

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

UNSTARRED QUESTION NO:2766
ANSWERED ON:12.12.2006
COMPETITION WITH MULTI-NATIONAL COMPANIES
Gadakh Shri Tukaram Gangadhar

Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

- (a): whether due to the entry of Multi-National Companies (MNCs) in India, small scale industries are being closed down;
- (b): the number of small scale industries in operation in 1995 and 2005;
- (c): the details of sectors/business suffered most due to entry of MNCs;
- (d): whether due to closure of thousands of small scale industries, lakhs of people rendered jobless and the trend is increasing year after year; and
- (e): if so, the steps taken by the Government to revive such units and to provide employment to people rendered unemployed?

Answer

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

(a)to(d): Information on closure of small scale industries(SSIs) and number of persons rendered jobless as a result, whether on account of entry of Multi-National Companies (MNCs) or otherwise, is not maintained centrally. The estimated numbers of SSIs (both registered and unregistered) in operation during 1995-96 and 2005- 06 were 82.84 lakh and 123.42 lakh respectively. During this period, the number of SSI units is estimated to have grown at an average annual rate (compounded) of 4.07 percent, while the employment in these units has grown from 197.93 lakh to 294.91 lakh.

(e):The promotion and development of SSIs is primarily the responsibility of State Governments and Union Territory Administrations. In order to help the SSIs with easier availability of credit, technology upgradation, infrastructure and marketing facilities, etc., the Central Government implements a number of schemes/programmes. The Reserve Bank of India (RBI) issued detailed guidelines to banks in January 2002 on detection of sickness in SSI at an early stage, taking remedial measures and rehabilitation of potentially viable sick SSI units. As a sequel to the `Policy Package for Stepping up Credit to Small and Medium Enterprises (SMEs)` announced by the Government in August 2005, the RBI has also issued guidelines in September 2005 on debt restructuring of small and medium enterprises (SMEs) to facilitate restructuring of debt of all eligible SMEs. The persons, if any, rendered jobless due to closure of SSI units can avail of self-employment opportunities under the Pradhan Mantri Rozgar Yojna (PMRY) and Rural Employment Generation Programme (REGP) being implemented by the Central Government throughout the country.