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Year End Review – 2021 for Department for Promotion of Industry & Internal Trade, Ministry of Commerce and Industry

I. Introduction

- The year 2020 witnessed turmoil due to COVID-19 pandemic which emerged as the biggest threat to economic growth. Indian economy has witnessed a sharp contraction of 24.4 per cent in Q1 and 7.3 per cent in Q2 of FY 2020-21.
- To convert COVID pandemic related challenges into opportunity, a series of measures have been taken by the Government to improve the economic situation including inter-alia announcement of the Atmanirbhar package amounting to Rs.29.87 Lakh Crore. Targeted interventions were made to support the economy and livelihood. Moreover, the pace of structural reforms was expedited.
- The major reforms undertaken under Atmanirbhar package include Credit guarantee for MSME loans, sectoral structural reforms, policy on strategic disinvestment of CPSEs, reforms in public procurement, setting up of Empowered Group of Secretaries and Project Development Cells for facilitating investment, reduction in compliance burden and single window system for clearances.
- These measures, in addition to structural reforms taken up, have assisted the economy in its early revival. India, which was not producing N-95, PPE Kits, ventilators, etc. prior to Corona pandemic has started producing the same and even catering to world markets and became self-reliant. Government has started vaccination drive in January, 2021 and **indigenously developed Covaxin vaccine in its fight against Covid pandemic. As on date more than 143 crore Covid doses have already been administered in India.** This has not only saved the lives of people but also set momentum for early recovery of the economy.
- Economy has started showing sign of recovery with GDP growth rebounding to 20.1 per cent in Q1 and 8.4 percent in Q2 of 2021-22. Several high frequency indicators like E-way bills, rail freight, port traffic, GST collections and power consumption have demonstrated a V-shaped recovery in the economy.

II. Industrial Performance

- Industrial sector performance during 2020-21 declined considerably, by -8.4%, mainly due to nationwide closure of industries by the Government to limit the impact caused by Covid-19 pandemic on public health from March 2020 onwards. The Mining & Manufacturing

sectors were majorly impacted as they declined by -7.8% & -9.6% respectively, whereas Electricity generation sector declined by -0.5%.

- The cumulative Index of Industrial Production for April-October, 2020 declined by 17.3 percent. However, various measures undertaken by the Government including vaccination & the structural reforms and resilience of the Indian industry have helped early revival of the economy, which led to surge in IIP for same period in 2021 by 20.0 per cent. Similarly, the Mining, Manufacturing, and Electricity sector have registered growth of 20.4 percent, 21.2 percent, and 11.4 percent respectively during the same period.

III. Trends in Growth of Eight Core Industries

- The Index of Eight Core Industries (ICI) measures the performance of eight core industries i.e. Coal, Crude Oil, Natural Gas, Petroleum Refinery Products, Fertilizers, Steel, Cement and Electricity. The industries included in the ICI comprise 40.27 per cent weight in the Index of Industrial Production (IIP).
- During 2020-21, the ICI growth rate was -6.4 per cent compared to average growth rate of 3.0 per cent during last 3 years i.e. 2017-18 to 2019-20. The rate of growth has been robust during the current financial year (April to October, 2021-22) i.e. 15.1%. Out of Eight Core sectors, six of them have shown double digit growth with Cement and Steel sectors leading the pack with growth rates of 33.6% & 28.6% respectively. Whereas, Crude Oil & Fertilizers sector growth remain muted in the same period i.e. (April to October, 2021-22). These shows the revival of core industries.

IV. DPIIT has been spearheading a number of initiatives in this area, ‘To Make in India for the World’. The key steps taken in this regard are as follows:

1. Production Linked Incentive Scheme:

- Keeping in view India’s vision of becoming ‘Atmanirbhar’ and to enhance India’s Manufacturing capabilities and Exports, an outlay of INR 1.97 lakh crore (US\$ 26 billion) has been announced in Union Budget 2021-22 for PLI schemes for 14 key sectors of manufacturing starting from fiscal year (FY) 2021-22. These 14 sectors are namely: (i) Automobiles and Auto Components, (ii) Pharmaceuticals Drugs, (iii) Specialty Steel, (iv) Telecom & Networking Products, (v) Electronic/Technology Products, (vi) White Goods (ACs and LED Lights), (vii) Food Products, (viii) Textile Products: MMF segment and technical textiles, (ix) High efficiency solar PV modules, and (x) Advanced Chemistry Cell (ACC) Battery (xi) Medical devices (xii) Large scale electronics manufacturing including mobile phones (xiii) Critical Key Starting materials /Drug intermediaries and API; and (xiv) Drones and Drone Components.

- The guidelines for all PLI schemes have already been issued and applications have also been received under a majority of the schemes.
- While DPIIT is doing the overall coordination for PLI Schemes, it is the nodal Department for PLI scheme for White Goods (Air Conditioners and LED lights), which has an outlay of an outlay of Rs. 6238 Crore. The Scheme Guidelines was published on 4th June 2021. 42 applicants with committed investment of Rs 4,614 crore have been provisionally selected as beneficiaries under this PLI scheme. The selected applicants include 26 for Air Conditioner manufacturing with committed investments of Rs. 3,898 crore and 16 for LED Lights manufacturing with committed investments of Rs. 716 crore.

2. PM GatiShakti National Master Plan (NMP):

- The Prime Minister launched Gati Shakti, a National Master Plan for Infrastructure Development, on 13th October, 2021. Gati Shakti is a digital platform which will bring 16 Ministries including Railways and Roadways together for integrated planning and coordinated implementation of infrastructure connectivity projects.
- PM Gati Shakti aims to address the past issues through institutionalizing holistic planning for stakeholders for major infrastructure projects. Instead of planning & designing separately in silos, the projects will be designed and executed with a common vision. It will incorporate the infrastructure schemes of various Ministries and State Governments like Bharatmala, Sagarmala, inland waterways, dry/land ports, UDAN etc. Economic Zones like textile clusters, pharmaceutical clusters, defence corridors, electronic parks, industrial corridors, fishing clusters, agri zones will be covered to improve connectivity & make Indian businesses more competitive. It will also leverage technology extensively including spatial planning tools with ISRO imagery developed by BiSAG-N (Bhaskaracharya National Institute for Space Applications and Geoinformatics).

3. Start-up India Programme:

· The Start-up India initiative was launched by the Prime Minister on 16th January 2016 as a flagship initiative of Government of India. The initiative was intended to build a stronger ecosystem for nurturing India's start-up culture that would further drive our economic growth, support entrepreneurship, and enable large-scale employment opportunities. With over 60,000 recognized start-ups, India has transformed into the **third largest start-up ecosystem** supplementing employability as well as enhancing our self-reliance. Start-up India's role has been vital in nurturing entrepreneurship beyond Tier 1 cities. The regional growth through the efforts of States and Union Territories (UTs) has created a national ecosystem to thrust our economic goals. While 55% of the recognised start-ups are from Tier-1 cities and 45% of the start-ups are from Tier-2 and Tier-3 cities respectively, 45% of start-ups are represented by women entrepreneurs. This shows the roots of startups have grown deep in the country.

· Recognized start-ups have made deep inroads into Tier-II and Tier-III cities. Startups are now spread across 633 districts with a total of 30 States and UTs with Startup Policies in

place. DPIIT recognised start-ups have reported creation of close to 2 lakh jobs in 2021, the highest in four years. Cumulatively, more than 6.5 lakhs jobs have been generated since the launch of Start-up India initiative.

· Under the Fund of Funds for Start-ups (FFS), Rs. 6,495 crore has been committed to 80 Alternative Investment Funds (AIFs) and Rs. 8,085 crore have been invested by supported AIFs in 540 startups. For Start-up India Seed Fund Scheme (SISFS), 58 incubators have been selected and Rs. 232.75 crore have been approved as grant under the Scheme

4. Investment Promotion

i. Investment Clearance Cell:

While presenting Budget 2020-21, Union Finance Minister announced plans to set up an Investment Clearance Cell (ICC) that will provide “end to end” facilitation and support to investors, including pre-investment advisory, provide information related to land banks and facilitate clearances at Centre and State level. The cell was proposed to operate through an online digital portal.

Subsequently, DPIIT along with Invest India initiated the process of developing the portal as a National Single Window System (NSWS). Envisioned as a one-stop for taking all the regulatory approvals and services in the country, NSWS [www.nsws.gov.in], was soft-launched on 22nd September 2021 by the Commerce & Industries Minister, Shri Piyush Goyal.

This national portal integrates the existing clearance systems of the various Ministries/ Departments of Govt. of India and State Governments without disruption to the existing IT portals of Ministries/ Departments. Approvals of 18 Ministries/ Departments and 10 States Single Window Systems have been on-boarded in Phase I. Complete on-boarding of 32 Central Departments and 14 States would be in next phases, all remaining States will be on-boarded in a phase manner.

ii. Ease of Doing Business:

DPIIT is continuously making efforts to improve ease of doing business in the country through the three major initiatives being pursued, focusing on – **World Bank’s Ease of Doing Business, State & District Reform Action Plan and systematic approach to reduce regulatory compliance burden on businesses**. As a result, India’s rank as per World Bank’s EoDB Report improved from 142 in 2014 to 63 in 2020.

In order to monitor large database of compliances across Central Ministries/Departments and States/UTs, DPIIT has launched the **Regulatory Compliance Portal** on 1st January, 2021 (<https://eodbrcp.dpiit.gov.in/>). Based on data uploaded on Regulatory Compliance Portal, **more than 25,000 compliances** have been reduced by Central Ministries/Departments and States/UTs combined.

DPIIT had identified 194 compliances for reductions pertaining to PESO, Boiler, IPR, NEIDS, Industrial Licensing. Out of these, 134 compliances have been ‘Reduced’, 31 are ‘under review’ and 29 have been ‘Retained’. Types of compliance reduced are: (i) Certificate, License and Permission (ii) Filings (iii) Inspection, Examination and Audits (iv) Registers and Records, (v) Display Requirements, (vi) Redundancy (vii) Decriminalization (viii) Technology and (ix) others.

iii. **Project Development Cells:**

Project Development Cells (PDCs) have been **set up in 29 Ministries/Departments** to fast track investment in coordination between the Central Government and State Governments and thereby enhance the pipeline of investible projects in India and in turn increase domestic investment and FDI inflows.

iv. **India Industrial Land Bank (IILB):**

The IILB is a GIS based portal developed by DPIIT as a one stop repository of all industrial infrastructure related information – connectivity, infra, natural resources & terrain, plot level information on vacant plots, line of activity and contact details. Currently, the IILB has approximately 4500 industrial parks mapped across an area of 5.11 lakh hectare of land serving as a decision support system for investors scouting for land remotely. The system has been integrated with industry-based GIS systems of 24 States/UTs namely Andhra Pradesh, Assam, Bihar, Chhattisgarh, Dadar & Nagar Haveli and Daman & Diu, Goa, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Maharashtra, Madhya Pradesh, Odisha, Punjab, Puducherry, Sikkim, Tamil Nadu, Tripura, Telangana, Uttarakhand, UP and have details of 2113 GIS enabled parks on a real-time basis. A mobile application (wherein login is not required) of IILB is also available on Android and iOS stores for the ease of investor.

6. Foreign Direct Investment

- FDI policy provisions have been progressively liberalized and simplified across various sectors in the recent past to make India an attractive investment destination. Measures taken by the Government on FDI Policy reforms have resulted in increased FDI inflows in the country, which year after year is setting up new records. FDI inflows in India stood at US \$ 45.15 billion in 2014-2015 and have continuously increased since then. FDI inflows increased to US \$ 55.56 billion in 2015-2016, US \$ 60.22 billion in 2016-2017, US \$ 60.97 billion in 2017-2018, US \$ 62.00 billion in the year 2018-19, US\$ 74.39 billion in the year 2019-20 and **India registered its highest ever annual FDI inflow of US\$ 81.97 billion (provisional figures) in the financial year 2020-21**. These trends in India’s FDI are an endorsement of its status as a preferred investment destination amongst global investors.

FDI policy reforms during 2021:

- **Insurance Sector:** Government issued Press Note 2(2021) dated 14.06.2021 to raise the permissible FDI limit from 49% to 74% in Insurance Companies under the automatic route

and allow foreign ownership and control with safeguards. This will facilitate an increased flow of long-term capital, global technology, processes and international best practices, which will support the growth of India's insurance sector.

- **Petroleum & Natural Gas sector:** Press Note 3 (2021) dated 29.07.2021 has been issued to permit foreign investment up to 100% under the automatic route in cases where the Government has accorded an 'in-principle' approval for strategic disinvestment of a Public Sector Undertaking (PSU) engaged in the Petroleum and Natural Gas Sector.
- **Telecom sector:** Press Note 4 (2021) dated 06.10.2021 has been issued to permit foreign investment up to 100% under automatic route in Telecom services sector.

7. Intellectual Property Rights (IPR): Framework to attract foreign investors, disseminate creativity and encourage local innovators

- An effective IPR framework is indispensable to attract foreign investors, disseminate creativity and encourage local innovators to invest in their own ideas. In this context, DPIIT is committed towards strengthening of the IP ecosystem in India. Major initiatives and steps taken during 2021 in this regard are given below:
- **Design (Amendment) Rules, 2021** notified in the Gazette of India on 25.01.2021 incentivize start-ups and small entities to seek protection of their designs and promote design filings, fees have been reduced on similar lines as under Patent and Trademark Rules.
- **Copyright (Amendment) Rules, 2021** notified on 30.03.2021, with the objective of bringing the existing rules in parity with other relevant legislations. It introduces a mandatory annual transparency report to be issued by Copyright Societies. It aims to ensure smooth and flawless compliance in the light of the technological advancement in digital era by adopting electronic means as primary mode of communication and working in the Copyright Office.
- **Patent (Amendment) Rules, 2021:** Patent fees for educational institutions have been reduced by 80 percent by way of the Patents (Amendment) Rules, 2021, which came into effect on 21st September 2021. The amendment will provide the same level of support to educational institutions as MSMEs and start-ups and further ensure greater participation of the education institutions in IP ecosystem.

Since the adoption of the National IPR Policy, IP filing in India has witnessed a considerable amount of increase in filing. Despite the adverse Covid situation in India, no negative impact has been seen in the filing of the IPs. Further, the filing of application of Trademark and GI have drastically increased over the years.

8. One District One Product (ODOP)

- Government of India is working on a transformational initiative to foster balanced regional development across all districts of the country. This is called the One District One Product (ODOP) initiative, with the objective of identifying and promoting the production of unique products in each district in India that can be globally marketed. This will help realise the true potential of a district, fueling economic growth, generating employment and rural entrepreneurship. ODOP initiative is operationally merged with the 'Districts as Export Hub' initiative being implemented by DGFT, Department of Commerce with DPIIT as a major stakeholder to synergize the work undertaken by DGFT. The major activities that are being facilitated by DPIIT with Invest India under ODOP initiative are manufacturing, marketing, branding, internal trade and e-commerce.
- Ongoing expansion exercise entailing expansion of list from Phase-1 that consisted of 106 products from 103 districts to current Phase-2 that would consist of 739+ products covering 739 districts. Considerable success has been achieved for boosting exports under ODOP initiative.

11. Swachhata Campaign

- During this special campaign, 49,686 files have been reviewed in DPIIT and its sub-organizations. Out of the reviewed files, **49,449 files have been weeded out. Due to weeding of files, 2222 sq ft area has been vacated/freed in DPIIT** and its sub organizations. **Due to disposal of redundant/obsolete items, 3277 sq feet of area has been vacated**, which has improved cleanliness and hygiene conditions. Besides, revenue of Rs 5,60,000 has been generated.
- **The Department achieved 100% target in respect of public grievances by disposing of all 31 public grievances and 3 public grievances appeals.** Further, out of 48 VIP reference, 29 cases have been disposed off. The Department had identified 194 rules/regulation for simplification under "Ease of Doing Business". Out of these, 134 rules have been simplified.
- **Digitization of old files/records:** Even before the special campaign, as per directions of the CIM digitization of old files/ records was undertaken on a priority basis. During the period, scanning/digitization of 12,387 files containing 19,53,666 pages have been completed and all the scanned files have been migrated to e-office for future reference.
- **Increasing Efficiency decision making in the Government on direction of Cabinet Secretary and advice of DARPG,** with the approval of the Competent Authority, DPIIT has revised the Channel of Submission & Level of disposal, for increasing efficiency in decision making and reducing the level up to 4 (maximum). This will speed up the disposal of cases and improve decision making.
- **Review by CIM:** CIM has reviewed the special drive continuously during the campaign period. After completion of the Special Drive on 31.10.2021, CIM is reviewing progress of the Cleanliness Campaign on weekly basis. CIM is also undertaking frequent rounds of Udyog Bhawan to review the cleanliness of the premises.

12. Events organised by DPIIT during India's presidency of BRICS in 2021:

- The 13th BRICS Summit was held under India's Chairship in 2021. It was the third time that India hosted the BRICS Summit after 2012 and 2016. The theme for India's Chairship was '**BRICS @ 15: Intra-BRICS Cooperation for Continuity, Consolidation and Consensus**'. During India's presidency of **BRICS**, 4 events were organized by DPIIT on industry related issues namely- **Industry Ministers Meeting, PartNIR Meeting** (Partnership on New Industrial Revolution) to promote investment, industrialization, innovation, inclusiveness and digitization, **13th HIPO** (Head of Intellectual Property Offices) meeting and **Round Table of an interaction among the Trade and Investment agencies of BRICS**.

13 DPIIT has organised following events under Azadi ka Amrit Mahotsav (AKAM):

- Ministry of Commerce and Industry was allocated the week from 20.09.2021 to 26.09.2021. **Accordingly, DPIIT has held various events during the 'Udyog Saptah' i.e. from 20th -26th September, 2021** which was widely published by different platforms. Some of the events organized by DPIIT were:
 - a. Press Briefing addressed by Additional Secretary, DPIIT held on 21st September, 2021 on measures to ensure industrial safety in petroleum and explosives Sector as well as reducing cost of doing business and creating an enabling ecosystem for domestic as well as international investors.
 - b. Soft launch of National Single Window System on 22nd September, 2021 by Shri Piyush Goyal, for providing end-to-end facilitation, support, including pre-investment advisory, information related to land banks and facilitating clearances at Central and State levels and bring Transparency, Accountability & Responsiveness in the ecosystem and all information will be available on a single dashboard.
 - c. Startup India had coordinated with various States/UTs to organize/participate in startup events consisting of diverse programs, launch of key initiatives, inaugural of startup summits, and launch of startup policies, etc during 21.09.2021 to 26.09.2021 with the aim to foster entrepreneurship on the ground.
 - d. Northeast Business Roundtable held on 23th September, 2021 in the presence of Minister of State Shri Som Parkash to showcase the business and investment opportunities and deliberations on the reforms implemented in the region.
 - e. National Workshop on Reducing Compliance Burden held on 28th September, 2021 in the presence of Hon'ble Union Minister Shri Piyush Goyal, Minister of State Shri Som Parkash and Smt. Anupriya Patel. More than 25,000 compliances have been reduced by Union Ministries, States & UTs so far.
 - f. Industrial Park Rating System Report 2.0 was launched by MoS (Commerce and Industry), Shri Som Parkash on 5th October, 2021.

- g. PM Gati Shakti launched by Prime Minister Shri Narendra Modi on 13th October, 2021 for multi-modal connectivity.
- **Good Governance Week during 20-25th December, 2021:** DPIIT has organized a National Workshop on the “Next Phase of Reforms for Reducing Compliance Burden” **on 22nd December, 2021** to realize the nation’s goals of improving “Ease of living” and “Ease of doing business”. Hon’ble Commerce and Industry Minister Shri Piyush Goyal addressed the workshop.
 - **DPIIT will also be organising Innovation Ecosystem week (10th – 16th January, 2022):** In the proposed event DPIIT will showcase efforts taken up for promotion of Unicorns and Start-ups. Event will be led by M/o Education.
