

**GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:2276
ANSWERED ON:23.11.2010
CLOSURE OF AGRO BASED INDUSTRIES
Roy Shri Nripendra Nath

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether agro based small industries are facing stiff competition and closure of its units with the entry of multi-national companies in products, manufactured in rural areas;
- (b) if so, the details thereof; and
- (c) the total number of agro-based enterprises being run by the multi-national companies and the effect of these companies on the micro and small industries; and
- (d) the steps taken by the Government to protect these agro-based rural industries from closure?

Answer

MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI DINSHA PATEL)

(a) to (c): There were 483 foreign collaborations in agro-based enterprises during the period April 2007 to August 2010. Product-wise (including agro-based products) data relating to growth and closure of small industries in rural areas is not maintained centrally. However, micro and small enterprises (MSE) sector (as a whole) has been registering high growth rates (13 percent as against 8.5 percent of industrial sector as a whole during 2007-08) despite the opening of the economy and increased incidence of competition from the multinational companies.

(d): For giving thrust to the cottage and rural industries and to enhance their competitiveness, the Government has operationalised three schemes, i.e. Product Development, Design Intervention and Packaging Scheme (PRODIP), Scheme of Funds for Regeneration of Traditional Industries (SFURTI), and Rejuvenation, Modernisation and Technological Upgradation of Coir Industry (REMOT). In addition, several schemes of the Ministry are also being implemented for the benefit of micro and small enterprises, including those that are agro based.