

**GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES
LOK SABHA**

UNSTARRED QUESTION NO:921
ANSWERED ON:06.03.2002
SMALL SCALE INDUSTRY
PRIYA RANJAN DASMUNSI

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

- (a) the total number of small scale industries in India as on December 1, 2001;
- (b) the number of units which have been closed by December 31, 2001;
- (c) whether the small scale industries are in a position to respond to the threat posed by the Multi-nationals and free market economy in the present economic scenario of India; and
- (d) if not, the additional steps Government are contemplating to inspire the small scale industries both for employment and growth?

Answer

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

(a): The total number of small scale industries (registered and unregistered) in India as on December 1, 2001 is provisionally estimated to be 34.25 lakhs.

(b): The information on closed units is not maintained centrally. However, the sample survey of registered SSI units conducted during 2000-2001 in respect of units registered upto 31.3.1998 showed that 29% of the units were closed.

(c) & (d) : There are reports from a number of institutions including SSI Associations that due to globalisation and imposition of W.T.O. conditions, the small scale industries have been exposed to greater competition. The Government is constantly monitoring the impact of globalisation and W.T.O. arrangements on the economy including SSIs. The Government has put in several measures to safeguard the interest of domestic industry and to make them competitive both domestically and globally. These include special focus on areas such as technology upgradation, infrastructure assistance through cluster approach, enhanced fiscal support, timely availability of credit, adoption of modern management facilities, use of electronic infrastructure and other IT applications to face the emerging challenges of trade liberalisation. Protection to these industries is available in the form of raising customs duties upto the bound levels, imposing anti-dumping duties and countervailing duties, taking safeguard measures in case of surge in imports etc. An inter-ministerial group under the chairmanship of Commerce Secretary has been constituted to assess the impact of removal of quantitative restrictions and suggest suitable corrective measures.