

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

UNSTARRED QUESTION NO:1949

ANSWERED ON:31.07.2015

Technological Boost to Manufacturing Sector

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

- a) whether India is increasingly importing high tech and capital goods and exporting raw materials in return;
- b) if so, the details thereof along with the reasons therefor;
- c) whether there is a need to increase the technological depth for manufacturing sector to improve competitiveness and also for country's trade balance and if so, the details thereof;
- d) whether the Government proposes to amend its industrial policy or to bring a new industrial policy accordingly to suit present conditions;
- e) if so, the details thereof; and
- f) the strategies adopted by the Government to induce more depth and value-addition in country's manufacturing sector ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE) (SMT. NIRMALA SITHARAMAN)

(a) & (b): India's top commodity imports include petroleum crude, coal, coke and briquettes, organic chemicals, vegetable oils and plastic raw materials. Import of high tech and capital goods such as machine tools, electrical & non- electrical machinery, transport equipment, electronic goods and professional instrument, optical goods etc. was less than 12% of India's total imports in 2014-2015. The top commodity sectors of exports from India include petroleum products, drug formulations and biologicals, products of iron and steel, aircraft, spacecraft & parts and motor vehicles/cars while exports of raw materials viz. iron ore, mica coal and other ores, minerals including processed minerals accounted for less than 2% of India's total exports in 2014-2015.

(c) to (f): 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. 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. The Government is continuously simplifying and rationalizing the processes for boosting investor sentiment, and creation of enabling business environment. 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 to the initial validity of three years of the industrial license, removal of stipulation of annual capacity in the industrial license, and deregulating the annual capacity for defence items for Industrial License.

Further, the Government is implementing various schemes for promoting technological upgradation and providing more depth and value addition in the country's manufacturing sector e.g. Export Promotion Capital Goods Scheme under the Foreign Trade Policy 2015-2020 which facilitates import of capital goods at zero duty to enhance our export competitiveness; and the Technology Upgradation Fund Scheme (TUFS) of the Ministry of Textiles. Besides, various other Ministries and Departments of the Government of India such as Ministry of Micro, Small and Medium Enterprises, Ministry of Food Processing Industries, Department of Industrial Policy and Promotion, Department of Electronics and Information Technology, Department of Heavy Industry, Department of Science & Technology etc. are also implementing several schemes for boosting manufacturing and upgradation of technology in their respective sectors.
