

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

UNSTARRED QUESTION NO:5478
ANSWERED ON:29.04.2013
. MANUFACTURING UNITS IN INDIA
Nagorao Shri Dudhgaonkar Ganeshrao

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

(a) whether the Government has noticed that manufacturing units in India have failed to adopt the system of large scale, labour intensive manufacturing as compared to other developing countries like China and other east Asian countries leading to weakness of the Indian economy; and

(b) if so, the details thereof along with the steps taken by the Government in this regard?

Answer

THE MINISTER OF THE STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (DR. D. PURANDESWARI)

(a): Government is aware of the status of the manufacturing growth in India vis a vis other developing countries. As per estimates by the United Nation Industrial Development Organisation (UNIDO), average annual real growth rate of manufacturing value added during 2005-10 in India has been 9.11 % compared to 5.05 % in Asia and 7.06 % in developing countries. In addition, while the share of major industrialized countries in the world manufacturing output has fallen significantly in the last one decade, India along with Brazil and China, has secured a place among 10 largest producers in the world by increasing its manufacturing output at almost 10 % on average.

(b): The Government has taken a number of steps to accelerate the manufacturing growth of the country. The measures taken recently include announcement of the National Manufacturing Policy (NMP), 2011 with objectives of increasing the share of manufacturing in GDP to 25% and creating 100 million additional jobs over a decade. The policy, inter-alia, envisages setting up of National Investment and Manufacturing Zones (NIMZs), which are industrial townships, benchmarked to the best manufacturing hubs in the World. So far eight NIMZs have been announced along the Delhi Mumbai Industrial Corridor (DMIC) in the States of Gujarat, Maharashtra, Haryana, Uttar Pradesh, Rajasthan and Madhya Pradesh. Four other NIMZs outside the DMIC have also been granted 'in-principle' approval – two in Andhra Pradesh and one each in Karnataka and Maharashtra. NMP also envisages skill development as a priority area.

Over the years, the Government has also simplified and rationalized the Foreign Direct Investment (FDI) Policy, to attract FDI flow into the country.

The other important steps taken involve Delhi Mumbai Industrial Corridor (DMIC) project along the dedicated freight corridor, launching of the e-biz Mission Mode Project under the National e-Governance Plan, and creating a joint venture 'Invest India' in association with FICCI as a dedicated agency for promoting foreign investment in India. Besides, incentives are given for helping industries in difficult areas through Plan Schemes of Transport Subsidy, special package of incentives for Special Category States, North-East Industrial & Investment Promotion Policy, 2007, and specific programmes like Industrial Infrastructure Upgradation Scheme, Indian Leather Development Programmes etc.

Sectoral Ministries/Departments in the Government are also implementing various schemes and programmes and taking measures for boosting manufacturing growth of the respective sectors.