

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE
RAJYA SABHA**

**UNSTARRED QUESTION NO. 1488.
TO BE ANSWERED ON FRIDAY, THE 01ST AUGUST, 2025.**

**IMPACT OF QUALITY CONTROL ORDERS ON COMPETITIVENESS OF
INDIAN PRODUCTS**

1488. DR. BHAGWAT KARAD:

Will the Minister of **Commerce and Industry** be pleased to state:

- (a) whether Government has undertaken any assessment of the impact of mandatory Quality Control Orders (QCOs) on Micro, Small and Medium Enterprises (MSMEs), particularly regarding compliance costs and ease of doing business;
- (b) whether there is evidence indicating that QCOs have improved the competitiveness of Indian products resulting in better consumer outcomes;
- (c) whether industry bodies have raised concerns that limited transition time for QCOs has negatively impacted MSMEs and trade flows; and
- (d) if so, whether Government plans to recalibrate QCO implementation for MSMEs?

ANSWER

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY
(SHRI JITIN PRASADA)**

(a) to (d): Quality Control Orders are issued by various Ministries/ departments of the Government. Regular consultations are conducted by the concerned Ministries/ departments which issue the Quality Control Orders with industry members, sectoral associations and relevant stakeholders, including MSMEs during the formulation as well as implementation phases of the QCOs for assessing the impact of QCOs on MSMEs which includes aspects like ease of doing business and compliance cost etc.

Sufficient transition time is provided between notification and date of implementation of QCO to ensure industry preparedness before the QCOs are implemented. Small and micro enterprises are granted an additional time period of 3 months and 6 months respectively over and above time period granted to Medium and Large Industries for implementation of QCO. The time period for implementation is also extended, wherever necessary based on review and request of stakeholders.

To support MSMEs, financial incentives are provided by BIS in annual minimum marking fee with concession of 80% (for Micro scale units), 50% (Small scale units) and 20% (Medium scale units). An overview of financial and technical relaxations provided to MSMEs is placed at Annexure-A. QCO has improved the competitiveness

of Indian products and led to better consumer outcomes. For example, DPIIT has issued a QCO on toys, which came into effect on 01.01.2021. Since its implementation, toy exports have increased by 71%, from US\$ 203 million in 2018-19 to US\$ 347 million in 2024-25. During the same period, toy imports have decreased by 44%, falling from US\$ 372 million to US\$ 209 million. The quality of toys available in Indian markets has improved significantly. As per a Mystery Shopping exercise conducted in 2019, only 33% toys in the domestic market were found to be of acceptable quality as per BIS standards, whereas in 2024, a survey conducted by BIS reflected that 89% of samples conform to the quality standards.

In order to streamline the process of notification and implementation of QCO including its impact on MSMEs, the Government has constituted an Inter- Ministerial Group on Quality Control Order (QCO) Assessment vide Cabinet Secretariat OM No. 5/6/2025-Deregulation dated 22.05.2025 to promote a 'Whole of Government' approach to assess and evaluate new QCOs or reconsideration, review or modification of existing QCOs proposed by Ministries/Department.

ANNEXURE-A

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) to (d) OF THE RAJYA SABHA UNSTARRED QUESTION NO. 1488 FOR ANSWER ON 01.08.2025.

1. To support MSMEs, financial incentives are provided by BIS in annual minimum marking fee with concession of 80% (for Micro scale units), 50% (Small scale units) and 20% (Medium scale units). An additional concession of 10% is also provided to units which are either located in north-east areas or women entrepreneur MSME units.
2. BIS issues product manuals as guidance documents for conformity assessment as per various Indian Standards. These product manuals also incorporate Scheme of Inspection and Testing (SIT) specifying controls and checks to be exercised by the manufacturer. The 'Levels of Control' given in the SIT are made recommendatory in nature. The manufacturer has the choice to define their own control unit/batch/lot and their own Levels of Control and inform the BIS.
3. Further, requirement of maintaining in-house laboratory has been made optional for MSME units. MSME units are allowed to utilize the services of outside BIS recognized laboratories, NABL accredited labs or even sharing of resources like cluster based labs or laboratories of other manufacturing units (BIS licensee).
4. For Domestic Manufacturers, Operations of product certification activities and processes involved across all the Branch Offices (BOs) in the country have been digitised. An Online platform "Manak online" is already available for product certification activities right from the stage of submission of application to award of certification including all communications, payment, queries through the portal itself.
5. The renewal of certifications has also been made automatic without any human intervention. The manufacturer can simply submit the renewal application at his convenience and after the online submission, the renewal endorsement gets generated extending the validity of certification.
6. Targeted awareness and training programmes for the industry at localised level with sector specific focus have also been initiated by BIS focussing on Standards, measures to implement them and obtain BIS certifications.
