

**GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES
LOK SABHA**

UNSTARRED QUESTION NO:3047
ANSWERED ON:18.08.2004
IMPACT OF STRUCTURAL REFORMS ON SSI SECTOR
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Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

- (a): the impact of structural reforms on the Small Scale Industries Sector;
- (b): whether Small Scale Industry Sector has suffered due to opening up of the economy;
- (c): if so, the steps taken by the Government in this regard;
- (d): whether the Government proposes to provide preferential opportunity in order to extend investment limit for SSI; and
- (e): if so, the details thereof?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a)to(c): While structural reforms leading to opening up of the economy have exposed the small scale industries (SSI) sector to greater competition, the Government has aimed at protecting the SSIs from their adverse impact by bringing out a Comprehensive Policy Package on 30th August, 2000 which contains provisions to strengthen small scale industry sector and enhance its competitiveness both domestically and globally. The support measures, interalia, include easier access to credit, marketing support, availability of collateral free composite loan, capital subsidy for technological up- gradation and improved infrastructure. The timely support measures have helped the SSI sector to gain resilience to withstand the pressure of fast changing economic scenario.

(d)&(e): In order to enable the hi-tech and export oriented units to face the market competition, the investment ceiling in plant and machinery for items reserved for manufacture in SSI Sector in the field of knitwear, hand-tools, drugs and pharmaceuticals and stationery has been raised from Rs. 1 crore to 5 crore. In case of items reserved for manufacture in sports goods sector, draft notification for raising the investment ceiling from Rs.1 crore to Rs. 5 crore has been laid on the table of the House in July, 2002, as per the prescribed procedure.