

Press Release

NMCC and Investment Commission co-ordinate their work

A meeting between the National Manufacturing Competitiveness Council (NMCC) and the Investment Commission took place on the 7th July, 2006. Mr. Ratan Tata, Chairman, Investment Commission, alongwith his colleagues in the Investment Commission Shri Ashok S. Ganguly and Shri Deepak S. Parekh called on the Chairman, NMCC, Dr. V. Krishnamurthy on 7th July, 2006 at Vigyan Bhawan Annexe. The purpose was to identify the areas and sectors in which synergy could be brought in between the work of the NMCC and the Investment Commission for investment and growth of the Manufacturing sector.

2. The Chairman, NMCC appreciated the work done by the Investment Commission in bringing out an excellent report. He said that NMCC would like to be benefited by the experience gained by Investment Commission in identifying the areas for investment having immediate potential for growth and employment generation. He extended full support to the Commission in its efforts to increase the level of investments both domestic as well as foreign in India. He said that robust growth of Manufacturing sector was essential for the balanced growth of the economy and generation of the needed employment.

3. Mr. Ratan Tata, Chairman, Investment Commission in his presentation touched upon the thrust areas identified by the Commission that require huge investments, the impediments being faced by the various sectors in the economy and recommendations made by Investment Commission for the removal of bottlenecks in way of attracting investment etc. The areas identified by the Commission include energy, textile and garments, automobiles and auto-components, food and agro-processing etc. The State Governments have a big role to play in improving the availability of power and other infrastructure. According to the Investment Commission, the total investments required in the manufacturing sector in the next five years would be of the order of US \$ 110 billion. Labour flexibility was another issue that needed to be looked into. He

said that an effective mechanism for implementing various recommendations of Investment Commission was needed.

4. Shri V. Govindarajan, Member Secretary, NMCC, stated that in so far as the implementation of the National Strategy for the Manufacturing was concerned, a High Level Committee on Manufacturing (HLCM) was recently formed for the purpose of dealing with issues concerning manufacturing sector by the Prime Minister under his Chairmanship and this forum would consider such proposals. The HLCM consists of the Finance Minister, Commerce and Industry Minister, Deputy Chairman, Planning Commission, Chairman, Economic Advisory Council, the concerned Sectoral Minister, Chairman, NMCC and the Principal Secretary to the Prime Minister.

5. The Chairman, NMCC welcomed the suggestion made by the Investment Commission to work together with the NMCC in the specific sectors that have immediate potential for growth and employment generation. In this connection, the Textiles and Garments, and Food and Agro Processing sectors were identified to start with. In addition, it was felt that among infrastructure sectors, Power sector required extra attention. It was agreed that the NMCC and the Investment Commission would continue to coordinate their work through periodic discussions for ensuring the growth of investment in manufacturing sector.