

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

UNSTARRED QUESTION NO:2524
ANSWERED ON:31.07.2017
Impact of MNCs on MSMEs
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Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether the Micro, Small and Medium Enterprises (MSMEs) of the country are reportedly lagging behind due to availability of the products of multinational companies;
- (b) if so, the details thereof and the reaction of the Government thereto;
- (c) the reasons for the higher prices of domestic products in comparison to the products manufactured in China; and
- (d) the remedial measures taken by the Government to protect and promote MSMEs in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF
MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI HARIBHAI PARATHIBHAI CHAUDHARY)

(a) & (b): The survival and growth of Micro, Small and Medium Enterprises (MSMEs) depends on a number of factors like availability of timely credit, up-gradation of technology, infrastructure, access to market, quality of products etc. Competition from internal and external sources including competition from multinational companies is also one of the factors.

(c): The products manufactured in China are reportedly of lower price mainly because of their opaque subsidy regime and distorted factor prices.

(d): The Ministry of Micro, Small and Medium Enterprises is committed to handhold and promote MSMEs in the country through its schemes/programme which include Prime Minister's Employment Generation Programme (PMEGP), Credit Guarantee Scheme, Credit Linked Capital Subsidy Scheme (CLCSS), National Manufacturing Competitiveness Programme (NMCP), Marketing Assistance and Technology Up-gradation (MATU), International Cooperation Scheme, ZED Certification Scheme and Public Procurement Policy for Micro and Small Enterprises (MSEs) etc.