

## Major Initiatives and Achievements of Department of Industrial Policy & Promotion – 2016

The Department of Industrial Policy & Promotion is responsible for formulation and implementation of promotional and developmental measures for growth of the industrial sector, keeping in view the national priorities and socio-economic objectives. While individual Administrative Ministries look after the production, distribution, development and planning aspects of specific industries allocated to them, Department of Industrial Policy & Promotion is responsible for the overall Industrial Policy.

In line with the stated objectives of the DIPP the major initiatives and achievements made in the year 2016 were :

- **FDI Policy Reforms for Economic Growth**
- **Intellectual Property Rights (IPR) Policy formulated**
- **National Industrial Corridor Development & Implementation Trust (NICDIT) to provide for integrated development of Industrial corridors**
- **Incentives under Make in India & Start-up India**

### 1. Foreign Direct Investment

#### **Consolidated FDI Policy Circular of 2016:**

- The ninth edition of this series was released on 7<sup>th</sup> June, 2016, incorporating all FDI policy amendments carried out since the release of last FDI Circular i.e. since May 12, 2015.
- It has been made simpler and investor friendly; and will serve as a ready reference for foreign investors on various provisions of the FDI policy.

#### **Policy Reforms :**

- To further supplement domestic capital, technology and skills, for accelerated economic growth, DIPP announced FDI policy reforms on 20<sup>th</sup> June, 2016. The policy amendments became effective from the date of release of the press note i.e. 24<sup>th</sup> June, 2016.
- The reforms inter-alia include FDI beyond 49% in Defence under approval route and 100% FDI for e-commerce in Food Products manufactured/ produced in India under approval route.
- Government vide Press Note 6 (2016) dated 25.10.2016 reviewed FDI policy on Other Financial Services and NBFCs.
- Foreign Investment in financial services activities regulated by financial sector regulators will be 100% under the automatic route.
- In financial services, which are not regulated by any financial sector regulator or where only part of the financial service activity is regulated or where there is doubt regarding regulatory oversight, foreign investment upto 100% will be allowed under the government approval route

### **Inflows :**

- The total FDI inflows received during the last financial year (2015-16) at US\$ 55.6 billion, an increase of 23% compared to the previous financial year (US\$ 45.1 for 2014-15), has been the highest ever for any financial year till date.
- During the current financial year, The FDI inflows during April-October, 2016-2017 stood at US\$ 27.82 billion as compared to US\$ 21.87 billion in April-October 2015-2016.
- **Manufacturing constitute around 41.5% of the equity inflows** while non-manufacturing around 58.5% (during April 2014 to Sept 2016)

## **2. Intellectual Property**

### **Intellectual Property Rights (IPR) Policy:**

- In May, 2016, Government for the first time adopted a comprehensive **National Intellectual Property Rights (IPR) policy** to lay future roadmap for intellectual property.
- This aims to improve Indian intellectual property ecosystem, hopes to create an innovation movement in the country and aspires towards “Creative India; Innovative India” “रचनात्मक भारत; अभिनव भारत”.
- Objective of this policy is to increase IPR awareness; stimulate generation of IPRs; have strong and effective IPR laws; modernize and strengthen service-oriented IPR administration; get value for IPRs through commercialization; strengthen enforcement and adjudicatory mechanisms for combating IPR infringements; and to strengthen and expand human resources, institutions and capacities for teaching, training, research and skill building in IPRs.
- Subsequent to the approval of this policy, a Cell for Intellectual Property Rights Promotion and Management (CIPAM) has been created as a professional body which will be working under the aegis of DIPP for addressing the 7 identified objectives of the Policy.
- MOU in the field of Intellectual Property signed with U.K, Singapore and E.U
- India-USA Workshop on Protection of Trade Secrets organized by CIPAM.
- Trademarks filing increased by around 10% and Trademark examination increased by around 250% during FY16 till Nov vis-à-vis FY15.
- Trademark pendency has come down to 3 months and to be 1 month by March 2017

## **3. Industrial Infrastructure**

### **National Industrial Corridor Development & Implementation Trust (NICDIT):**

- Delhi Mumbai Industrial Corridor Project Implementation Trust Fund (DMIC-PITF Trust) is now re-designated with an expanded mandate of integrated development of Industrial Corridors.

- This would be an Apex body under administrative control of DIPP for coordinated and unified development of all industrial corridors in the country.
- It will channelize Govt. of India (GoI) funds as well as institutional funds for development of corridors. It will coordinate all central efforts for the development of Industrial Corridor projects and will also monitor their implementation.
- Total outlay has been increased to Rs. 17,550/- for the period now extended up to 31<sup>st</sup> March, 2022.

- **Delhi Mumbai Industrial Corridor:**

- Approval of Construction of trunk infrastructure for Phase II of Part I of Shendra Bidkin Industrial Area (SBIA) namely the Bidkin region spread across 31.79 sq km (3,179.20 ha) at an estimated project cost of Rs. 6,414.21 crore.
- Investment of Rs. 2,397.20 crore as 49% equity of DMIC Trust in the City/ Node SPV in a phased manner; and issuance of EPC tenders for selection of contractors for various packages of trunk infrastructure in a phased manner.
- Development of the SBIA as a manufacturing hub will generate a series of direct and indirect benefits through employment, development of ancillary units and spin-off of socio-economic benefits.

- **Modified Industrial Infrastructure Upgradation Scheme (MIUS) :**

- Under this Scheme, projects have been undertaken to upgrade infrastructure in existing Industrial Parks/ Estates/ Areas. Greenfield Projects can also be undertaken in backward areas and North Eastern Region (NER) with a Central Grant upto 50% of the project cost with a ceiling of ₹ 50.00 crore.
- Final approval has been accorded to 24 projects with central grant amounting to ₹ 604.71 crore and 6 projects with central grant of ₹ 129.91 crore are at 'in-principle' approval stage. Central assistance of ₹ 181.92 crore has been released to 22 projects as on 31.10.2016.

- **Support to Industry**

- **Indian Leather Development Programme:**

- One of the major activities under Indian Leather Development Programme is to provide placement linked skill development training to unemployed youth.
- As against the target of providing training to 1.44 Lakh persons during 2016-17, 60,705 unemployed persons have been trained out of which 48,752 trainees have been employed in leather and footwear industry.
- For augmentation of institutional infrastructure, assistance has been provided for establishment of two new branches of Footwear design and development Institute (FDDI) at Banur (Punjab) and

Ankleshwar ( Gujarat).

- Approval has been given for setting-up Mega leather Cluster (MLC) at Nellore, Andhra Pradesh with GOI assistance of Rs 125 crore.

#### **4. Investment Promotion**

##### **4.1 Make In India:**

- On completion of two years of 'Make In India' initiative, sector achievement reports in respect of eleven sectors viz. Power, Mining, Automotive, Telecommunication, Textile & Apparel, Electronics & IT, Skill Development, Leather and Port & Shipping Tourism and Food Processing have been released during the year.

- **Ease of Doing Business:**

- The World Banks' Doing Business 2017 report shows that for the first time the absolute score of 'Distance to Frontier' that measures the gap between India and the global best practice has increased for two consecutive years. It has improved by 2.5% from 55.27 to 53.93 over a period of last one year.
- A Memorandum of Understanding (MoU) was signed between India and UK to support Ease of Doing Business in India. A national conference on Ease of Doing Business was organized with support from Government of UK to disseminate the best practices
- Through constant efforts, States too have been brought on board in the process to expand the coverage of these efforts. The rankings of the States/UTs based on 340-Point Business Reform Action Plan released on 31<sup>st</sup> October 2016, show that national implementation average of reforms undertaken by States/UTs stands at 48.93%, significantly higher than last year's national average of 32%.
- It also shows that 12 States scored more than 90 % as against none last year

##### **4.2 Start-up India:**

- Fund of Funds for Startups: `129 crore committed by SIDBI to Venture Funds
- Notification issued by RBI allowing Foreign VCs to invest in equity or equity linked or debt instrument issued by an Indian startup without RBI approval
- Notification issued for Relaxed Norms of Procurement in Government Departments and CPSUs
- Funds for 10 Startup Centers released and 9 Technology Business Incubators approved
- Establishment of Atal Tinkering Labs: NITI Aayog has announced a list of 257 schools

- **Incentives for Industries of North East and Himalayan States**

- North East Industrial and Investment Promotion Policy, 2007 revised with notification on 22<sup>nd</sup>

Nov, 2016 for resumption of registration process for new industrial units that had commenced production on or after 01.12.2014.

- Committee headed by CEO, NITI Aayog to suggest a roadmap for a new industrial policy for the region.

- **International Cooperation-**

- **Korea Plus-** It is a special initiative to promote and facilitate Korean Investments in India. It was operationalized on June 18, 2016 comprises of a representative from the Ministry of Industry, Trade and Energy, Government of the Republic of Korea and representative from Korea Trade Investment and Promotion Agency (KOTRA) and three representatives from Invest India.

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