

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

Rajya Sabha

REGIONAL IMBALANCE IN INDUSTRIAL DEVELOPMENT OF STATES

New Delhi, December 17, 2014

The Ministry of Finance constituted a study group for identification of the backward districts under the Chairmanship of Shri MK Kaw in 1994. On the basis of its report the scheme for providing tax concession to 123 industrially backward districts became effective from 1994 and remained in force until 2005. The 10th Five Year Plan adopted a new approach to deal with the issue of regional disparities. The creation of Backward Region Grant Fund (BRGF) in 2005-06 subsumed the ongoing programme of addressing regional imbalances.

The present approach of the Government is not based on identification of industrially backward States/Districts but rather to address the regional imbalances through the Backward Region Grant Fund (BRGF). 272 Districts were covered under the BRGF during 11th Five Year Plan.

The Department of Industrial Policy & Promotion (DIPP) is providing package of industrial incentive to the Special Category States of North-East Region including Sikkim and Jammu & Kashmir, Himachal Pradesh and Uttarakhand as follows :

- New Industrial Policy and Other concessions for Special Category States {for the states of Jammu & Kashmir (14.06.2002 to 13.06.2012 and further extended upto 14.6.2017), Himachal Pradesh and Uttarakhand (07.01.2003 to 06.01.2013 and further extended upto 31.03.2017);
- North-East Industrial and Investment Promotion Policy (NEIIPP) 2007 for the North Eastern Region and Sikkim (for the States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and Sikkim) upto 2017;
- Freight Subsidy Scheme (for the states of Himachal Pradesh, Uttarakhand, J&K, Darjeeling district of West Bengal, Andman and Nicobar Islands, Lakshadweep and 8 North Eastern states) ;

Apart from the above the DIPP is also implementing the following scheme.

- Industrial Infrastructure Upgradation Scheme (IIUS);
- Integrated Leather Development Programme (ILDP).

Additionally, the Delhi-Mumbai Industrial Corridor (DMIC) and Chennai-Bengaluru-Chitradurga Industrial Corridor (CBCIC), the Vizag-Chennai Industrial Corridor, the Amritsar-Kolkatta Industrial Corridor and Bengaluru-Mumbai Economic Corridor are major initiatives to develop manufacturing cities and industrial clusters and accelerate industrial growth and improve investment opportunities.

This information was given by the Minister of State (Independent Charge) in the Ministry of Commerce & Industry Smt. Nirmala Sitharaman in a written reply in Rajya Sabha today.

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