

**GOVERNMENT OF INDIA  
COMMERCE AND INDUSTRY  
LOK SABHA**

STARRED QUESTION NO:84  
ANSWERED ON:04.03.2008  
DE RESERVATION OF ITEMS UNDER SSI  
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**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

- (a) whether the Union Government has decided to de-reserve 79 items from the list of Small Scale Industries as reported in the Times of India dated February 9, 2008;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether there is a demand to keep small scale units within the ambit of reservation to avoid competition from large industrial houses; and
- (d) if so, the details thereof and the reaction of the Government thereon?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH)

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 84 FOR ANSWER ON 04.03.2008 REGARDING DE-RESERVATION OF ITEMS UNDER SSI.

(a) to (d). Review of the list of items exclusively reserved for the Small Scale Sector is a continuous process. Consultations are held with the concerned stakeholders, followed by deliberations in the meeting of the Advisory Committee on Reservation, constituted under the Industries (Development & Regulation) Act, 1951 (IDR Act). Items are de-reserved by the Government based on the recommendations of the Advisory Committee. Dereservation is made through a notification under Section 29B of the IDR Act.

2. Following the above procedure, Government de-reserved 79 more items on 5.2.2008 by omitting these items from the "List of items reserved for exclusive manufacture in SSI Sector". The details about the de-reserved items is given in the following table :

Product Group name	No. of items	Sl. No. of items	in SSI sector'
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de-reserved the 'List of items reserved for ex-clusive manufacture in SSI sector'			
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Food and Allied Items	04	8A, 9, 10, 12.	
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Paper and paper products	18	53, 55, 57, 58, 59, 60, 65, 67, 68, 70, 71, 73, 74, 75, 76, 78, 80, 81.	
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Plastic product	08	128, 129, 130, 131, 132, 137, 140, 140C.	
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(including injection moulded thermo plastic products)

Chemicals and chemical	06	211, 213, 214, 215, 216, 217.	
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products

Natural essential oils 02 219, 226.

Organic chemicals, Drugs 08 231, 232, 2401, 241, 247, 249E, 251, 252.  
and Drug intermediates

Other chemicals and 10 254A, 269, 299, 300, 307, 309, 311,  
chemical products 320, 322, 322A.

Mechanical engineering, 04 353, 399, 400, 531.  
excluding transport equipment

Electrical machines, 15 552, 555, 558, 564, 568, 569, 570, 573,  
appliances and apparatus 577, 582, 588, 589, 593, 596A, 597.  
including electronics &  
electrical appliances

Electronic equipments 01 604  
and components

Stationery items 03 769, 770, 771.

3. Government has taken several policy measures for making the Indian industry, including the very vital micro and small enterprises sector competitive and facilitate the achievement of their full potential. One of the key measures has been the gradual and calibrated removal of restriction in the form of reservation of items to be exclusively produced in the small scale sector. This has been done to improve the competitiveness of the industry; to enable the Indian industry to compete with imports; promote creation of job opportunities; upgrade its technology to produce quality products and to achieve economies of scale. Empirically verifiable independent studies conducted by reputed agencies have not revealed any adverse impact of earlier de-reservations.

4. Government is following a process of calibrated and progressive de-reservation. The Government continues to watch the performance of the small scale sector and implements various schemes and programmes, in collaboration with the State Governments, to provide support aimed at enhancing the productivity and competitiveness of this Sector.