

Uttar Pradesh-Industrial Policy Strategy

Private Participation

The State will actively promote the participation of the private Sector in the industrial and economic growth of the State. The State accepts its role in nurturing private economic activity and entrepreneurship. It recognises generation of wealth in the Private Sector as necessary for the overall prosperity of the State. It will, therefore, endeavor to forge a meaningful partnership with industry, in policy formulation and its actual execution and implementation.

Balanced development of Tiny, Small & Heavy Sector

Small and tiny sectors, play an important role in creating a large number of employment opportunities besides providing a wide range of goods and services. Therefore, the State shall create conditions for a balanced and harmonious growth of all segments of the Industrial Sector such as Heavy, Medium, Small and Tiny Sectors.

Strengthening of Traditional Industries

Traditional industries have thrived in the State, for centuries, and along with varied cottage industries, have been the backbone of the State's economy. They will be strengthened, augmented and made competitive in terms of quality, technology, design, packaging and marketing.

Promotion of Exports

Exports are not only vital to the national economy, but they serve to significantly enhance the professionalization of local industry and the competitiveness of its products. A facilitative atmosphere will be provided for the promotion of exports from the State and to enhance the competitiveness of exportable products.

Woo NRI Investment

There is a tremendous potential for NRI investments in the State. Through their entrepreneurial skills and abilities, Indians, specially residents of Uttar Pradesh and the neighbouring States, have made a mark in every field of human activity abroad. The State shall create an attractive environment for them to invest in the State. Procedures and systems shall be so modified, as to facilitate their investment.

Attract Foreign Investments

Foreign investment is necessary for projects requiring large investments, like power, roads, bridges etc. The State shall attract foreign direct investment and create

circumstances, where Uttar Pradesh becomes the leading State in the country for foreign investments.

Assured security of life & property

In order to achieve the overall objectives of the New Industrial Policy 1998, the State shall ensure creation of an atmosphere of security to develop confidence in the entrepreneurs. Law & Order machinery will be toned-up in a way to be responsive to the needs of industry. Uttar Pradesh, has suffered from a stereotyped image, over the last many years, as an insecure State. However facts speak otherwise. The data published by the 'National Crime Records Bureau', authentically establishes, that in terms of rate of crime, Uttar Pradesh is one of the better States of the country. This is at variance. to the popular myth, that has been in circulation. The State assures security of life & property, to its entire population in general and those engaged in productive economic activities in particular. Nodal Police Officers, have been appointed in all districts to attend to the law & order needs of industry. A 'Special-Task-Force' has been constituted, to effectively check the activities of identified criminals. Decision has been taken to organise Tripartite-Meetings' between Magistracy. Police and Industry at the district level, to address all the problems related to law & order, at the cutting-edge itself.

Recognition-of the role of service sector

Over the years, the tertiary sector has emerged, as an important avenue of employment and economic activity. Its critical role as Service Industry, has to be recognised, for faster economic development and reduction of pressure on land. The State shall create an environment conducive to rapid development of this Sector free from unnecessary regulation.

Interaction with Industry

It is appreciated, that the process of industrialisation of the State, should be a synergic effort of industry and Government. Governmental attitudes, will change so as to perform a facilitative role. Industry will be consulted and involved in the formulation and implementation of policy, to the extent, that, industry will play the major role in determining the parameters of industrialisation.

Formulation of Industry specific Tailor Made Packages

In order to respond to the needs of specific segments of industry, a tailor-made support package will be evolved on a continuing basis, in consultation with the industry itself. The State, shall also develop, a package of incentives and support services, to be extended for development of entrepreneurship in selected sectors, particularly in rural areas. Traditional industries and crafts, will be supported and strengthened by provision of inputs to enhance their viability and competitiveness.

Review of Tax Structure

The State, shall, also continuously review and revamp wherever necessary, the entire tax structure, so that it reflects the requirement and expectations of industry.

Preservation of Environment and Cultural Heritage

Emphasis shall be laid, on promotion of such industrialisation. which not only preserves the environment and cultural heritage of the State, but also revitalises and forcefully reinforces it.

Revitalization of existing Investments to make them productive

Uttar Pradesh is one of the leading States, in terms of existing investments in Industry. However, a number of Industrial units, especially in the small sector are facing several difficulties, which have impacted adversely on their viability, The State recognises the need to revitalise them, so that the existing investments in them, could be made productive once again. The State shall, assist existing industries, to not only remain competitive, but also grow and expand. The vibrancy of the existing industries, is the best way to attract fresh investments.

Upgradation of Technical Entrepreneurial skills

In order to develop a culture of entrepreneurship, special emphasis will be laid on the upgradation of technical skills and entrepreneurial tools.

Infrastructure

Infrastructure plays an extremely important part in industrialisation. High quality infrastructure, provides competitive edge to industry, in more than one ways. On the one , it increases the productivity of capital and on the other, it reduces the cost of production and marketing. Hence in the current process of liberalisation and globalisation. the availability of top quality infrastructure facilities, has become the most decisive factor in determining the location of industries and the extent of investments.

Inadequate attention to the creation of infrastructural facilities in the past, can be said to be a crucial impediment in the efforts of the State, to realise its full economic and industrial potential with which it is abundantly endowed. It is imperative, that this major impediment be removed and conditions be created for better realisation of the Slate's potential.

Highest priority will now be provided, by the State to the creation of high quality infrastructural facilities. The speed, with which decisions have been taken and implemented, even to the extent of amending existing laws, to facilitate the construction NOIDA Toll Bridge. between NOIDA and Delhi, demonstrates the importance that the State attaches to infrastructure projects.

Land, Power, Telecommunication, Air and Road transport are the most important components of Infrastructure. The State will adopt dynamic policies and take positive initiatives, to create an investor friendly environment, in the Infrastructure Sector. The Policy of the State in the Infrastructure Sector. based on the following three pillars :-

Three Pronged Strategy

1. Development of Infrastructure, through Private Sector participation.
2. Comprehensive and rapid development of selected Geographical Corridors, with high quality infrastructural facilities.
3. Up-gradation of existing Infrastructure! facilities.

Infrastructure Initiative Fund

Private Sector Participation in Major Infrastructure Projects, through Infrastructure Initiative Fund. Fund to associate Multilateral Agencies and International Financial Institutions

The size of investments and long gestation periods of infrastructure related projects, have been a major bottleneck, in the privatisation of infrastructure. Inadequate and incorrect assessment of commercial viability and wrong formulation of these projects, have inhibited the Private Sector from investing in them. The State has decided, to set up an Infrastructure Initiative Fund, to address this issue effectively, and to facilitate the participation of the Private Sector, in major infrastructure projects. The Infrastructure Initiative Fund, will engage the services of experts agencies, for examination of feasibility, formulation of major projects such as Express Highways. Bridges, Airports and Power Stations, determination of concessions and selection of promoters. Special Purpose Vehicles will be established for the implementation of selected projects, through the mechanism of Infrastructure Initiative Fund. Multilateral Agencies and International Financial Institutions will be associated with the infrastructure development of the State through participation, in this Initiative Fund which will also use international expertise and know-how for the development of the State.

Cabinet Committee to act as apex body for Infrastructure related projects

To secure expeditious decision making, in regard to Infrastructure related projects, the Cabinet Committee on Economic Development under the Chaimanship of the Chief Minister, will act as the apex body for Policy making.

Working Group under Chief Secretary to provide preliminary clearances

The Working Group on Economic Development, constituted under the chairmanship of Chief Secretary, will provide all the preliminary clearances and approvals for infrastructure related projects. This Group will obtain the approval of the Cabinet Committee, where ever necessary. For this purpose, it will act as the Secretariat of the Cabinet Committee for Economic Development.

Development of Geographical Nodes / Industrial Corridors Concentrated and accelerated development of specific geographic locations as Industrial Corridors

While the State is committed, to the balanced development of all the regions of the State, it has become necessary to develop certain specific locations, for the full realisation of their industrial potential. In this context the State will develop Industrial Corridors in the various regions of the State in a phased manner. In the first phase, these Industrial corridors will be as follows:

1. NOIDA- Greater NOIDA- Ghaziabad- Gautam Buddha Nagar
2. Meerut -Moradabad-Bareilly.
3. Agra- Aligarh- Firozabad- Khurja (Bulandshahr)-Kosi(Mathura).
4. Lucknow- Kanpur.
5. Allahabad- Bhadohi -Varanasi -Mirzapur.
6. Gorakhpur- Basti- Deoria
7. Jhansi- Lalitpur-Jalaun.

Corridors to develop as Areas of Excellence

These Corridors, will be developed as areas of excellence, with high quality Industrial and social Infrastructure, so that, the already existing industrial potential of these areas can be forcefully highlighted to attract greater investments. These corridors will also facilitate planned and optimal utilisation of the State's resources.

Infrastructure Mapping

Highest priority will also be given to the upgradation of the existing Industrial Infrastructure. In the first stage, a detailed Infrastructure Mapping will be carried out to evaluate the status, of existing infrastructural facilities. On the basis of this mapping, gaps and inadequacies in the existing infrastructure will be identified and an Action Plan will be formulated for their expeditious removal.

Restructuring of UPSIDC

The UPSIDC, will be suitably restructured, to improve the maintenance of the existing Industrial Areas. The owners of the Units, situated within the Industrial areas, will be closely associated with the maintenance of these Industrial Areas. Wherever it is commercially viable, the maintenance of Industrial Areas will be privatised.

Industrial Cooperative Societies for maintenance of Industrial Estates

Industrial Cooperative Societies, will be constituted and associated with the maintenance of Industrial Estates working under the control of Directorate of Industries. The Government, will, supplement the contributions made by these Industrial Cooperative Societies upto a ceiling of Rs. 10 lacs.

All future Industrial Areas to be developed as Integrated Industrial Townships

In view of the remarkable success of NOIDA and Greater NOIDA as Integrated Industrial Townships, this model will be extended to other parts of the State. All future Industrial Areas, will be developed as Industrial Integrated Townships, with superior quality social and economic infrastructural facilities like roads, power, water supply, drainage, residential, educational and health facilities. Private Sector participation, in the development of such areas, will be encouraged

Special Industrial Areas for Promotion of Agro based and Food Processing Industries

To promote Agro-based and Food Processing Industries. Special Industrial Areas will be developed in the vicinity of major Mandis of the State. This will help to overcome the problems, arising out of inadequacy or storage and transportation infrastructure, while making available, other common facilities. Priority will be accorded, to setting up of Cool Chains in the Private Sector, to fulfill the needs of the agro-based industry. The State will provide active cooperation in project formulation and financing of these, through the State Financial Institutions.

Upgradation of Infrastructure in major exporting areas

Internationally competitive Infrastructural facilities will also be developed, in the major Exporting areas of the State. Infrastructure development related funds of the Government of India and other agencies will be optimally utilised, in conjunction with the State resources to achieve this objective.

Power

24 Hour Uninterrupted Power Supply:

Continuous and high quality power supply is extremely important for the development of industries. Due to shortage of power in the State, its availability to industrial units, has been uncertain in the past. The State will take strong measures to increase the Generation of Power and ensure its continuous availability to the industry. Highest priority, will be given, to the implementation of those Power Projects, for which MOUs and PPAs have already been signed.

24 hours continuous power supply to all industrial areas, Industries above Rs.50 crores. EOUs and Agro based and Food Processing Industries with investment above Rs. 10 Crores

The State will ensure 24 hour uninterrupted supply of power to the industries situated in the Industrial Areas. All such Industrial Areas, as receive power supply, from 132 KVA transmission system, will be exempted from all forms of rostering, unless required in the interest of the grid. To achieve this, the entire transmission and distribution system, related to such industrial areas, will be upgraded. All Export Oriented Units and other

industries with an investment of more than Rs.50 crores, which are situated outside the Industrial Areas, will also be provided continuous power supply, through dedicated feeders. This facility, will also be provided to Electronic, Agro-based and Food Processing industrial units with an investment of Rs. 10 crores and above.

Feeders with 75% industrial load to be declared as industrial feeders and exempted from all power cuts

All feeders, which have more than 75 per cent industrial connected load, will be treated as industrial feeders, and will be exempted from rostering. The UPSEB will make arrangements, for the separation of all connections of other categories from such feeders. No tapping from dedicated feeders, setup at the cost of Industry itself, will be allowed, except in cases, where the concerned industry enters into a voluntary agreement with any other Industrial Unit, giving permission for tapping

Special Concessions for Industries drawing power from primary system

Industrial consumers, who draw electricity from the primary transmission system, will be provided a rebate on power tariff. The rate of rebate will be higher than that admissible at present. However, this facility will be made available only if the concerned industry has borne the cost of down stepping.

Industry Associations to distribute Power in Industrial Areas

Industry Associations will be given the right to distribute Power within Industrial Areas. For this purpose, bulk power will be made available to the Associations at a single point. Distribution within the Industrial Areas and collection of bills will be done by the Association. The bulk power will be supplied at a rebate.

Permission to surrender a part of Load during period of recession

In order to make the Power rules, responsive to the economic environment. Industries going through recession, will be provided the facility of temporary surrender of a part of their connected sanctioned load. This facility will be made available, on the recommendation of the Committee of Secretaries, constituted for Rehabilitation of Sick Industries. The facility will be provided, for a minimum period of one year and maximum of two years. It, during this period, the industry seeks restoration of its original load, no System Loading Charges will be charged. Small Industries, with connected loads upto 100 HP, will be allowed to surrender apart of their load, without payment of any charges, if they install electronic meters. The expenditure incurred on the installation of electronic meters, will be adjusted in subsequent bills.

Third party sale of surplus Captive Power

Generous policy will be adopted for promoting Captive Power Generation. It will allow Third Party Sale by Industrial Units, if they have a surplus available. The units will also

be free to sell their surplus Power to the UPSEB. through a transparent and well-defined system which does not leave any room for discretion.

If any Industrial unit, sets up a Captive Power Plant at any place other than the premises of the Mother Unit, the investment made on the setting up of such Captive Plant will be allowed to be added to the Fixed Capital Investment of the Mother Unit, for purposes of Trade Tax exemptions/ deferment. A detailed Policy for Captive Power will be announced separately.

Privatisation of Power Distribution

Distribution of Power by the Private Sector will be promoted. The experience of Greater NOIDA will be expanded to other parts of the State. In the first phase, distribution of Power in NOIDA will be privatized. This will be subsequently followed by privatization of Power distribution in Moradabad. Agra. Lucknow and Kanpur.

Sharing formula for evacuation of Power from Co-generation Units

Uttar Pradesh has the largest number of Sugar Mills in the whole country, which have a potential of co-generating nearly 1000 MW of Power, using bagasse as fuel. Co-generation will be provided highest priority by the State, and a competitive Policy will be adopted to fully utilise the potential inherent in this Sector. The cost of evacuating power from the Co-generating Unit to the transmission system of the UPSEB on a 50:50 basis.

Road Policy

The State has an extensive network of Roads and Bridges. During the last five years, the expansion of the road system in Uttar Pradesh, has been at par with the National Average. However, vital gaps still exist which need to be removed. The State has formulated a detailed Road Policy for this Sector. In this Policy a detailed framework has been provided for Private Sector participation in the construction and operation of Roads, Bridges and Over-Bridges

Telecommunications

Free Government Land for Upgradation of Telecom Infrastructure

The State will ensure rapid development of Telecommunication facilities in the State. The State will strive to attain the National Average in terms of Telecom connectivity. An Action Plan to achieve this objective, will be developed in close co-ordination with the Department of Telecommunication, Government of India. At the state level, Industrial Development Department has been nominated as the Nodal Agency for this purpose. Private operators and Companies, engaged in the provision of Telecommunication and Cellular Services, will be provided all facilities in setting up of Towers and other infrastructure. The State Government will provide free Government land, to the Telecom Department of Govt. of India, for ensuring superior Telecom facilities.

Air transport

The State has already created a fairly well developed infrastructure in the field of Civil Aviation. Three Aerodromes and 23 Air Strips have been constructed all over the State. Private Airlines will be facilitated in setting up their operations in the State. Efforts are being made, for the introduction of Air Services to Kanpur, Gorakhpur and Allahabad. The Airport Authority of India has also been approached for the up gradation of Lucknow, Agra and Varanasi Airports, so that they could handle International Charters and Cargo.