



Department of Industrial Policy & Promotion
Ministry of Commerce & Industry
Government of India

Role and Functions of the Department of Industrial Policy & Promotion

The Department of Industrial Policy & Promotion was established in 1995 and has been reconstituted in the year 2000 with the merger of the Department of Industrial Development. Earlier separate Ministries for Small Scale Industries & Agro and Rural Industries (SSI&A&RI) and Heavy Industries and Public Enterprises (HI&PE) were created in October, 1999.

With progressive liberalisation of the Indian economy, initiated in July 1991, there has been a consistent shift in the role and functions of this Department. From regulation and administration of the industrial sector, the role of the Department has been transformed into facilitating investment and technology flows and monitoring industrial development in the liberalised environment.

The role and functions of the Department of Industrial Policy and Promotion primarily include:

- Formulation and implementation of industrial policy and strategies for industrial development in conformity with the development needs and national objectives;
- Monitoring the industrial growth, in general, and performance of industries specifically assigned to it, in particular, including advice on all industrial and technical matters;
- Formulation of Foreign Direct Investment (FDI) Policy and promotion, approval and facilitation of FDI;
- Encouragement to foreign technology collaborations at enterprise level and formulating policy parameters for the same;
- Formulation of policies relating to Intellectual Property Rights in the fields of Patents, Trademarks, Industrial Designs and Geographical Indications of Goods and administration of regulations, rules made there under ;
- Administration of Industries (Development & Regulation) Act, 1951
- Promoting industrial development of industrially backward areas and the North Eastern Region including International Co-operation for industrial partnerships and
- Promotion of productivity, quality and technical cooperation.

Department of Industrial Policy & Promotion is responsible for formulation and implementation of promotional and developmental measures for growth of the industrial sector, keeping in view the national priorities and socio-economic objectives. While individual Administrative Ministries look after the production, distribution, development and planning aspects of specific industries allocated to them, Department of Industrial Policy & Promotion is responsible for the overall Industrial Policy.

The Department is also responsible for facilitating and increasing the FDI inflow in the country. Foreign Investment Promotion Board (FIPB), now located in Department of Economic Affairs,

Ministry of Finance, provides a time bound, transparent and pro-active FDI regime for approval of FDI investment proposals. The Department also plays a pro-active role in resolution of the problems faced by foreign investors in implementation of their projects through Foreign Investment Implementation Authority (FIIA), which interacts directly with the Ministry/State Government concerned.

Department of Industrial Policy and Promotion is the nodal Department in Government of India for coordinating and implementing programmes with United Nations Industrial Development Organization (UNIDO) in India. UNIDO is a specialised agency of United Nations with a mandate to act as the central coordinating body for industrial activities within the United Nations system. India has been an active Member of the Organization since its inception. Under the country service framework, UNIDO's activities in India are primarily focussed in the fields of strengthening competitiveness of the industry through technology upgradation, promoting investment and promoting cleaner and environmentally sustainable technologies.

The Department monitors the industrial sector through information on Industrial Entrepreneurs' Memorandum (IEM), Letter of Intent (LOI) , Foreign Collaboration (FC) approval and inflows and industrial production returns. The Department also coordinates the progress of 'infrastructure sectors' approved for investment/technology transfer, promotion of private investment including foreign investment in the infrastructure sector.