

# New Industrial Policy will Help Link Industry with Global Supply Chains

New industrial policy will replace the policy of 1991 and identify 12 service sectors for investment: Prabhu

## Our Bureau

**Mumbai:** The government is working on a new policy that aims to link local industries with global supply chains, lessen regulatory hurdles for manufacturing companies and identify 12 service sectors to invest in, as the country marches to an estimated \$5 trillion economy in less than a decade, the commerce and industry minister said.

"A \$2.6-trillion economy growing at an 8.3% rate will touch \$5 trillion in 7-8 years' time and \$10 trillion in not more than 15 years," said Suresh Prabhu at a US-India Business Council event.

The new industrial policy will replace the policy of 1991, which was prepared in the backdrop of India's balance of payment crisis.

Prabhu said manufacturing will contribute to 20% of the projected \$5 trillion



PHOTO: PTI

GDP while services will be 60%. He said an agency is being formed to curtail the regulatory hurdles faced by manufacturing companies. It will be headed by Ramesh Abhishek, secretary of the Department of Industrial Policy and Promotion.

Prabhu also said 12 "champion services" will be selected and that a cabinet approved amount of \$1 billion (₹7,200 crore) has already been set aside to be

**SURESH PRABHU**  
Minister of Commerce & Industry

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invested in them.

He said the new industrial policy "will focus on modernising the existing businesses as well as getting new businesses into the economy".

The other focus would be on the agricultural sector. Prabhu said India's agricultural and horticultural production put together will be 600 billion tonnes. The government's aim is to double

farmers' income by 2022, he added.

He said as part of the overall industrial policy, the government is working with the World Bank and other agencies to launch a portal that will link Indian industry to global supply chains.

On aviation, a portfolio he additionally handles, Prabhu repeated the government's plans to invest \$65 billion in building 100 airports and meet the requirement for more than 1,000 planes in the next two decades.

Speaking of India-US ties, he said trade between the two countries totalled \$125 billion last fiscal year and that both should aim to boost it to \$500 billion "in stipulated time". Among other things, Prabhu mentioned a possibility of setting up a special economic zone, especially for American companies.

"The US President has said 'Let's Make US Great Again'. I say Let's make India-US ties greater again," he said.