Government has also received proposal from Rajasthan and Jharkhand for their industrial development; and
- (g) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGO VAN)

(a) to (g) : The Government had announced a New Industrial Policy for North-East (NEIP) on 24.12.1997. Thereafter, special packages of incentives were issued for the States of Sikkim, Jammu & Kashmir and HP/Uttaranchal also on 14.06.2002, 23.12.2002 and 7.01.2003 respectively. Based on these special packages, several other States namely Punjab, Goa, Rajasthan, Chattisgarh, Haryana, U.P., West Bengal, Bihar, Jharkhand have also requested for grant of similar packages to them. Punjab has reported that the grant of special packages to the State of Himachal Pradesh and Uttaranchal has shown an adverse affect on the industrialization in Punjab. However, having regard to the fact that the States, including Punjab, demanding special package do not face such geographical constraints and other adversities as in the case of Sikkim, J&K, H.P. and Uttaranchal, such requests were not considered.