

**GOVERNMENT OF INDIA  
FOOD PROCESSING INDUSTRIES  
LOK SABHA**

STARRED QUESTION NO:491  
ANSWERED ON:18.05.2006  
MNCs IN FOOD PROCESSING SECTOR  
Singh Deo Smt. Sangeeta Kumari

**Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:**

- (a) whether several multi-national companies are engaged in the food processing activities and have been granted permission therefor by the Government;
- (b) if so, the details thereof;
- (c) whether the small scale and cottage industries engaged in food processing are getting discouraged due to the presence of these multi-national companies in this sector; and
- (d) if so, the reaction of the Government thereto and the remedial measures taken by the Government to protect the interests of domestic industry?

**Answer**

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAI)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) FOR LOK SABHA STARRED QUESTION NO. 491 FOR 18th MAY, 2006 REGARDING MNCs IN FOOD PROCESSING SECTOR.

Several multinational companies are engaged in the food processing activities. In accordance with guidelines issued by the Ministry of Commerce & Industry, FDI is permitted up to 100% on the automatic route in food processing sector subject to sectoral rules/regulations.

The Government has not received representation from food processing industries/ associations in SSI sector that these units are being discouraged or are suffering due to presence of multinational companies in the country. The growth rate of unregistered manufacturing sector of food products has been quite robust as compared to the registered sector.

Assistance is provided under the plan schemes of this Ministry to the food processing industries. Assistance is provided for technical civil works and plant and machineries @ 25% subject to a limit of Rs. 50 lakh in general areas and 33.33% with a cap of Rs. 75 lakh in difficult areas for technology upgradation, modernization and establishment of food processing industries. Assistance as per the approved pattern of assistance is also provided for infrastructure development, human resource development, Quality Assurance and R&D and Strengthening of Institutions.