

Losses to industries by MGNREGA

†2337. SHRI KAPTAN SINGH SOLANKI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether it is a fact that according to the Federation of Indian Chamber of Commerce and industry (FICCI), which is a major chamber of industries in the country, Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is causing losses to the industries;
- (b) if so, the details thereof;
- (c) whether Government has formulated any plan to compensate this loss; and
- (d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) and (b) A study conducted by Federation of Indian Chamber of Commerce and Industry (FICCI) based on 100 companies observed that industries have been adversely affected by Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) Main findings of the report are as follows:-

- (i) 90 % of the respondents surveyed reported difficulties in finding adequate number of workers for running their operations;
- (ii) 89% of the respondents reported that they were unable to meet the potential demand for their products in the market due to labour shortage;
- (iii) About 2/3rd of the respondents indicated potential losses in their demand;
- (iv) Nearly 94% of the respondents reported an increase in wages.

(c) and (d) MGNREGA provides for enhancement of livelihood security of the households in rural areas of the country by providing at least one hundred days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work. While it is difficult to assess the short term impact of the MGNREGA on industries, in the long term it is expected to provide impetus to industries by generating the demand for industrial products.

Criteria for setting up of EOUs

2338. DR. MANOHAR JOSHI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the criteria/norms laid down by Government for setting up of Export Oriented Units (EOUs);

†Original notice of the question was received in Hindi.