GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
DEPARTMENT OF HEAVY INDUSTRY

RAJYA SABHA
UNSTARRED QUESTION NO. 1943
TO BE ANSWERED ON 04.01.2018

Capital Goods policy

1943. SHRI DILIP KUMAR TIRKEY:

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

(a) the salient features of Capital Goods policy; and
(b) what has been the average growth of Capital Goods sector during the last three years?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI BABUL SUPRIYO)

(a): The Government has launched the National Capital Goods Policy in 2016. The policy is formulated with the view to increase the share of capital goods contribution from 12% to 20% of total manufacturing activity by 2025. National Capital Goods Policy aims to make India one of the top capital goods producing nations of the world by raising the total production and exports level significantly. The policy also envisages improving technology depth of the Indian Capital Goods to reach the advanced level.

Major recommendations of the National Capital Goods Policy are:

Make in India initiative: To integrate major capital goods sub-sectors like machine tools, textile machinery, earthmoving, construction and mining machinery, heavy electrical equipment, plastic machinery, process plant equipment, etc. as priority sectors to be envisaged under 'Make in India' initiative.

To create an enabling scheme as a pilot for 'Heavy Industry Export & Market Development Assistance Scheme (HIEMDA)' with a view to enhance the export of Indian made capital goods. This will require developing a comprehensive branding plan for the CG sector with the support of Indian Brand Equity Foundation (IBEF) and such like organizations.

To Strengthen the existing Capital Goods Scheme: The policy recommendations increasing the budgetary allocation & scope of the present 'Scheme on Enhancement of Competitiveness of Capital goods' which include setting up of Centres of Excellence, Common Engineering Facility Centers, Integrated Industrial Infrastructure Park and Technology Acquisition Fund Programme.

To launch a Technology Development Fund under PPP model to fund technology acquisition, transfer of technology, purchase of IPRs, designs & drawings as well as for commercialization of such technologies of capital goods.

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To create a 'Start-up Center for Capital Goods Sector' shared by DHI and CG industry/ industry association in 80 : 20 ratio to provide an array of technical, business and financial support resources and services to promising start-ups in both the manufacturing and services space with focus on pre-incubation, Incubation and Post-Incubation phases of a start-up's growth to ensure that a robust foundation is established.

To ensure Mandatory Standardisation which includes, inter-alia, defining minimum acceptable standards for the industry and adoption of International Organisation for Standardisation (ISO) standards should apply in the absence of other standards. To institute formal development programme for promoting and framing Standards with Standards Developing Organisations (SDOs) including Bureau of Indian Standards (BIS), international standard bodies, test/ research institutions and concerned industry/ industry associations.

To upgrade development, testing and certification infrastructure such as Central Power Research Institute (CPRI), and set up 10 more CMTI like institutes to meet the requirements of all sub-sectors of capital goods.

To enhance Skill development: To develop a compressive skill development plan/ scheme with Capital Goods Skill Council and to set up 5 regional State-of-the- Art Greenfield Centers of Excellence for skill development of CG sector.

To provide schemes for enhancing competitiveness through a cluster approach, especially for CG manufacturing SMEs. Thrust to be on critical components of competitiveness such as Quality management, Plant maintenance management, Energy management, Cost management, Human Resource management and preventive maintenance with the Government support to the extent of 80% of the cost.

To modernize the existing CG manufacturing units, especially SMEs by replacing the modern, computer controlled and energy efficient machineries across capital goods sub-sectors, there is need to create a scheme based on capital subsidy to promote the manufacturing of quality products.

(b): The growth of the Capital Goods Sector for the last three years is as under:

	2014-15	2015-16	2016-17
Growth in percentage	6.3%	2.1%	3.1%

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