

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

UNSTARRED QUESTION NO:2904

ANSWERED ON:15.03.2010

SETTING UP OF INDUSTRIES

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

- (a) whether the Government has identified the industrially backward States in the country including Uttar Pradesh, Bihar, Maharashtra, Orissa, Tamil Nadu, Andhra Pradesh, Karnataka and the North Eastern Region;
- (b) if so, the details thereof alongwith the strategy for industrial development in these States;
- (c) whether proposals/schemes were received from such States for setting up industries in these States specially in backward/tribal areas of North Eastern Region;
- (d) if so, the follow up action taken thereon;
- (e) whether the Government is considering to provide any incentives to those companies which are in the field of research and development;
- (f) if so, the details thereof;
- (g) whether lack of uniform industrial promotion policy/special incentives to some of the industries have resulted in decline of all-round and inclusive growth in the country; and
- (h) if so, the details thereof and the follow-up corrective action taken thereon?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA)

- (a): The Government had earlier conducted studies to identify industrially backward districts. But, no study has been conducted so far for identifying industrially backward States.
- (b): Does not arise.
- (c) to (h): In a deregulated industrial environment, decisions to set up industries are taken by the entrepreneurs. The State Governments are primarily responsible for industrial development in their respective States. The Union Government supplements the efforts of the State Governments through various schemes. However, for the States of the North East (including Sikkim) and the States of Jammu & Kashmir, Himachal Pradesh and Uttarakhand, the Union Government is implementing packages of incentives in view of the adverse geographical locations and other specificities of these States. Besides, Transport Subsidy Scheme is applicable to all these 11 States to provide subsidy on transport cost incurred on movement of raw materials and finished goods from the designated rail heads/ports upto the location of the industrial units and vice-versa for a period of five years from the date of commencement of commercial production. The Transport subsidy scheme is also applicable to the Andaman & Nicobar Islands, Lakshadweep Islands and the Darjeeling district of West Bengal. Several other States have requested for extending packages of incentives, but there is no proposal to extend any such package to any other State.