

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

UNSTARRED QUESTION NO:7920

ANSWERED ON:17.05.2000

IMPACT OF MNC ON SSI

ABDUL RASHID SHAHEEN;CHADA SURESH REDDY;DILIP KUMAR MANSUKHLAL GANDHI;SHRINWAS DADASAHEB PATIL

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

- (a) whether the Government are aware that SSI Sector has been threatened by the entry of Multi-National Companies;
- (b) if so, the details of problems being faced by the SSI sector;
- (c) whether the Government propose to set up a regulatory body to look into the interest of SSI sector and suggest the measures for the safety of SSI sector; and
- (d) if so, the details thereof?

Answer

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

(a) & (b): The small scale sector in India has shown enough resilience in withstanding competition from Multi-National Companies (MNCs) in the past. SSIs have withstood competition from MNCs who are operating with C.O.B. permission/industrial license/50% export obligation. This is evident from their track record given below:-

	1990-91	1998-99 (Provisional)
--	---------	-----------------------

No. of units	19.48 lakhs	31.21 lakhs
--------------	-------------	-------------

Production at current prices Rs.	1,55,340.00 Crores	Rs. 5,27,515.00 Crores
----------------------------------	--------------------	------------------------

Export at current prices Rs.	9,664.00 Crores	Rs. 48,979.00 Crores
------------------------------	-----------------	----------------------

However, the SSI sector has to become more competitive in order to enable it to face competition from liberalised imports.

(c): No, Sir.

(d): Does not arise.