

[28 July, 2006]

RAJYA SABHA

THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI R. VELU): (a) No, Sir. (b) Does not arise.

Private investment in Railways

550. SHRIMATI SHOBHANA BHARTIA: Will the Minister of RAILWAYS be pleased to state:

(a) whether private investors have been urged to avail of the liberalized policy announced by his Ministry for the faster growth of this sector;

(b) if so, whether his Ministry has taken several measures to upgrade and modernize rail infrastructure;

(c) whether adoption of the liberal policy had resulted in Railways making a record profit of Rs. 13,000 crores in the last financial year and expected to reach Rs. 20,000 crore this year;

(d) if so, whether Railways have already initiated three projects through joint venture; and

(e) to what extent, private sector has shown keenness in investing in Railways?

THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI R. VELU): (a) and (b) Yes, Sir.

(c) The Railways achieved a pre-dividend internal generation of more than Rs. 13,000 crores in the year 2005-06. The amount is expected to cross the budgeted figure of Rs. 15,250 crores for the year 2006-07.

(d) Yes, Sir.

(e) Several schemes such as Wagon Investment Scheme, running of container trains and luxury tourist trains, etc. aimed at involving private participation in Railway projects have evoked encouraging response.

Dereserving items for small scale sector

551. DR. VIJAY MALLYA: Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether it is a fact that there is a proposal under consideration of Government to dereserve the remaining 326 items for exclusive development of the small scale sector;

(b) what are the reasons for dereserving all the items for small scale sector; and

(c) how the interest of small scale sector would be safeguarded in future in view of its vast employment potential and also spread of industrial development in rural and backward areas?

THE MINISTER OF SMALL SCALE INDUSTRIES (SHRI MAHAVIR PRASAD): (a) Considering the recommendations of several expert groups/committees set up in the past as well as the developments in international trade, Government has been carrying out an exercise since 1971 to examine the viability of continuing with reservation of items for exclusive manufacture by the small scale sector. The Advisory Committee constituted under the Industries (Development and Regulation) Act, 1951 takes into account various relevant factors including, *inter alia*, domestic and global competitiveness, potential for employment and export, technical feasibility and economic viability of manufacture, effect on growth and development of the small scale sector, etc., in recommending reservation/dereservation of items for manufacture in the small scale sector. The decision to dereserve items is then taken by the Government, taking into account these recommendations. Moreover, the process of identifying items for dereservation is based on detailed consultation with associations of small scale industries and is marked generally by consensus.

(b) Items are dereserved from time to time for creating opportunities for higher investment, facilitating technological upgradation, improving quality, promoting exports and achieving economies of scale in manufacturing the said items by the small scale sector.

(c) In view of the recognised employment potential of the small scale sector, Government has been implementing several schemes and measures so as to safeguard the legitimate interests of the small scale sector, against organized competition within the framework of bilateral/multilateral trade agreements and simultaneously facilitate the growth and development of small scale industries and enhance their competitiveness. Many of these interventions are also aimed at industrial development and employment generation in the rural and backward areas.