

# ✓ New Industrial Policy

## PART-I

### New Industrial Policy of Arunachal Pradesh 2001

Arunachal Pradesh is the largest state among the North Eastern States, having an area of 83743 Sq Km, with a population of just above 1 million. Through it has successfully launched various socio-economic development programmes and though the literacy rate has also been rising, industrial activity is insignificant. Hence, the need for a well-defined Industrial policy.

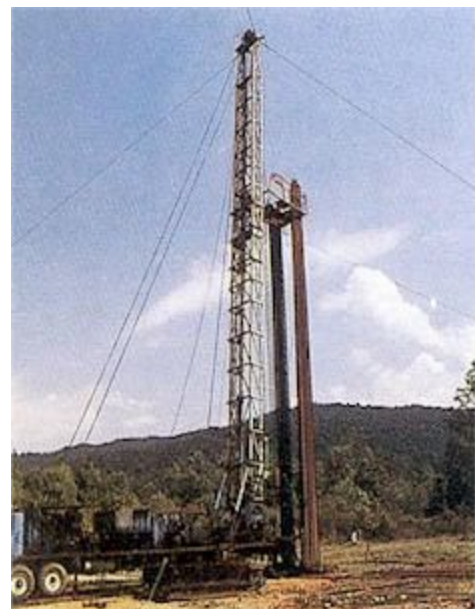
This policy resolution is the second of its kind and will be known as "The New Industrial Policy of Arunachal Pradesh 2001".



## PART-II

### Policy Resolution

- The State Government will encourage the establishment of industrial undertakings in the private and cooperative sectors for the sustainable development of the state.
- Employment opportunities and gainful self-employment in industrial and allied sectors for the local populations of Arunachal Pradesh will be given priority.



- Investors from outside the state will be encouraged to invest in the state. Hundred percent equity ownership of an industrial unit by entrepreneurs will be allowed for a maximum period of 30 (thirty) years by the end of which period such equity holding will be reduced to 49 percent, the remaining 51 percent will be held by a local Arunachal Tribal entrepreneur or a group of local tribal entrepreneurs or the state government, if it considers necessary to do so.
- Outside entrepreneurs may be allowed to hold land on lease for a period of 30 years, after which the lease may be renewed for a further period of 30 days. The consideration for the lease may be in the form of annual or lump sum payments or as equity. (The lease may be used as security for loans from financial institutions.)
- Development of all industries will be encouraged. To begin with, the following industries will have priority.
  - Industries based on locally available raw materials.
  - Textiles (handlooms and power looms) and handicrafts.
  - Electronics and knowledge based industries.
  - Industries based on non- timber forest produce.
  - Infrastructure, such as power and communications.
  - Tourism
  - Medical services
  - Educational services

A package of incentives for all eligible industrial units has been devised. The package is contained in Part-V.

A programme for the development of infrastructure facilities, inter-alia including the establishment of Industrial Estates, Industrial Growth Centers, Integrated Infrastructure Development Centers, strengthening of existing Industrial Estates, Export Promotion Industrial Parks, Export Promotion Zones, Border trade, will be taken up in a phased manner. Reserves of minerals will be explored and exploited commercially through appropriate agencies. Government will make special efforts for development of local entrepreneurial, managerial and technical skills. For this purpose, special training and educational programmes, including women, will be put on a sound economic and commercial footing and ensure smooth flow of credit for new industrial projects, village industries and rural artisans. The District Industries Centers and financial institutions will work in close cooperation.

There will be no licensing requirements for industry save as may be provided by any law or Central Government policy.

## **PART-III**

### **Administrative Measures**

- **State Level Empowered Committee** : A State Level Industrial Empowered Committee comprising of the concerned Secretaries and representatives from banking and financial Institutions will be formed to grant the requisite clearances and facilitate the establishment of industries from a single window. This Empowered Committee will be headed by the Minister of Industries and will meet as often as necessary.
- **Strengthening of District Centers** : The Government will strengthen the DICs with adequate and basic facilities. Each DIC will have an Udyog Sahayak Cell to guide entrepreneurs in the setting up of project report and arrangement of finance for the projects. There will also be a women's cell in each DIC to give special attention to the women entrepreneurs. A data bank will also be created in each DIC for the benefit of the entrepreneurs. The District Level Industrial Advisory Boards will be reconstituted for monitoring the working of the District Industries Centers.
- **Rural Non-Farm Sector** : NABARD has identified 10 sectors for development, which include sectors like Agriculture, Fish rearing and processing, Rural Retail Trade, Sericulture & Silk Textile Fiber products, Construction, Small plantation products, Handloom, Handicrafts products in cane & Bamboo and wood. These activities are to be developed for creation of additional employment in the rural areas. All relevant Departments will be associated in the implementation of these schemes.
- **Industrial Sickness** : A package for the revival of sick industries in the SSI and Tiny sector will be devised by the Industries Department.
- **Public Sector Policy** : The State Government will gradually vacate economic space for the private and cooperative sectors and the public and state sectors will be economic players only where absolutely necessary.
- **Women Entrepreneurs** : To generate employment among women and to encourage women entrepreneurs, the Government will reserve 33 percent of industrial sheds, development plots in Industrial Area / Estate / Growth Centre etc for women.
- **Registration of SSI Units** : In order to speed up the SSI Registration process, the JDI / DDI / ADI will be empowered to register the SSI units. A single window service cell will be set up for assisting entrepreneurs to get all required technical project or activity in the district. Units fulfilling all formalities of registration will be given provisional or permanent registration by the District Industries Centres / Directorate of Industries immediately.

## PART-IV

### Date of effect, definition and eligibility criteria.

**Date of Effect** : The New Industrial policy of the Government of Arunachal Pradesh will come into effect from the date of notification of this policy.

**Eligibility** : New registered units set up after the date of the notification of the policy, or which started production after 1 April 2000 and existing registered units, which have undertaken expansion, modernization or diversification, or which have not completed five years of production as on 1 April 2000 will be eligible for the package of incentives. All units must be registered. Existing units that have not completed five years of commercial production as on 01.04.2001 are also eligible for the incentives scheme.

## PART-V

### Incentives

All incentives granted by the Central Government shall be transmitted to eligible entrepreneurs establishing industrial units in Arunachal Pradesh. Currently these include :

- **Central Capital Investments Subsidy Scheme.**
- **Transport Subsidy Scheme**
- **Central Interest Subsidy Scheme**
- **Comprehensive Insurance Scheme, etc.**

**Price Preference** : Government departments and Government control bodies and organisations while making purchases will give price preference to the product manufactured by registered SSI units. Other things being equal, they will be given a price preference in contract bid as indicated below.

<u>Sl.No.</u>	<u>Type of Industries</u>	<u>Price preference rates</u>
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- |    |                                   |      |
|----|-----------------------------------|------|
| 1. | Cooperative Ventures              | 7.5% |
| 2. | SSI Units, cottage and tiny units | 15%  |

- Registered SSI units will be exempted from furnishing security deposits or earnest money.
- **Quality Control** : For purchase of testing equipments, 50% subsidy will be admissible to the SSI and tiny industries. Registration fee and Annual fee with the Bureau of Indian Standards etc. will be reimbursed in full for the first five years. The department of Industries shall be the Nodal Agency for quality control of all industrial products in the state. In collaboration with the Arunachal Pradesh Chamber of Commerce and Industry, the State Government would endeavour to establish "**Produce of Arunachal Pradesh**" as a "**Corporate Brand**" and undertake suitable measures for its publicity to achieve consumer recognition.

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