

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

UNSTARRED QUESTION NO:1019

ANSWERED ON:01.08.2006

SETTING UP OF INDUSTRIES .

Reddy Shri Karunakara G.;Renge Patil Shri Tukaram Ganpatrao

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

- (a) The policy formulated by the Government for setting up of new industries in various States during the Tenth Plan;
- (b) The funds allotted/ sanctioned by the Government to the States for setting up of industries during the Plan period, State-wise;
- (c) whether there has been any growth in the number of industries set up in the industrially backward States thereupon; and
- (d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI ASHWANI KUMAR)

(a): Government has provided a liberal Industrial Policy wherein most industries are exempt from industrial licensing. Under the Foreign Direct Investment (FDI) policy investment is allowed upto 100% under automatic route for most sectors/ activities. The liberal and investor friendly policies allow for entrepreneurial freedom to set up industries according to their choice of location and on the basis of techno-economic considerations.

(b): Though funds are not allocated by this Department to State Governments specifically for setting up of industries, Government supplements the efforts of the State Governments in establishing infrastructure and providing other incentives under various schemes. These schemes include the Growth Centre Scheme, Industrial Infrastructure Upgradation Scheme, North-East Industrial Policy Package, Special Category States Package, Integrated Development of Leather Sector and Industrial Parks Scheme being operated by the Department of Industrial Policy & Promotion and funds are allocated to projects under these schemes as per norms.

(c) and (d): Since the Department of Industrial Policy & Promotion has not notified any State as industrially backward, State-wise information for all States as available in the form of Industrial Entrepreneur Memoranda received and Letters of Intent/ Direct Industrial Licences issued by the Department of Industrial Policy & Promotion since 01.04. 2002 till 30.06.06 is annexed.