

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

UNSTARRED QUESTION NO:3023
ANSWERED ON:20.03.2007
IMPORT BY SMALL SCALE INDUSTRIES
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Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

- (a): whether the Government has allowed to import some items in the reserved list of Small Scale Industries;
- (b): if so, the period for which these items are being kept in the reserved list;
- (c): whether the Government's policy is to allow the big foreign traders in regard to the items of reserved list of Small Scale Industries but the big Indian Industries in the same sector are kept away; and
- (d): if so, the reasons therefore?

Answer

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

(a): The Government has been following a policy of progressive removal of restrictions on import since 1991 and is aware of the implications of the removal/phasing out of the Quantitative Restrictions(QRs). As per policy, India has removed several QRs, which were being maintained earlier, on different items, including on items reserved for the Small Scale Sector.

(b), (c) & (d):The last item for exclusive manufacture by micro and small enterprises was reserved in 1989 and after that no reservation has been made. The Government has been following a policy of progressive de-reservation of such items. Review of the list of such reserved items is a continuous process, during which creation of opportunities for higher investment, facilitating technological upgradation, improving quality, promoting exports and achieving economies of scale in manufacturing the said items are kept in mind. Allowing domestic competition to check large- scale imports of such reserved items is also an issue considered by the Government.