

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

UNSTARRED QUESTION NO:3359

ANSWERED ON:10.08.2015

Chinese Imports

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

- (a) whether the cheap Chinese import has adversely affected the Micro, Small and Medium Enterprises (MSMEs) in the country;
- (b) if so, the details thereof;
- (c) whether the Government proposes to take anti-dumping measures to stop cheaper Chinese imports and if so, the details thereof;
- (d) whether the Government has any policy to check the quality and quantity of the Chinese imports and if so, the details thereof and if not, the reasons therefor; and
- (e) the other steps taken by the Government to make MSME sector competitive enough to challenge Chinese cheap imports in the country?

Answer

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI KALRAJ MISHRA)

(a)& (b): Indian Micro, Small and Medium Enterprises (MSMEs) are facing tough competition from cheap Chinese products as is evident in high growth of India's imports from China. As per information compiled from Director General of Commercial Intelligence & Statistics in respect of 12 major product groups, largely manufactured by MSMEs in India whose imports from China grew at a higher rate than their respective imports from All Countries combined during 2011-12 to 2014-15. As these 12 product groups accounted for 74% of India's total imports from China in 2014-15, a significant proportion of Indian MSMEs are seem to be adversely affecting from Chinese imports.

These product groups pertain to Electrical and Electronics, Mechanical and Metallurgical products on the one hand and Chemical, Glass & Ceramics based products on the other.

(c)&(d): Government has 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. This mechanism is operated by Directorate General of Anti Dumping and Allied Duties (DGAD).

As per Foreign Trade Policy-2015-20, domestic laws /rules/orders/regulations/technical specifications/environmental/ safety and health norms are applicable to domestically produced goods, mutatis mutandis, to imports unless specifically exempted. Government also imposes Safeguard duties to protect domestic industries against a surge of imports from other countries. This mechanism is operated by Directorate General of Safeguards (DGSG).

(e) : Government has been implementing various schemes/programmes to deal with this problem and help the micro, small and medium enterprises 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. These schemes/programmes help MSMEs growth, increase their competitiveness to challenge cheap Chinese imports in the country.