

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

UNSTARRED QUESTION NO:1575

ANSWERED ON:03.12.2012

NATIONAL INVESTMENT BOARD

Adhalrao Patil Shri Shivaji; Adsul Shri Anandrao Vithoba; Ajay Kumar SHRI ; Dharmshi Shri Babar Gajanan; Panda Shri Prabodh; Yadav Shri Dharmendra; Yaskhi Shri Madhu Goud

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

- (a) whether the Government has set up National Investment Board (NIB)/ Manufacturing Industry Promotion Board (MIPB) to periodically review the overall situation of the manufacturing sector in the country;
- (b) if so, the details thereof along with steps taken by the Government to expedite clearances to set up these Boards;
- (c) whether the Government has provided any special provisions in National Manufacturing Policy to promote investment in naxal affected regions including Jharkhand;
- (d) if so, the details thereof along with steps taken by the Government to promote manufacturing activities in these regions;
- (e) whether the Government has allowed FDI in manufacturing industry; and
- (f) if so, the details thereof along with latest percentage of investment?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (Dr. S. JAGATHRAKSHAKAN)

(a) & (b): National Investment Board has not been set up. Government has notified a Manufacturing Industry Promotion Board (MIPB) on 1st June, 2012 to periodically review the overall situation of the manufacturing sector; state-wise/sector-wise performance of the manufacturing sector; the implementation of the National Manufacturing Policy; and to deliberate upon any other policy recommendations necessary for the further growth of the manufacturing sector.

(c) & (d): The proposals in the National Manufacturing Policy are generally sector neutral and location neutral. There are no special provisions for any region including naxalite affected regions. While the National Investment and Manufacturing Zones (NIMZs) are an important instrumentality, the proposals contained in the Policy apply to manufacturing industry throughout the country including wherever industry is able to organize itself into clusters and adopt a model of self-regulation as enunciated therein. The Policy is based on the principle of industrial growth in partnership with the states. State Governments are encouraged to adopt the instrumentalities provided in the policy. It is the prerogative of the state government to make a proposal for a NIMZ.

(e) & (f): The extant FDI policy is contained in 'Circular 1 of 2012- Consolidated FDI Policy' dated 10th April, 2011 available in public domain on the website of the Department of Industrial Policy & Promotion. As per para 6.2 of the abovementioned Circular, FDI, up to 100%, under the automatic route, is permitted in Manufacturing Sector, except items listed under Chapter 6 [Sector Specific Conditions on FDI] of the Circular. The FDI limits for the items listed under Chapter 6, have been stipulated in the following paragraphs of the Circular:

S.N. Paragraph Sector/ Activities

1. 6.1(h) Manufacturing of Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes
2. 6.2.5 Manufacture of items reserved for production in Micro and Small Enterprises (MSEs)
3. 6.2.6 Defence Industry (including manufacture of Defence related items)