

MSMEs facing stiff competition from China, says Minister

New Delhi, Mar 14 (KNN) Micro, small and medium enterprises (MSMEs) in the country are facing stiff competition from China, government said today.

As per information compiled from Director General of Commercial Intelligence & Statistics in respect of eight major product groups largely manufactured by the Small Scale Industries (SSIs) in India, imports from China grew at a higher rate than their respective imports from all countries combined during 2008-09 to 2011-12.

These eight product groups- electrical and electronics; mechanical and metallurgical products; chemical and glass and ceramics-based products accounted for 54 per cent of India's total imports from China in 2011-12, a significant proportion of Indian SSIs are seen to be facing greater competition from China as compared to the rest of the world.

"Strong competition from China faced by Indian MSMEs is evident in high growth of India's imports from China," Minister of State (Independent Charge) for MSME, K H Muniappa said in a written reply to the Lok Sabha.

In addition, MSMEs in the country are also facing challenges like inadequate exposure to international market and low capital base.

However, the government is implementing various schemes to overcome the challenges to the growth of MSMEs, the Minister said.

The Gross Budgetary Support (GBS) for the 12th Plan (2012—17) of the Ministry of MSME has been approved at Rs 24,124 crore by the Planning Commission. These schemes and programmes help MSMEs grow, increase their competitiveness and consequently exports, he said.

For export promotion in particular, the Ministry is implementing Market Development Assistance Scheme as also various other export promotion schemes through its autonomous bodies, namely the National Small Industries Corporation (NSIC), Khadi and Village Industries Corporation (KVIC) and Coir Board. (KNN/Gunj)