

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

UNSTARRED QUESTION NO:1630

ANSWERED ON:07.03.2001

NCAER

MANIBHAI RAMJIBHAI CHAUDHARY;SUSHIL KUMAR INDORA;ZORA SINGH MANN

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

- (a) whether attention of the Government has been drawn towards the report published by the National Council for Applied Economic Research which says that lifting of ban on the import would add to the difficulties of the small scale industries related to production processing and sale;
- (b) if so, the details of the difficulties being faced by the small scale industries as contained in the report;
- (c) whether the Government have made any study of these difficulties;
- (d) if so, the action taken in the matter so far; and
- (e) the outcome thereof?

Answer

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

(a): Yes, Sir.

(b): It has been argued by the author of the paper entitled `Small Scale Industry Policy in India: A Critical Evaluation` that in the changed economic scenario, in order to be sustainable, small scale industries (SSI) have to be globally competitive thereby requiring appropriate investments for technology upgradation and exports.

(c) to (e): The Government has put in place several measures to help small enterprises become globally competitive. A new SSI policy was announced during the National Conference on SSI held at New Delhi during 30-31 August, 2000. Some of the major measures include raising the excise exemption limit from Rs. 50 lakhs to Rs. 1 crore, a scheme of Capital Subsidy of 12% for investment in technology upgradation in select sectors, raising the eligibility limit for coverage under the Credit Guarantee Scheme from Rs. 10 lakhs to 25 lakhs, continuation of financial support to SSI units for obtaining ISO 9000 certification, etc