

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

STARRED QUESTION NO:518  
ANSWERED ON:08.09.2011  
COMPETITIVENESS OF MSMES  
Dubey Shri Nishikant

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

- (a) whether the Small Scale Industries (SSIs) in the country are facing tough competition from the imported Chinese products;
- (b) if so, the reaction of the Government thereto;
- (c) whether the Government has formulated any strategy to overcome this problem;
- (d) if so, the details thereof; and
- (e) if not, the reasons therefor?

**Answer**

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI VIRBHADRA SINGH)

(a) to (e): A statement is laid on the Table of the House

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) IN RESPECT OF THE LOK SABHA STARRED QUESTION NO.518 FOR ANSWER ON 8.9.2011.

(a) & (b) Yes Madam. Reports have been received by the Government about the micro and small scale industries facing tough competition from imported Chinese products. The Government is naturally concerned and would like to protect micro and small enterprises from facing unfair competition from such imports.

(c) & (d) The Government has set up several institutional mechanisms under the concerned laws, rules and regulations to prevent imports which unfairly affect the market for goods produced by micro and small enterprises in India. These mechanisms are:

Directorate General of Anti Dumping and Allied Duties (DGAD), Directorate General of Safeguards and Directorate General of Foreign Trade. Their respective roles are:

(i) The Directorate General of Anti Dumping and Allied Duties (DGAD) initiates anti-dumping investigations on the basis of applications filed by domestic industries, MSEs or otherwise, with prima-facie evidence of dumping in the country, injury to the domestic industry and causal link between the dumped goods and injury.

(ii) The Directorate General of Safeguards is entrusted with investigation of any injury/threat of injury due to increased imports of a commodity and to recommend imposition of safeguard duty

(iii) The Directorate General of Foreign Trade monitors imports into India. Small Scale Industries Associations have recently raised the concern that imports of bicycle and its parts from China have increased, thus, adversely effecting, micro and small enterprises (MSEs) units manufacturing these products. The matter was referred to Director General of Anti Dumping and Allied Duties which is examining the case. Further, with a view to ensure competitiveness of domestic MSEs, Government has launched National Manufacturing Competitiveness Programme (NMCP). In addition, Credit Guarantee Scheme, Credit Linked Capital Subsidy Scheme, Performance and Credit Rating Scheme, Cluster Development Programme, Market Development Assistance Scheme also help MSEs in this direction.

(e) Does not arise.