

## New Industrial Policy

### Why in news?

\n\n

The government is working on a new industrial policy to make the manufacturing prospects in the country better.

\n\n

### What is the aim of the policy?

\n\n

\n

- It subsumes the National Manufacturing Policy.
- It primarily aims at making **India a manufacturing hub**.
- The Department of Industrial Policy and Promotion, the nodal body for the new Policy, has floated a **discussion paper** inviting feedbacks.
- Focus groups, with members from government departments, industry associations, academia, and think tanks have been set up to look into the challenges faced by the industry.
- **Six thematic focus groups** include manufacturing and MSME, technology and innovation, ease of doing business, infrastructure, investment, trade and fiscal policy, skills and employability.
- Besides, a **Task Force on Artificial Intelligence** for India's economic transformation has also been constituted to provide inputs for the policy.

\n\n

### What is the need?

\n\n

\n

- Since the last Industrial Policy announced in 1991, India has witnessed transformation into one of the fastest growing economies in the world.

\n

- It is now required to deploy a different set of ideas and strategies to build a globally competitive Indian industry.

\n

- As the discussion paper highlights, there are certain constraints to industrial growth that have to be addressed.

\n

- This include -\n

\n

1. inadequate infrastructure

\n

2. restrictive labour laws

\n

3. complicated business environment

\n

4. slow technology adoption

\n

5. low productivity

\n

6. inadequate expenditure on R&D and innovation

\n

7. challenges for trade including the Indian MSME sector facing tough competition from cheap imports from China and FTA countries

\n

\n

\n

\n\n

## **What are the features of the policy?**

\n\n

It proposes to incorporate a range of measures for the following -

\n\n

\n

- Facilitating the use of smart technologies such as internet of things (iot), artificial intelligence (AI) and robotics for advanced manufacturing.

\n

- Increasing the number of global Indian firms helping attract inward FDI and supporting outward FDI to assert Indian presence in world markets.

\n

- Addressing the problem of low job creation in the formal sector.

\n

- Enhancing industrial competitiveness

\n

- Developing alternatives to banks and improving access to capital for msme through options like the peer to peer lending and crowd funding.  
\n
- Providing a credit rating mechanism for msme.  
\n
- Addressing the problems with duty structure and also balancing it against obligations under multilateral or bilateral trade agreements.  
\n
- Studying the impact of automation on jobs and employment.  
\n
- Ensuring minimal/zero waste from industrial activities and targeting certain sectors to radically cut emissions.  
\n
- Reviewing the FDI policy to ensure that it facilitates greater technology transfer, leverages strategic linkages and innovation.  
\n

\n\n

\n\n

**Source: The Hindu**

\n

