

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

UNSTARRED QUESTION NO:1815  
ANSWERED ON:07.03.2006  
GROWTH RATE  
Verma Shri Ravi Prakash

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

- (a): whether the Government has framed a strategy to achieve 12 per cent growth rate in small scale industry during the Tenth Plan period;
- (b): if so, the details thereof;
- (c): whether growth rate targeted for SSI sector during the first three years has been achieved;
- (d): if so, the details thereof alongwith the jobs created through it; and
- (e): if not, the reasons therefore alongwith the steps taken by the Government to achieve the targeted growth?

**Answer**

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

(a): For the 10th Plan period, a target of 12 per cent rate of growth for the small scale industries (SSI) sector was fixed.

(b): The State Governments/Union Territory (UTs) Administrations are primarily responsible for the promotion and development of the SSI. However, to supplement the efforts of States/UTs, the Central Government has been implementing a number of schemes and programmes to enhance the productivity, employment and competitiveness of this sector, in consonance with the strategy envisaged in the 10th Plan document for the SSI sector. These schemes/programmes include, among other things, assistance for improving/facilitating credit flow, infrastructure, technological upgradation, marketing support, etc., as these areas are considered important for the SSIs.

(c)&(d): During the first three years of the Tenth Five Year Plan (2002-2007), the estimated growth rates achieved in the SSI sector and estimates of employment generated are given in the table below:

YEAR	GROWTH RATE IN SSI SECTOR (PERCENT)	EMPLOYMENT GENERATED (LAKH PERSONS)
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2002-03	7.68	260.21
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2003-04	8.59	271.42
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2004-05	9.96	282.57
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Continuing constraints in the important areas mentioned in reply to part (b) constitute the main reasons for the targeted overall growth rate not being achieved, though the rate of growth mentioned above has increased consistently during the Plan period.

(e): In respect of credit, the Central Government has announced a 'Policy Package for Stepping up Credit to Small and Medium Enterprises (SME)' on 10 August 2005, based on which the Reserve bank of India has issued detailed guidelines to the public sector banks. Among other things, this Policy Package advises the public sector banks to enhance the flow of credit to the SME (including SSI) so as to achieve a minimum 20 per cent growth in the flow of credit every year over the next 5 years.

Further, a new scheme of assisting the SSI in obtaining performance and credit rating from reputed credit rating agencies has been introduced in April 2005. The Credit Linked Capital Subsidy Scheme for Technological upgradation of the SSI has also been recently (September 2005) improved to enhance the permissible project loan ceiling to Rs. 1 crore (from Rs. 40 lakh) and subsidy to 15 per cent (from 12 per cent) so as to make the Scheme more attractive.