

Industrial Policy Resolution, 1985 & 1986

- ❑ Both these policies were almost similar in content.
- ❑ The Monopolies and Restrictive Trade Practice (MRTP) Limit was revised upward to ₹ 100 crore to promote bigger companies.
- ❑ Some relaxations concerning the use of foreign exchange were permitted in FERA.

New Industrial Policy, 1991

- ❑ Its objective was to provide a larger role to market forces.
- ❑ **Focus Areas**
 - Liberalization (Reduction of government control),
 - Privatization (Transfer of control of ownership of economic resources from the public sector to the private sector),
 - Globalisation (Integration of the national economy with the global economy).
- ❑ **Other Provisions of the Policy**
 - The government allowed domestic firms to import better technology in order to improve efficiency.
 - The Foreign Direct Investment (FDI) ceiling was increased.

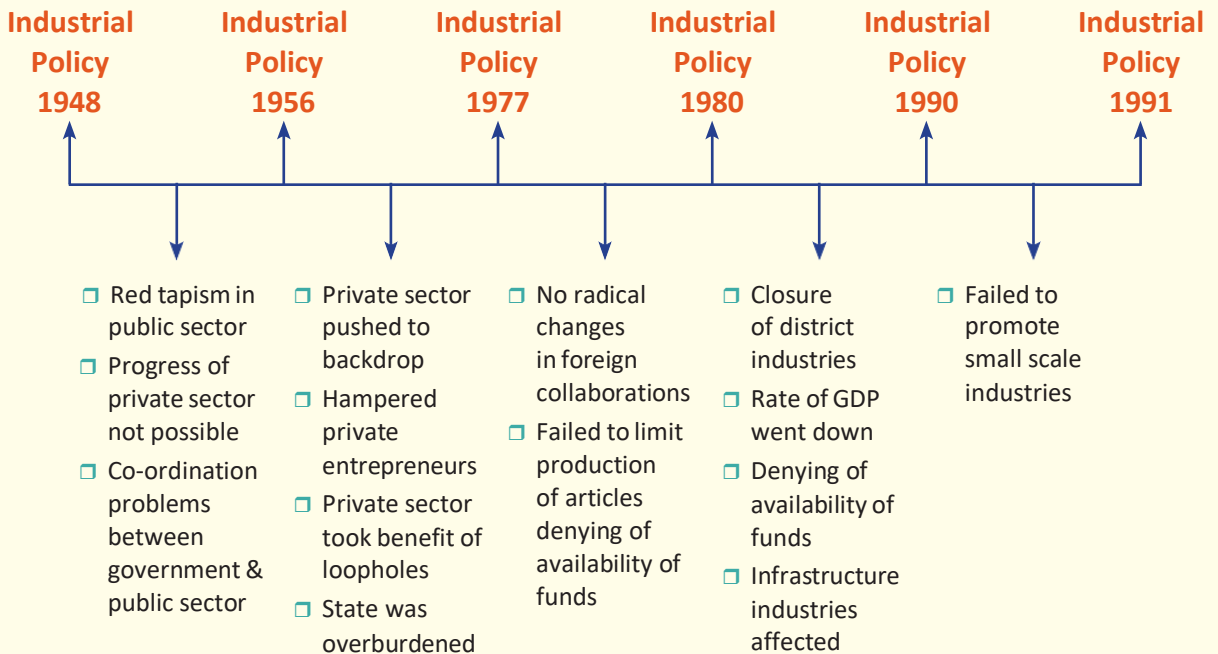
- Technology transfer agreement was allowed under automatic route.
- MRTP Act was relaxed in 1991.
- Abolition of Industrial Licensing.
- Dilution of Public Sector’s role.
- Restructuring the Monopolies and Restrictive Trade Practices Act.
- Regulations relating to the concentration of economic power, pre-entry restrictions for setting up new enterprises, expansion of existing businesses, mergers and acquisitions etc. were abolished.
- Liberalization and globalization of Indian economy aimed to get higher economic growth rates and reduction of the annual rate of inflation.
- Other focus areas were Balance of Payment problem and low Foreign Exchange Reserve.

Positive Impact of the New Industrial Policy 1991

- ❑ The growth of GDP increased from 5.6% during 1980-91 to 6.4% during 1992-2001.
- ❑ Foreign investment increased.
- ❑ Foreign exchange reserves increased.
- ❑ The growth of the service sector went up.

TIMELINE OF INDUSTRIAL POLICY REFORMS

Industrial Policy Evolution →



Border Road Organisation

- ❑ BRO was established in May 1960 for accelerating economic development and strengthening defence preparedness through rapid and coordinated improvement of strategically important roads along the northern and north-eastern boundary of the country.
- ❑ It is a premier multifaceted construction agency. It has constructed roads in high altitude mountainous terrain joining Chandigarh with Manali (Himachal Pradesh) and Leh (Ladakh). This road is the world's highest motorable road and it runs at an average altitude of 4,270 meters above the mean sea level.

Road Density in India

- ❑ Road density is the ratio of the length of the country's total road network to the country's land area.
- ❑ The density of roads is high in most of the northern, and major southern states. It is low in the Himalayan region and northeastern region. Kerala has the highest road density.
- ❑ Nature of terrain and the level of economic development are the main determinants of density of roads.

Government Initiatives

Project	Features
National Highways Development Project (NHDP)	<ul style="list-style-type: none"> ❑ It aims to expand the national highway network and the existing highways to four lanes and some to six lanes. ❑ Projects under this include Golden Quadrilateral, North-South & East-West Corridors that link the largest cities in India.
Golden Quadrilateral Project	<ul style="list-style-type: none"> ❑ Golden Quadrilateral is a network of highways connecting India's four metropolitan cities, namely Delhi, Mumbai, Chennai and Kolkata, thereby, forming a quadrilateral. ❑ The project was launched in 2001 and consists of four/six lane express highways. ❑ It has been executed through a Public Private Partnership (PPP) between the NHAI and private contractors.
North-South and East-West Corridor	<ul style="list-style-type: none"> ❑ It is the second phase of the National Highways Development Project (NHDP), and consists of building 7300 km of four/six lane expressways connecting Srinagar, Kanyakumari, Kochi, Porbandar and Silchar. ❑ Jhansi is the junction of North-South and East-West Corridors.
Bharatmala Project	<ul style="list-style-type: none"> ❑ It is under the Ministry of Road Transport and Highways, and focuses on new initiatives like development of Border and International connectivity roads, Coastal port connectivity roads, improving efficiency of National Corridors, Economic corridors, etc. ❑ The Government intends to develop approximately 84,000 km of highways and roads. ❑ Funding will be made through market borrowings, central road funds, monetizing government-owned road assets, and budgetary allocation. ❑ It will enhance last mile connectivity, boost cargo movement, increase exports, and boost employment opportunities. ❑ This will help to improve India's ranking in Logistics Performance Index of World Bank, thus enhancing Ease of Doing Business in India.
National Urban Transport Policy (NUTP)	<ul style="list-style-type: none"> ❑ It was laid down in 2014. It is a further improvement of NUTP 2006, which has the objective of ensuring easy, accessible, safe, affordable, quick, comfortable, reliable, and sustainable mobility for all. ❑ In order to provide better transport, proposals for bus rapid transit system (BRTS) were approved. ❑ The NUTP focuses on ensuring equitable use of road space by the people and not only by the vehicles.
Pradhan Mantri Gram Sadak Yojana (PMGSY)	<ul style="list-style-type: none"> ❑ PMGSY was launched to provide all-weather road connectivity to unconnected habitations having a population of 500 persons or above in plain areas and 250 persons and above in hill states, tribal areas, desert areas, and LWE-affected districts. ❑ With a view to reduce the "carbon footprint" of rural roads, reduce environmental pollution, PMGSY is aggressively encouraging the use of "Green Technologies" and non-conventional materials like waste plastic, cold mix, geo-textiles, fly-ash, iron and copper slag etc. in rural roads.
Setu Bharatam	<p>Initiated in 2016, it aims at construction, rehabilitation and widening of 1500 major bridges and 208 Railway Over Bridges (ROBs)/Railway Under Bridges (RUBs) on National Highways.</p>
Chardham Mahamarg Vikas Pariyojna	<ul style="list-style-type: none"> ❑ The Ministry of Road Transport and Highway, has taken up separate programme for connectivity Improvement for Char-Dham (Kedarnath, Badrinath, Yamunothri & Gangothri) in Uttarakhand. ❑ The project entails development of 889 km of roads with configuration of two-lane with paved shoulders. ❑ The projects are being taken up on Engineering, Procurement and Construction (EPC) Model, and the programme is targeted for completion by March, 2020.