

Government of India
Press Information Bureau

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**PRIME MINISTER EXPRESSES CONCERN AT RESTRICTIVE CLAUSES AGAINST
DOMESTIC SUPPLIERS IN PUBLIC PROCUREMENT**

The Prime Minister has expressed concern at the restrictive and discriminatory clauses being imposed against domestic manufacturers and suppliers in tender documents for public procurement. These observations were made during the course of review of the implementation of the Public Procurement (Preference to Make in India) (PPP-MII) Order, 2017. While the Government of India is committed to ensuring that both quality and price considerations are not compromised, this should not lead to imposing conditions that result in unreasonable exclusion of domestic suppliers.

It may be recalled that the Government of India had issued the PPP-MII Order, 2017 on 15th June, 2017 to promote manufacturing and production of goods and services in India with a view to enhancing income and employment. Since Government procurement is substantial in amount, the Order directed all Central Government Departments, their attached or subordinate offices and autonomous bodies controlled by the Government of India to ensure purchase preference be given to domestic suppliers in Government procurements. The Order also provides 20% margin of purchase preference, while the minimum local content required shall ordinarily be 50%.

In the review meeting, specific cases of such restrictive and discriminatory conditions against domestic manufacturers pertaining to Ministry of Railways and Metro Rail Coaches were examined. Directions were given to ensure strict compliance of the PPP-MII Order in letter and spirit. Further, all nodal Ministries were directed to ensure notification of local content in the next 10 days, whereafter the Cabinet Secretary would be reviewing each individual nodal Ministry.

It was also observed that of e-tenders issued on the Central Public Procurement Portal (CPPP) for the financial year 2017-18, almost 47% pertain to works in terms of value (Rs.6.65 lakh crores out of total of Rs.14.18 lakh crores). It was categorically clarified that the PPP-MII Order is also applicable to procurement of works, including turnkey works, besides goods and services.

Provisions are being incorporated on the CPP Portal, wherein any domestic supplier can raise a grievance against any restrictive or discriminatory condition. A dedicated cell in the Department of Industrial Policy & Promotion will look into such grievances, before issuing necessary directions. Further all procuring entities would be required to certify that they are complying with the PPP-MII Order.

The Government is committed to implement the PPP-MII Order in right earnest, and thus boost incomes and generate further employment in India.

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