

## **FICCI PRESIDENT WELCOMES PM'S APPROVAL FOR NATIONAL MANUFACTURING POLICY**

### **MANUFACTURING ZONES TO PROVIDE MUCH NEEDED FILLIP TO GROWTH OF THE SECTOR: FICCI**

#### **WILL PROVIDE STRONG BOOST TO INVESTOR'S CONFIDENCE**

**10 JUNE 2011, NEW DELHI:** Welcoming the in-principle approval given to National Manufacturing Policy by the Prime Minister, **Mr Harsh Mariwala, President, FICCI** said **"For the first time we are going to have a policy dedicated to Manufacturing sector. Industry welcomes the in-principle nod given by Prime Minister to the draft National Manufacturing Policy and hopes that a final policy will be announced soon within a month"**.

FICCI has expressed satisfaction over the fact that NMIZs have been identified as a major policy instrument in the National Manufacturing Policy. This will create large scale manufacturing excellence zones with world class trunk infrastructure and also with good social and industrial infrastructure within the zones. **"This will certainly give much needed boost to the manufacturing sector whose contribution in the country's GDP has remained stagnant at 16% and needs to increase to generate the much needed employment opportunities"**, said Mr Mariwala.

FICCI said that the compliance burden on manufacturers will significantly come down in these zones as a result of proposed simplifications in various regulations and procedures in areas of labour, environment etc. Currently, any manufacturer has to comply with over 70 acts/rules and file over 100 returns. Through NMIZs, Government proposes to make it simpler for the units in the zone to file their returns in a consolidated manner for all the rules/acts and also to reduce the burden of inspections.

For the new zones, the Government can identify large areas of land which are currently locked under various Central Government PSUs, State Governments and State Industrial Corporations for the development of these zones, said FICCI.

FICCI also welcomed the idea of having an insurance policy or sinking fund for settling the labour dues at the time of exit. This will encourage the entrepreneurs to invest in the manufacturing sector.

The policy which was much awaited by the industry will provide a major boost to the investor's confidence especially when we are witnessing a slowdown in the investments, said FICCI. In particular, the target of achieving 25% share of manufacturing in country's GDP by 2025 looks more feasible as against the earlier target of achieving the same share by 2022 as mentioned in DIPP's discussion paper. FICCI emphasized the need for an effective and time bound implementation of this important policy.