

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

UNSTARRED QUESTION NO:7075

ANSWERED ON:08.05.2015

NORTH EAST INDUSTRIAL AND INVESTMENT PROMOTION POLICY

Biswas Shri Radheshyam;Galla Shri Jayadev;Panda Shri Baijayant "Jay";Rai Shri Prem Das;Sarmah Shri Ram Prasad

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

- (a) the salient features of the North- East Industrial and Investment Promotion Policy (NEIIPP), 2007 along with the physical and financial achievements thereof since its inception, year, sector and Statewise;
- (b) the details of industries set up along with the quantum of investments made including under Public Private Partnership (PPP) mode of the said policy and employment generated therefrom during the said period, year, sector and State-wise;
- (c) whether the Government has suspended/proposes to suspend newer commitments/registrations under the said policy, if so, the details thereof and the reasons therefor, sector-wise;
- (d) whether the Government proposes to review or discontinue the policy and if so, the details/outcome thereof and the reasons for its discontinuation; and
- (e) the further measures taken by the Government for the smooth implementation of the policy and to boost internal and cross-border trade to promote economic growth and employment in the region including investment through PPP mode?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN)

- (a) : To promote industrialization in the States of North Eastern Region leading to overall growth of the region, the Government announced a package of fiscal incentives namely the North East Industrial and Investment Promotion Policy (NEIIPP), 2007, w.e.f 01.04.2007 for a period of 10 years, salient features of which are grant of (i) Central Capital Investment Subsidy @ 30% of investment in Plant and Machinery, (ii) Central Interest Subsidy @ 3% of working capital loan availed for a period of 10 years from the date of commencement of commercial production (DOCP), (iii) reimbursement of insurance premium paid towards insurance of fixed capital assets for a period of 10 years from DOCP, (iv) Excise Duty exemptions for a period of 10 years from DOCP and (v) Income Tax exemption for a period of 10 years from DOCP Detail of Physical and Financial achievements of NEIIPP. 2007 since inception of th. scheme (year wise and state wise) is at Annexure-I
- (b) : Details of industries set up, along with quantum of investment made and employment generated therefrom during the policy period and as reported by the State Governments (year wise and state wise) is at Annexure-II. Units have been set up both in the Manufacturing Sector and Services Sector, covering various fields such as Pharmaceuticals, Steel and Rolling Mill, Cement, FMCG, Packaging, Poultry Feed, Ferro- alloy, Bakery, Hotels, Hospitals, Power Generation, etc.
- (c) : Fresh registration of industrial units for claiming benefits of the schemes under NEIIPP, 2007 has been suspended w.e.f. 01.12.2014, since committed liabilities under the Package are far greater than Annual budget allocation However, the scheme has neither been cancelled nor withdrawn.
- (d) : There is no proposal for discontinuing the scheme at present.
- (e) : A number of initiatives have been taken in the recent past for smooth implementation of the scheme, details of which are at Annexure-III.

To give a further boost to internal trade, the Government has been implementing the scheme, namely, Assistance to States for Developing Export Infrastructure (ASIDE), under which special emphasis is given to development of infrastructure in the NER States. This Scheme has been devolved to States in the current financial year. Apart from this, an Export Development Fund (EDF) has also been set up with the objective of promoting exports from the region. Efforts have also been initiated to mainstream the States, including NE States, for boosting exports.