

**Setting up of small scale industries in villages**

†116. SHRI SANJAY SETH: Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether Government has taken or proposes to take any steps to set up at least one small scale industry in each village in order to check migration of people to urban areas in search of employment;

(b) if so, the details thereof as on date; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI GIRIRAJ SINGH): (a) to (c) No, Sir. Setting up of a Micro, Small and Medium Enterprises (MSMEs) is an individual's endeavour. However, Ministry of Micro, Small and Medium Enterprises (MSME) supplements the efforts of entrepreneurs through various schemes/programmes for promotion and development of MSMEs across the country including rural areas. Some of the major Schemes include Prime Minister's Employment Generation Programme, Credit Guarantee Scheme, Credit Linked Capital Subsidy Scheme, National Manufacturing Competitiveness Programme, Cluster Development Programme and Marketing Development Assistance etc.

**Impact of cheap Chinese imports on domestic MSME sector**

117. SHRI SANJAY SETH: Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether it is a fact that domestic MSME manufacturing sector has been adversely suffered due to cheap Chinese imports;

(b) whether it is also a fact that the Minister during a recent visit to China, invited Chinese investment in the MSME sector;

(c) what will be the implications of such foreign investment in the MSME sector particularly in view of the fact that most of the MSMEs are proprietary units;

(d) whether the current MSME Act permits foreign investment in the MSMEs regardless of the sectoral FDI cap; and

(e) if not, how can the Chinese investment be made in the MSME Sector?

THE MINISTER OF STATE IN THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI GIRIRAJ SINGH): (a) Indian Micro, Small and

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† Original notice of the question was received in Hindi.

Medium Enterprises (MSMEs) are facing tough competition from cheap Chinese products as is evident in high growth of India's imports from China. As per information compiled from the data provided by Director General of Commercial Intelligence and Statistics, Imports in respect of 11 major product groups, largely manufactured by MSMEs in India, have grown from China at a higher rate than their respective imports from all Countries combined during 2012-13 to 2015-16. As these 11 product groups accounted for 74% of India's total imports from China in 2015-16, a significant proportion of Indian MSMEs seem to be adversely affected from Chinese imports as compared to the rest of the World. These product groups pertain to Electrical and Electronics, Mechanical and Metallurgical products on the one hand and Chemical, Glass and Ceramics based products on the other.

(b) and (c) Minister for MSME during his recent visit to China in October 2016, invited Chinese businesses to have partnership with Indian businesses including MSMEs for technological collaboration and manufacturing in India. FDI Policy places certain restrictions on foreign investment in certain sectors. Subject to such restrictions; foreign investors could setup enterprises in India without a lower level ceiling on investment. Such investment could be greenfield as well as brownfield in existing enterprises.

(d) and (e) No. India has one of the most liberalized FDI policies in the world, wherein 100% FDI under automatic route is permitted in most of the sectors/activities. There is only a small list of sectors/activities where FDI is regulated *i.e.* subjected to Government approval, cap or having other conditionalities. The FDI Policy equally applies to MSME sector.

#### **Overstatement of crude oil production by ONGC**

118. SHRI ANAND SHARMA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government's attention has been drawn to the reported overstatement of crude oil production by the ONGC;

(b) if so, the details thereof;

(c) the additional subsidy burden borne by the company; and

(d) the impact of overstatement on the company's wage bill?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN): (a) and (b) Comptroller and Auditor General of India in its report No. 21 of 2016 on "Crude Oil Production Measurement and Reporting System in ONGC", has pointed out that inclusion of