

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

UNSTARRED QUESTION NO:2397
ANSWERED ON:09.08.2010
PROTECTION OF SMALL INDUSTRIES FROM IMPORTS
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the small scale and cottage industries is adversely affected in the country due to Chinese sub-standard goods;
- (b) if so, the details thereof; and
- (c) the steps being taken by the Government to protect the small scale and cottage industries from dumping of cheap goods from other countries and enable them to sustain the competition?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI JYOTIRADITYA M. SCINDIA)

(a) to (c) : All imported goods in India are subject to domestic laws, rules, orders, regulations, technical specifications, environment and safety norms. These regulations are also notified in the ITC (HS) Classification of Export and Import items.

The Government acts in case goods imported from any source are found to violate these regulations and threaten human, animal or plant life or health. In the specific cases where Customs detect import of sub-standard goods, the said goods are seized and penal action is initiated under the provisions of Customs Act, 1962 read with other Allied Acts.

No data is available on the adverse effect of substandard imports on the Small and Medium Enterprises (SMEs) of this country. Hence, the precise effect of imported goods especially on the SMEs in the country is varied and not quantifiable.

The Government has initiated several measures to help small scale industries become globally competitive. The Government has specific schemes for encouraging upgradation of technology to meet global challenges for Micro & Small Enterprises (MSEs). It has also announced a "National Manufacturing Competitiveness Programme" as well as a comprehensive "Package for the Promotion of Micro and Small Enterprises" on 27.02.2007. Together, they provide for financial support as well as support for Cluster based development, latest technologies, quality upgradation, marketing, entrepreneurial and managerial development and other support measures. Further, Government has enacted the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 which has become operative from 2nd October 2006. It provides a dedicated statutory framework to facilitate the promotion and development of Micro, Small and Medium Enterprises (MSMEs) and enhancement of their competitiveness.

Any domestic concern arising out of imports are addressed by appropriate action under the provisions of the Agreement of Implementation of Article VI of the General Agreement on Tariffs and Trade, 1994, the Agreement on Safeguards and the Agreement on Subsidies and Countervailing Measures of the WTO. On the basis of petitions filed by the domestic industry with sufficient evidence of dumping, injury and causal link, Directorate General of Anti-Dumping conducts Anti-dumping investigations and recommends for imposition of Anti-dumping Duty.