

**GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTRIES
LOK SABHA**

UNSTARRED QUESTION NO:3895
ANSWERED ON:13.12.2000
ABID HUSSAIN COMMITTEE
RAGHUVIR SINGH KAUSHAL

Will the Minister of SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTRIES be pleased to state:

- (a) the number of recommendations of the Abid Hussain Committee in respect of the small scale industries that have been implemented or proposed to be implemented;
- (b) the number of industries proposed to be de-reserved by the Government since 2000-2001;
- (c) the details thereof alongwith the reasons for their deletion from the reserved list;
- (d) whether inflow of foreign capital is likely to increase due to deletion of these industries from the list of items reserved for small scale industries;
- (e) if so, whether the Government have formulated any scheme for domestic industries to remain in completion; and
- (f) if so, the details thereof?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGRICULTURE AND RURAL INDUSTRIES (SMT. VASUNDHARA RAJE)

(a): There were 14 main recommendations of the Abid Hussain Committee of which 10 have been implemented or are proposed to be implemented.

(b) & (c): The issue of reservation/de-reservation of items for exclusive manufacture in the SSI Sector is examined on continual basis by the Government and decisions in this respect are taken after considering all relevant aspects.

During 2000-2001, under the National Textile Policy, 2000 announced on 2.11.2000, Government have decided to dereserve Readymade Garments from the list of items reserved for exclusive manufacture in the small-scale sector. This decision has been taken with a view to ensure technology upgradation, enhancement of productivity, quality consciousness, product diversification, increase in exports and innovative marketing strategies, maximizing employment opportunities etc. The main objective of this policy is to enable the industry to build world class state-of-the-art manufacturing capabilities in conformity with environmental standards.

(d): Inflow of foreign capital is expected to increase in this liberalised policy regime.

(e) & (f): To improve the competitiveness of domestic small scale industries, a comprehensive policy package has been announced on 30th August, 2000. The policy package will enhance the competitiveness of small scale industries through easier access to credit, availability of collateral free composite loans up to Rs. 25.00 lakhs, capital subsidy for technology upgradation and improved infrastructure.