

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UN STARRED QUESTION No. 911
TO BE ANSWERED ON 11.12.2023

CONTRIBUTION OF MSMES TO THE COUNTRY'S GDP

911. SHRI MUKUL BALKRISHNA WASNIK:

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

- (a) the annual contribution of MSMEs towards country's GDP, manufacturing and exports since 2019, year-wise and the number of persons employed in this sector;
- (b) whether the estimated credit gap in this sector is around ₹20-25 lakh crore; and
- (c) if so, the steps Government plans to take for encouraging and facilitating MSMEs to avail credit from formal financial systems?

ANSWER

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

(a): As per the latest information received from Ministry of Statistics & Programme Implementation, the share of MSME Gross Value Added (GVA) in all India Gross Domestic Product (GDP) and the share of MSME manufacturing GVA in all India Manufacturing GVA are as follows:

Year	Share of MSME Gross Value Added (GVA) in all India Gross Domestic Product (GDP)	Share of MSME manufacturing GVA in all India Manufacturing GVA
2019-20	30.48%	40.67%
2020-21	27.24%	40.30%
2021-22	29.15%	40.83%

As per the information culled out from the Data Dissemination Portal of Directorate General of Commercial Intelligence and Statistics (DGCIS), the share of export of MSME specified products in all India exports are as follows:

Year	% share of Export of MSME related products in All India Export
2019-20	49.77%
2020-21	49.35%
2021-22	45.03%
2022-23	43.59%
2023-24*	45.56%

*upto September 2023

As on 06.12.2023, the total employment recorded on the Udyam Registration Portal (since inception 01.07.2020 to 06.12.2023) is 15.50 crore.

(b) & (c): The Expert Committee on Micro, Small and Medium Enterprises, constituted by Reserve Bank of India in December, 2018 has estimated the overall credit gap in the MSME sector to be in the range of Rs. 20 to Rs. 25 trillion. The Government has taken various measures including ongoing schemes to ensure sufficient financial accessibility and seamless credit to Micro, Small and Medium Enterprises (MSMEs). Some of these include the following:

- Prime Minister's Employment Generation Programme (PMEGP) which is a major credit-linked subsidy programme aimed at generating self-employment;
- Pradhan Mantri Mudra Yojna (PMMY) for providing loans up to Rs. 10 lakh, to non-corporate, non-farm micro/small enterprises;
- Strengthen credit delivery system and to facilitate the flow of credit to the Micro and Small Enterprise sector without the hassles of collateral and third party guarantee, up to a maximum of Rs. 5 crore through Credit Guarantee Scheme;
- Rs. 50,000 crore equity infusion through Self Reliant India (SRI) Fund;
- Launch of Udyam Assist Platform on 11.01.2023 to bring Informal Micro Enterprises (IMEs) under the formal ambit of MSME for availing the benefits under Priority Sector Lending;
- Inclusion of Retail and Wholesale traders as MSMEs for the purpose of availing Priority Sector Lending benefits, w.e.f. 02.07. 2021;
- Non-tax benefits extended for 3 years in case of an upward change in status of MSMEs;
- Trade Receivable Discounting System (TReDS) to facilitate the financing of trade receivables of MSMEs from corporate and other buyers including government departments and public-sector undertakings (PSUs) through multiple financiers electronically;
- Rs. 5 lakh crore Emergency Credit Line Guarantee Scheme (ECLGS), for businesses, including MSMEs was announced during the COVID-19 pandemic to fulfil the credit gap in MSMEs. The scheme was in operation till 31.03.2023.
