

PRESS NOTE

Sixth Meeting of the National Manufacturing Competitiveness Council, 18th August, 2006

The 6th Meeting of the NMCC was held on 18th August, 2006 at 10.30 A.M. in the NMCC Conference Hall in Vigyan Bhawan Annexe. The Chairman, NMCC, Dr. V. Krishnamurthy chaired the meeting which was attended by Member Secretary, Mr. V. Govindarajan, Mr. Anwarul Hoda, Member (Industry), Planning Commission, Mr. Anil K. Agarwal, President, ASSOCHAM, Mr. R. Seshasayee, President, CII, Ms. Uma Reddy, Chief Executive, M/s. Hitech Magnetics, Dr. Surinder Kapur, Chairman & MD, M/s Sona Steerings, Mr. Suresh Neotia, Chairman, Gujarat Ambuja Cement Ltd., Dr. (Ms.) Isher Judge Ahluwalia, Dr. Bibek Debroy, Secretary General, PHD Chamber of Commerce & Industry, Dr. Ajay K. Dua, Secretary, Department of Industrial Policy & Promotion, Mr. Anupam Dasgupta, Secretary, Ministry of SSI & ARI and Mr. Priyadarshi Thakur, Secretary, Department of Heavy Industry & PE.

2. The Meeting began with a brief on the activities and work undertaken by the Council since its last meeting of April 5, 2006. The most important development being the setting up of the High Level Committee on Manufacturing (HLCM) under the Chairmanship of Hon'ble Prime Minister, comprising the following members, Finance Minister, Commerce & Industry Minister, Minister of the sub-sector concerned (where applicable), Deputy Chairman, Planning Commission, Chairman, Economic Advisory Council, Principal Secretary to P.M., Chairman, National Manufacturing Competitiveness Council (NMCC) and permanent invitees, namely, Member Secretary, NMCC, Finance Secretary, Secretary, Department of Commerce, Secretary Department of Industrial Policy & Promotion, Secretary, Ministry of Heavy Industry

& PE, Secretary, Ministry of SSI & ARI and Secretary, Economic Advisory Council. The first meeting of the HLCM took place on 04.08.2006 when the NSM was adopted and it was decided to take all efforts to implement the recommendation. An Empowered Sub-Committee was constituted by the HLCM under the Chairmanship of Chairman, NMCC. Textiles & Garments, Food and Agro Processing, Leather & Footwear, IT Hardware & Electronics, Skill Development and problem of SME industry and Cluster Development sectors were to begin with identified as priority areas to be taken up by the Empowered Sub-Committee.

3. The Committee inter-alia would engage in suggesting and reviewing implementation of National Manufacturing Initiative for achieving a sustained growth of 12% in Manufacturing. It would also address macro-level issues infringing on growth and competitiveness of manufacturing sector, ensure coordination of policy functions of various Ministries, review implementation of the time-bound action plans and encourage break-through ideas/thrusts in Manufacturing Sector, ensure robust growth and facilitate India into becoming hub for areas having potential for global competitiveness for world market.

4. The Meeting reviewed the important activities undertaken by the NMCC since the 5th Meeting of the NMCC on April 5, 2006. These included the recommendations in the NMCC sub-group meetings on Skills Development, Ports and Ship Building, Innovation and R&D Policy, Auto-Components and Capital Goods, Textiles and Garments, Food Processing Industries, Leather and Leather Products, Chemicals & Petrochemicals sectors.

5. The Meeting of the Chairman, NMCC with Chairman and members of Investment Commission held on 07.07.2006 where discussion on the areas where NMCC and Investment Commission could work profitably

was discussed and it was agreed that NMCC and Investment Commission would work jointly for growth of manufacturing sector and employment generation. As a part of its strategy, NMCC would continue its engagement with the State Governments.

6. A presentation on Special Economic Zones (SEZs) was made by the Commerce Secretary, Government of India. The SEZ Policy envisages to be an engine for economic growth supported by quality infrastructure and generation of substantial employment. Some concerns about the need to give primacy to the manufacturing sector in SEZ approvals were expressed. Implementation issues were also raised while acknowledging that the policy has been approved only recently. Implementation issues were raised by members which would be taken on board by the Ministry in the ongoing review by Government.

7. The progress of the National Manufacturing Competitiveness Programme (NMCP) announced in the Budget was reviewed. The National Manufacturing Competitiveness Programme (NMCP) includes schemes for promotion of Information and Communication Technology (ICT), Mini Tool Rooms, Design Clinics and market support to improve the competitiveness of the SMEs and to be implemented in a five year time frame. Ministry of SSI is the implementing agency for the scheme.