

**GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:389

ANSWERED ON:01.12.2015

National Capital Goods Policy

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Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) whether the Government has announced a National Capital Goods Policy recently if so, the details and the salient features thereof;
- (b) whether the Government has sought suggestions through a draft paper to frame policy on the capital goods industry to increase the sector's contributions from 12% to 20% in total manufacturing by 2025, if so, the details and the response thereof and the reaction of the Government thereon;
- (c) whether India's share in global exports in the capital goods sector is far below that of China;
- (d) if so, the details thereof and the reasons therefor along with the steps taken to improve the competitiveness among manufacturers by use of technology in this sector; and
- (e) the other steps taken/being taken by the Government to boost manufacturing of capital goods in the country and also increase India's share in global exports in the capital goods sector?

Answer

MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI ANANT G. GEETE)

(a): No, Madam.

(b): Yes, Madam. A draft base paper on National Policy on Capital Goods was prepared by the Department of Heavy Industry (DHI)-Confederation of Indian Industry (CII) Joint Task Force on Capital Goods and Engineering. This draft paper containing all details has been posted on the Department's website: dhi.nic.in under the Head: What's new > Draft base paper for National Policy on Capital Goods and Engineering.

http://www.dhi.nic.in/writereaddata/uploadfile/Draft_Base_Paper.pdf

Several Ministries and stakeholders have submitted responses to the draft.

(c): Yes, Madam

(d): Share of India in global export in Capital Goods was 0.8% whereas that of China is 15.5% in the year 2014.
(Source: EEPC/ CII).

A Scheme for enhancement of competitiveness in the Indian Capital Goods Sector has been launched by DHI which envisages a number of steps to improve competitiveness including development of technology through interventions like setting up Centre of Excellence for technology development and financial intervention for acquisition/ transfer of technology. The Scheme also envisages setting up of Common Engineering Facility Centre, Integrated Industrial Infrastructure Facility and Test & Certification Centre for extending infrastructural facility to domestic capital goods industry. These measures are expected to boost competitiveness of the indigenous Capital Goods Industry in the global market. Details of the Scheme are at: dhi.nic.in under the Head Schemes> Capital Goods Scheme> Scheme Notification containing Guidelines.

http://dhi.nic.in/writereaddata/Notification_HE_and_MT_141114.pdf

(e): The Department receives pre budget memoranda from different Industry Associations highlighting issues/ demands of respective sub sectors of Capital Goods Industry. The issues are examined by DHI and if found justified, are taken up with the Ministry of Finance. The Department also takes up issues with the Department of Commerce where industry reports adverse impact on domestic capital goods industry due to Preferential Trade Agreement(s)/ Free Trade Agreement(s). Apart from the above, Development Councils constituted for four sub sectors of Capital Goods Industry i.e. Machine Tools Industry, Textile Machinery Industry, Heavy Electrical Industry and Earthmoving, Construction and Mining Machinery provide valuable platform for stakeholders such as Government Departments, Industry Association, Users and Academia to propose steps to develop the respective sub- sectors of domestic Capital Goods Industry to boost manufacturing and increase India's share in the global exports in the Capital Goods Sector.
