

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

UNSTARRED QUESTION NO:1478
ANSWERED ON:01.08.2001
THREAT TO AGRO AND RURAL INDUSTRIES
ANANDRAO ADSUL

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

- (a) whether the Government are aware of the threat to Indian Agro and Rural Industries by releasing the Quota Restrictions;
- (b) if so, the details thereof;
- (c) the steps taken to protect Agro Industries; and
- (d) the number of Industries so far closed under this situation ?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF SMALL SCALE INDUSTRIES AND RURAL INDUSTRIES, MINISTER OF STATE IN THE DEPARTMENT OF PERSONNEL AND TRAINING, DEPARTMENT OF PENSIONERS WELFARE OF THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SHRIMATI VASUNDHARA RAJE)

(a) & (b): Government is constantly monitoring the impact of the removal of Quantitative Restrictions (QRs) and WTO Agreements on the economy including the agro and rural industries in the country. While the removal of QRs have exposed the small agro and rural industries to greater competition, there has not been any surge in imports as a consequence of this step. Even after the removal of QRs, protection to the industries is available in the form of raising customs duties upto the bound levels, imposing anti-dumping duties, taking safeguard measures in case of surge in imports etc.

(c): The Government has put in place several measures to help agro and rural industries become globally competitive. These include special focus on technology upgradation, infrastructure assistance through cluster approach, timely availability of credit, use of electronic infrastructure and other IT applications to face the emerging challenges of trade liberalization. In order to further strengthen the sector, policy package for Khadi and Village Industries has been announced on 14.05.2001. The package aims at enhancing their competitiveness through provision of required inputs such as financial incentives, credit, marketing, quality improvement, cluster development, etc.

(d): No units/projects in the KVI sector including agro and rural industries is reported to have been closed on account of removal of QRs.