आत्मनिर्भर भारत

Part-4: New Horizons of Growth

16.05.2020
Policy Reforms to fast-track Investment – Effort towards Atmanirbhar Bharat

• Fast track Investment Clearance through Empowered Group of Secretaries (EGoS).

• Project Development Cell in each Ministry to prepare investible projects, coordinate with investors and Central/State Governments

• Ranking of States on Investment Attractiveness to compete for new investments

• Incentive schemes for Promotion of New Champion Sectors will be launched in sectors such as Solar PV manufacturing; Advanced cell battery storage; etc.
Upgradation of Industrial Infrastructure

• Scheme will be implemented in States through Challenge mode for Industrial Cluster Upgradation of common infrastructure facilities and connectivity.

• Availability of Industrial Land/ Land Bank for promoting new investments and making information available on Industrial Information System (IIS) with GIS mapping.
  • 3376 industrial parks/estates/SEZs in 5 lakh hectares mapped on Industrial Information System (IIS)
  • All industrial parks will be ranked in 2020-21
New Horizons of Growth
Policy Reforms – Introduction of Commercial Mining in Coal Sector

Need to reduce import of substitutable coal and increase Self-reliance in coal production.

Government will introduce competition, transparency and private sector participation in the Coal Sector through:

• Revenue sharing mechanism instead of regime of fixed Rupee/tonne
  • Earlier, only captive consumers with end-use ownership could bid.
  • Now, any party can bid for a coal block and sell in the open market.

• Entry norms will be liberalized
  • Nearly 50 blocks to be offered immediately.
  • No eligibility conditions, only upfront payment with a ceiling.
Policy Reforms – Introduction of Commercial Mining in Coal Sector

- Exploration-cum-production regime for partially explored blocks
  - Against earlier provision of auction of fully explored coal blocks, *now even partially explored blocks to be auctioned.*
  - Will allow private sector participation in exploration.
- Production earlier than scheduled will be incentivized through rebate in revenue-share
Policy Reforms – Diversified Opportunities in Coal Sector - Investment of Rs 50,000 crores.

- Coal Gasification / Liquefaction will be incentivised through rebate in revenue share.
  - Will result in significantly lower environment impact
  - Will assist India in switching to a gas-based economy

- Infrastructure development of Rs. 50,000 crores
  - For evacuation of enhanced CIL’s target of 1 billion tons coal production by 2023-24 plus coal production from private blocks.
  - Includes Rs 18,000 cr worth of investment in mechanized transfer of coal (conveyor belts) from mines to railway sidings.
  - This measure will also help reduce environmental impact
Policy Reforms – Liberalised Regime in Coal Sector

- **Coal Bed Methane (CBM) extraction** rights to be auctioned from Coal India Limited’s (CIL) coal mines.

- **Ease of doing business** measures, such as Mining Plan simplification, will be taken.
  - Mining Plan has been shortened, made amenable for loading online.
  - To allow for automatic 40% increase in annual production.

- **Concessions in commercial terms** given to CIL’s consumers (relief worth Rs 5000 cr offered)
  - Reserve price in auctions for non-power consumers reduced, credit terms eased, and lifting period enhanced.
Enhancing Private Investments in the Mineral Sector

Structural reforms to boost growth, employment and bring state-of-the-art technology especially in exploration through:

• **Introduction of a seamless composite exploration-cum-mining-cum-production regime.**

• **500 mining blocks would be offered** through an open and transparent auction process

• **Introduce Joint Auction of Bauxite and Coal mineral blocks** to enhance Aluminum Industry’s competitiveness. Will help aluminium industry reduce electricity costs.
Policy Reforms – Mineral Sector

• Remove distinction between captive and non-captive mines to allow transfer of mining leases and sale of surplus unused minerals, leading to better efficiency in mining and production.

• Ministry of Mines is in the process of developing Mineral Index for different minerals

• Rationalisation of stamp duty payable at the time of award of mining leases.
Enhancing Self Reliance in Defence Production

• ‘Make in India’ for Self-Reliance in Defence Production:
  • Notify a list of weapons/platforms for ban on import with year wise timelines;
  • Indigenisation of imported spares;
  • Separate budget provisioning for domestic capital procurement.
  • Will help reduce huge Defence import bill.
• Improve autonomy, accountability and efficiency in Ordnance Supplies by Corporatisation of Ordnance Factory Board.
Policy Reforms - Defence Production

• FDI limit in the defence manufacturing under automatic route will be raised from 49% to 74%

• Time-bound defence procurement process and faster decision making will be ushered in by:
  • Setting up of a Project Management Unit (PMU) to support contract management;
  • Realistic setting of General Staff Qualitative Requirements (GSQRs) of weapons/platforms;
  • Overhauling Trial and Testing procedures
Reduction in Flying cost Rs. 1000 crores - Efficient Airspace Management for Civil Aviation

- Only 60% of the Indian airspace freely available.

- **Restrictions on utilisation of the Indian Air Space will be eased** so that civilian flying becomes more efficient.

- Will bring a total **benefit of about Rs 1000 crores per year** for the aviation sector.

- Optimal utilization of airspace; reduction in fuel use, time.

- Positive environmental impact.
More World-class Airports through PPP

- AAI has awarded 3 airports out of 6 bid for Operation and Maintenance on Public-Private Partnership (PPP) basis.

- Annual Revenue of 6 airports in 1st round - Rs 1000 crores (against current profit of Rs 540 crores per year). AAI will also get a down payment of Rs 2300 crores.

- 6 more airports identified for 2nd round. Bid process to commence immediately.

- Additional Investment by private players in 12 airports in 1st and 2nd rounds expected around Rs. 13,000 crores.

- Another 6 airports will be put out for the third round of bidding.
India to become a global hub for Aircraft Maintenance, Repair and Overhaul (MRO)

• Tax regime for MRO ecosystem has been rationalized.

• Aircraft component repairs and airframe maintenance to increase from Rs 800 crores to Rs 2000 crores in three years.

• Major engine manufacturers in the world would set up engine repair facilities in India in the coming year.

• Convergence between defence sector and the civil MROs will be established to create economies of scale.

• Maintenance cost for airlines will come down.
Tariff Policy Reform

A Tariff Policy laying out the following reforms will be released:

A. Consumer Rights
• DISCOM inefficiencies not to burden consumers
• Standards of Service and associated penalties for DISCOMs
• DISCOMs to ensure adequate power; load-shedding to be penalized

B. Promote Industry
• Progressive reduction in cross subsidies
• Time bound grant of open access
• Generation and transmission project developers to be selected competitively

C. Sustainability of Sector
• No Regulatory Assets
• Timely payment of Gencos
• DBT for subsidy; Smart prepaid meters
Privatization of Distribution in UTs

• Sub-optimal performance of power distribution & supply
• Power Departments / Utilities in Union Territories will be privatised.
• Will lead to better service to consumers and improvement in operational and financial efficiency in Distribution
• Provide a model for emulation by other Utilities across the country.
Boosting private sector investment in Social Infrastructure through revamped Viability Gap Funding Scheme - Rs 8100 crores

- Social Infrastructure Projects suffer from poor viability.

- Government will enhance the **quantum of Viability Gap Funding** upto 30% each of Total Project Cost as VGF by Centre and State/Statutory Bodies.

- For other sectors, VGF existing support of 20 % each from GoI and States/Statutory Bodies shall continue

- **Total outlay** is Rs. **8100 crores**

- Projects to be proposed by Central Ministries/ State Government/ Statutory entities.
Boosting private participation in Space activities

• Indian private sector will be a co-traveller in India’s space sector journey.
  • Will provide level playing field for private companies in satellites, launches and space-based services.
  • Will provide predictable policy and regulatory environment to private players.
  • Private sector will be allowed to use ISRO facilities and other relevant assets to improve their capacities.
  • Future projects for planetary exploration, outer space travel etc to be open for private sector.
  • Liberal geo-spatial data policy for providing remote-sensing data to tech-entrepreneurs.
Atomic Energy related Reforms

- Establish **research reactor in PPP mode** for production of medical isotopes – promote welfare of humanity through affordable treatment for cancer and other diseases.
- Establish **facilities in PPP mode** to use irradiation technology for food preservation – to compliment agricultural reforms and assist farmers.
- Link India’s robust start-up ecosystem to nuclear sector – **Technology Development cum Incubation Centres** will be set up for fostering synergy between research facilities and tech-entrepreneurs.
Thank You