

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

UNSTARRED QUESTION NO:1214
ANSWERED ON:03.03.2011
MANUFACTURING IN MSMES SECTOR
Rathod Shri Ramesh

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

- (a) the number of items reserved for exclusive manufacturing in MSMEs sector;
- (b) whether these are sufficient to protect the small enterprises;
- (c) the situation in other developed and developing countries;and
- (d) the other steps being taken to protect Micro, Small and Medium Enterprises (MSMEs)?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI VIRBHADRA SINGH)

- (a) & (b): Twenty items are reserved for exclusive manufacture in Micro and Small Enterprises (MSE) Sector. No item is reserved for Medium Enterprises.
- (c): No country other than India have a policy like that of reservation for exclusive manufacturing in MSE Sector as per available information.
- (d): Keeping in view impact of global economic slowdown on MSMEs, the Government, Reserve Bank of India (RBI) and Public Sector Banks have taken several measures for protecting and providing stimulus to the MSMEs which, inter alia, include: (i) extending the loan limit under Credit Guarantee Scheme from Rs.50 lakh to Rs.1 crore with a guarantee cover of 50% and increasing the guarantee cover under this scheme from 80 per cent to 85 per cent of credit facility up to Rs.5 lakh; (ii) interest subvention of 2 per cent in pre and post-shipment export credit to small and medium enterprises (SME) sector; and (iii) reduction in interest rates for borrowing by micro enterprises by 1 per cent and in respect of SMEs by 0.5 per cent.