

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 165
TO BE ANSWERED ON 02.02.2023

PRICE OF RAW MATERIALS FOR MSMEs

165. SHRI THIRUMAAVALAVAN THOL:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether the Government is aware of the price of raw materials such as metals, plastics, etc., for Micro, Small and Medium Enterprises (MSMEs);
- (b) if so, whether the raw material prices have affected MSMEs productions;
- (c) if so, whether there is decline in the demand for MSME products in the recent years;
- (d) if so, the details thereof; and
- (e) the measures taken by the Government to support MSMEs?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI BHANU PRATAP SINGH VERMA)

(a) to (d): The price of raw materials such as metals, chemicals, plastics, rubbers etc., is monitored through the Wholesale Price Index (Base 2011-12). The details are at **Annex-1**.

The Ministry of Micro, Small and Medium Enterprise (MSME) does not maintain data with respect to effect of raw material prices on production or aggregate demand of MSME products.

(e): The Government has taken several steps to support MSMEs which inter alia include, providing financial assistance under Raw Material Assistance (RMA) Scheme of National Small Industries Corporation Limited (NSIC), Exemption on Basic Custom Duty on steel scrap has been extended for up to 31st March, 2023, TMT bars below 8 mm have been exempted from the purview of the Quality Control Order & waived off import duty for several raw materials like coking coal, Ferro-nickel etc.

Table 1: WPI (Base: 2011-12) and WPI-based Inflation of Industry-groups pertaining to Paper, Chemical, Rubber, Plastic and Basic Metal during the year 2022.

	Paper and Paper Products	Chemical and Chemical Products	Rubber and Plastic Products	Basic Metals
<i>WPI</i>				
Jan -22	142.1	137.5	127.3	143.1
Feb-22	143.3	139.2	127.3	147.1
Mar-22	148.5	142.3	130.0	157.5
Apr-22	153.7	145.7	131.7	161.2
May-22	156.3	147.0	132.0	158.2
Jun-22	155.8	148.3	131.3	150.0
Jul-22	154.4	147.8	131.1	149.4
Aug-22	154.5	146.6	129.4	148.9
Sep-22	154.2	146.0	129.5	146.6
Oct-22	152.8	146.3	129.2	145.6
Nov-22	151.2	145.3	128.5	143.5
Dec-22	148.2	144.2	128.5	143.0
<i>WPI-base Inflation (Year-on-Year)</i>				
Jan -22	14.60	13.82	9.65	16.53
Feb-22	14.00	13.08	9.46	21.47
Mar-22	13.62	13.30	8.79	27.02
Apr-22	15.74	13.83	7.77	25.35
May-22	17.87	14.49	8.91	18.50
Jun-22	17.14	15.59	8.87	11.94
Jul-22	15.66	14.31	7.99	11.49
Aug-22	16.60	12.51	5.63	9.57
Sep-22	15.16	11.37	4.52	6.39
Oct-22	11.37	8.94	1.97	1.18
Nov-22*	8.31	6.52	0.71	-0.07
Dec-22*	4.96	5.41	1.10	0.78

*Provisional

Table2: WPI (Base: 2011-12) and WPI bases Inflation of Industry-groups of Paper, Chemical, Rubber, Plastic and Basic Metal during the last three years

	2019-20	2020-21	2021-22*
WPI			
Paper and Paper Products	121.1	121.7	137.5
Chemical and Chemical Products	117.5	118.2	133.5
Rubber and Plastic Products	108.5	111.3	124.8
Basic Metals	106.2	111.4	140.1
WPI-based Inflation (Year-on- Year)			
Paper and Paper Products	-1.77	0.52	12.96
Chemical and Chemical Products	-1.28	0.60	12.91
Rubber and Plastic products	-0.99	2.57	12.19
Basic Metals	-5.35	4.87	25.75

*Provisional