

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

UNSTARRED QUESTION NO:1942

ANSWERED ON:05.12.2006

MARKETING OF SMALL SCALE INDUSTRIES PRODUCTS NO

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

(a): whether any decision has been taken to provide relief to the small scale industries for licensing obligations and the complexities of labour laws;

(b): if so, the details thereof;

(c): whether any provision of assistance has been made by the Government for the supply and marketing of the products of small scale industries; and

(d): if so, the details thereof and steps taken to improve working conditions in Small Scale Industries sector?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

a)&(b): The Micro, Small and Medium Enterprises Development

(MSMED) Act, 2006 does not require a micro or small enterprise to obtain licence for commencement or continuation of its operation.

Enforcement of most labour laws within a State is basically the responsibility of the State Government concerned. The enforcement machinery is also provided by the State Government. The Central Government has, therefore, been requesting the State Governments to streamline the enforcement of labour laws, etc., in the context of micro and small enterprises so as not to cause undue hardship to them.

(c): The Government (in the Ministry of Small Scale Industries) implements several schemes to assist the small scale industries

(SSI) in marketing their products. These, inter alia, include

(i)

reserving 358 items for exclusive purchase from SSI under the Central Government Purchase Programme

(ii) Single point registration for Government purchases with the facility of (a) exemption from depositing earnest money, (b) availability of tender document free of cost and(c) waiver of security deposit,

(iii) training programmes on marketing and packaging for exports, etc. In addition, under the Marketing Development Assistance Scheme (SSHMDA), assistance is provided for participation in overseas fairs, undertaking study tours, conducting sector specific studies, initiating /contesting anti-dumping cases by SSI Associations and reimbursement of 75 per cent of the registration fee paid to GSI India, etc. To make the marketing support measures statutory, the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 enables the Government of India and the State Governments to notify, from time to time, preference policies in respect of procurement of goods and services, produced and provided by micro and small enterprises by their Ministries or Departments or, as the case may be aided institutions or public sector enterprises.

(d): The State Governments/Union Territory(UT) Administration are primarily responsible for the promotion and development of small scale industries. However, to supplement the efforts of the States/UTs, the Central Government implements a number of schemes/programmes to facilitate provision of credit, infrastructure, marketing and technology upgradation to these industries.