

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

RAJYA SABHA
UNSTARRED QUESTION NO.531
TO BE ANSWERED ON 27.11.2014

Protection of Capital Goods Industry

531. SHRI CHANDAN MITRA:
SHRI RANGASAYEE RAMAKRISHNA:

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

- (a) whether Government has identified Capital Goods Sector as a strategic sector;
- (b) if so, the reasons for lack of long term roadmap to develop indigenous manufacturing base in this sector; and
- (c) the steps taken by Government to protect the interests of our Capital Goods Industry as well as the domestic industry as a whole while entering into free trade agreements and Preferential Trade Agreements with various countries?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
(SHRI G.M. SIDDESHWARA)**

(a) & (b): Yes, Sir.

A road map for developing indigenous manufacturing in this sector is covered under the “National Manufacturing Policy” formulated by the Government of India in 2011. National Manufacturing Policy also includes Capital Goods.

Further, Department of Heavy Industry prepared a Working Group Report under the aegis of Planning Commission in 2011 for Capital Goods and Engineering Sector.

These two policy documents contain recommendations for developing domestic manufacturing base in the long run.

(c): Before entering into negotiations with its trading partners, studies are undertaken internally, as well as through the Joint Study Group (JSG) to study feasibility of the proposed Free Trade Agreements (FTAs), including their impact on the domestic stakeholders. Apex Chambers of Commerce and Industry, Industry Associations as well as the Administrative Ministries and Departments are consulted. In order to protect the interest of the domestic industry including the capital goods sector, these agreements provide for maintaining sensitive/ negative lists of items on which limited or no tariff concessions are granted under the FTA.
