

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
RAJYA SABHA
QUESTION NO 21.04.2010
ANSWERED ON
. FDI IN SMALL AND MEDIUM SCALE INDUSTRIES .

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SHRI AMIR ALAM KHAN

Will the Minister of COMMERCE AND INDUSTRY be pleased to state :-

- (a) whether Government has plans to enhance the limit of Foreign Direct Investment (FDI) in the small and medium scale industries;
- (b) if so, the details thereof;
- (c) the percentage of investment limit so fixed during the year 2009-10;
- (d) the action taken/proposed to be taken by Government in this regard; and
- (e) the special steps taken to protect the interest of the small and medium scale industries and their workers?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY

(SHRI JYOTIRADITYA M. SCINDIA)

(a) to (d): As per extant Foreign Direct Investment (FDI) policy, FDI is allowed in Micro and Small Enterprises (MSEs) subject to sectoral equity caps, entry routes and other relevant sectoral regulations. The details of sectoral caps, entry routes etc. have been indicated in Chapter 5 of the Circular 1 of 2010 – Consolidated FDI Policy, released on 31.03.2010 and available at www.dipp.gov.in.

(e) : The promotion and development of micro and small enterprises (MSEs) is primarily the function of the respective State Governments/Union Territory (UT) Administrations. The Central Government supplements the efforts of the States/UTs by providing supportive measures to boost the development and promotion of MSEs and enhance their competitiveness uniformly all over the country through specific ongoing and new schemes/initiatives which, inter alia, include schemes for technological upgradation, accessing markets, improved infrastructure, better availability of credit, facilities for training and capacity building of entrepreneurs, etc. Towards this end, the Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 has been enacted and brought into force w.e.f. 2 October, 2006.