

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

STARRED QUESTION NO:191
ANSWERED ON:06.12.2012
COMPETITIVENESS OF SMALL SCALE INDUSTRIES
Dubey Shri Nishikant

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

- (a) whether Small Scale Industries in the country are facing tough competition from the imported cheap Chinese products;
- (b) if so, the details thereof along with the reasons therefor; and
- (c) the steps taken/being taken by the Government to deal with the aforesaid situation?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI K.H.MUNIYAPPA)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (c) OF LOK SABHA STARRED QUESTION NO. 191 FOR ANSWER ON 06.12.2012

(a): Yes, Madam

(b): There are 8 major product groups largely manufactured by the Small Scale Industries (SSIs) in India whose imports from China grew at a higher rate than their respective imports from All Countries combined during 2008-09 to 2011-12. The SSIs in these 8 product groups are thus facing increasing competition from China as compared to the rest of the World. These 8 product groups are Electrical and Electronic Equipment; Machinery and Mechanical Appliances, Articles of Iron or Steel, Pearls, Precious Stones, Metals, etc; Plastics and Articles thereof; Vehicles and Parts/Accessories thereof; Inorganic Chemicals, Precious Metal Compound, Isotopes; and Miscellaneous Chemical Products. Together these 8 product groups accounted for 54% of India's imports from China during 2011-12.

(c): Government has been implementing various schemes/programmes to increase the competitiveness of SSIs for effectively competing with imports from China and other countries. Some of these schemes/programmes include National Manufacturing Competitiveness Programme (NMCP); Credit Guarantee Scheme; Credit Linked Capital subsidy Scheme; Cluster Development Programme; Market Development Assistance Scheme; and Vendor Development Programme for Ancillarisation.

Government has also been imposing anti-dumping duties, permitted under the WTO, for restricting imports when such imports have been established as unfairly affecting the market for goods and services produced by Indian industries. Government also imposes Safeguard duties to protect domestic industries against a surge of imports from other countries. These mechanisms are operated by Directorate General of Anti Dumping and Allied Duties (DGAD) and Directorate General of Safeguards (DGSG) respectively.