

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION NO. 257
TO BE ANSWERED ON 05.02.2024

DEVELOPMENT OF MSME IN THE COUNTRY

257. SHRI ANIL DESAI:

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

- (a) whether under the 'Viksit Bharat' objective, Government has provided incentives to the various units under the MSME sector;
- (b) the growth of this sector during the last five years and export capabilities of the same;
- (c) whether manufacturing of mobiles are also being undertaken by any MSME and if so, the demand and supply target for the same; and
- (d) the component of the mobile unit which is still being imported from various countries, if so, the foreign exchange being spent on such imports during last five years - year wise?

ANSWER

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

(a): Towards achieving the 'Viksit Bharat' objective, the Ministry of Micro, Small and Medium Enterprises implements various schemes for the benefit of MSME sector across the country in the areas of formalization, technological assistance, infrastructure development, credit support, sustainable practices, skill development and training and market assistance to MSMEs. The schemes/programmes inter alia include Prime Minister's Employment Generation Programme (PMEGP), MSME Champions Scheme, Credit Guarantee Scheme for Micro and Small Enterprises (CGTMSE), Entrepreneurship Skill Development Programme (ESDP), Micro and Small Enterprises-Cluster Development Programme (MSE-CDP), Procurement and Marketing Support Scheme (PMS) and National SC/ST Hub (NSSH).

In the recent past, Government has taken a number of initiatives to promote the MSME sector in the country, which inter alia include the following.

- (i) Revised criteria for classification of MSMEs to promote investment.
- (ii) "Udyam Registration" for MSMEs, for Ease of Doing Business w.e.f. 01.07.2020.
- (iii) Launch of Udyam Assist Platform (UAP) on 11.01.2023 to bring the Informal Micro Enterprises (IMEs) under the formal ambit for availing the benefit under Priority Sector Lending (PSL).
- (iv) Roll out of Raising and Accelerating MSME Performance (RAMP) programme with an outlay of Rs. 6,000 crore over 5 years.
- (v) Launch of MSME Champions scheme with the objective to modernize MSMEs' manufacturing processes, reduce wastages, encourage innovativeness, sharpen business competitiveness and facilitate their National and Global reach and excellence. Components under the MSME Champions scheme are MSME-Sustainable (ZED), MSME-Competitive (Lean) and MSME-Innovative. MSME Sustainable (ZED) Certification Scheme encourages MSMEs to improve their processes and systems to enhance quality and also move towards sustainability.
- (vi) Expanding the network of Technology Centres across the country through 'Technology Centre Systems Programme' and 'Establishment of new Technology Centres / Extension Centres' to provide technology support to MSMEs, support import substitution and imparting high-end skilling.

- (vii) Launching of an online Portal “Champions” in June, 2020 to cover many aspects of e-governance including redressing grievances and handholding of MSMEs.
- (viii) Rs. 5 lakh crore Emergency Credit Line Guarantee Scheme for business, including MSMEs.
- (ix) Rs. 50,000 crore equity infusion through Self Reliant India Fund.
- (x) No global tenders for procurement up to Rs. 200 crores.
- (xi) Inclusion of Retail and Wholesale traders as MSMEs on 02.07.2021.
- (xii) Non-tax benefits extended for 3 years in case of an upward change in status of MSMEs.
- (xiii) As announced in Budget 2023-24, Rs. 9,000 crore has been infused in the corpus of CGTMSE to enable additional credit of Rs. 2 lakh crore with a reduced cost of credit.

(b): As per the information received from Ministry of Statistics and Programme Implementation, the share of MSME Gross Value Added (GVA) in All India Gross Domestic Product (GDP) are as follows:

Year	Share of MSME GVA in All India GDP (in %)
2017-18	29.69%
2018-19	30.50%
2019-20	30.48%
2020-21	27.24%
2021-22	29.15%

As per the information culled out from the Data Dissemination Portal of Directorate General of Commercial Intelligence and Statistics (DGCIS), the share of MSME related product exports in All India Exports during the last five years are as follows:

Year	Share of MSME related Product exports in All India Exports (in %)
2019-20	49.77%
2020-21	49.35%
2021-22	45.03%
2022-23	43.59%
2023-24 (Up to November, 2023)	45.83%

(c): As per Udyam Registration portal (since inception on 01.07.2020 upto 30.01.2024), number of MSMEs registered under the National Industrial Classification (NIC) code 26305, ‘Manufacture of pagers, cellular phones and other mobile communication equipment’ is given below.

NIC code	Description	Number of MSMEs registered			
		Micro	Small	Medium	Total
26305	Manufacture of pagers, cellular phones and other mobile communication equipment	16,377	409	41	16,827

The Department of Commerce, Ministry of Commerce and Industry has informed that mobile phone manufacturing is predominantly characterized by large-scale operations. However, companies potentially classifiable as MSMEs are engaging in manufacturing feature phones in India. These companies primarily serve the lower end of the feature phone market. From a scenario where about 78% of the domestic demand by value was dependent on imports, the country has progressed to a stage where approximately 96% of mobile phones consumed domestically by value are now produced locally. This shift highlights the substantial growth in indigenous manufacturing capabilities.

(d): The Department of Commerce, Ministry of Commerce and Industry has informed that currently, the core components of mobile phones, specifically active and passive components, are primarily being imported into India. Active components include semiconductors, diodes, and transistors and passive components include inductors, resistors, and capacitors. The import value of these core components is estimated to be approximately USD 15-18 billion per year.