

**GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA**

UNSTARRED QUESTION NO:4225
ANSWERED ON:17.12.2002
DISINVESTMENT POLICY
VINAY KUMAR SORAKE

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether China has lowered the share of public sector from 75% (in 1985) to 30% (in 1999) through restructuring of existing units in State sector via low cost loans and subsidies and consolidating linkages, followed by sell off, mergers of shut downs; and

(b) if so, whether the Government propose to present a re-cast disinvestment framework before the next Budget?

Answer

THE MINISTER OF DISINVESTMENT, MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION AND MINIS COMMERCE AND INDUSTRY (SHRI ARUN SHOURIE):

(a) As per the information furnished by the Minister of External Affairs, the position is as follows:

(i) The overall value of State Owned and State Holding industrial enterprises in China has dropped to 23% during the period 1991-2000 to account for only 42% of the country's total industrial value. (Source: Xinhua News)

(ii) In 2000, there were 1,62,885 enterprises with an annual sales income of over 5 million RMB, in China. Of these 53,489 were State Owned and State Holding Enterprises.

(iii) In the year 2001, there were 1,71,256 enterprises in total of which 46,767 were State Owned and State Holding Enterprises. (Source: China Statistical Year Book-2002)

(iv) China has undertaken various measures to restructure existing State Owned Enterprises that include shutdowns, mergers, downsizing, corporatisation, debt equity swap etc.

(b) The Government's policy on disinvestment has evolved over a decade in response to the changing economic scenario and the emergent need to put national assets to optimal use and to unleash the productive potential inherent in public sector enterprises. Though the Government takes into consideration policies and practices prevalent in other countries, the disinvestment policy is determined specifically to suit the requirement of the country. The policy and procedures are regularly fine-tuned to better realise the stated objectives.