

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
STARRED QUESTION NO. *68
TO BE ANSWERED ON 29.07.2024

EMPLOYMENT OPPORTUNITIES IN MSMEs SECTOR

*68. SHRI M. SHANMUGAM:

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

- (a) the details of employment opportunities created in MSMEs under various programmes including PMEGP during the last three years, year-wise;
- (b) whether persons engaged in MSME units are declining due to lack of financing from banks, lack of marketing opportunities etc.; and
- (c) if so, the details thereof and the steps being taken by Government to encourage MSME units and to increase employment opportunities in MSMEs?

ANSWER

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI JITAN RAM MANJHI)

- (a) to (c): A statement is laid on the table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (c) OF THE RAJYA SABHA STARRED QUESTION No.*68 FOR ANSWER ON 29.07.2024

(a): Government implements various schemes to promote MSME Sector. These include Prime Minister Employment Generation Programme (PMEGP), Procurement and Marketing Support (PMS) scheme, Credit Guarantee Scheme for Micro and Small Enterprises (CGSMSE), Micro and Small Enterprises Cluster Development Programme (MSECDP), Scheme of Fund for Regeneration of traditional Industries (SFURTI), A Scheme for Promotion of Innovation, Rural Industry & Entrepreneurship (ASPIRE) etc. The focus of PMEGP is exclusively on employment generation by setting up of new micro enterprises.

Details of employment in MSME sector as per Udyam and Udyam Assist Platform (UAP) during the last 3 years are given below:

(No. of MSMEs & Employment in Lakhs)

FY	Total MSMEs Registered			Employment		
	Udyam	UAP	Total	Udyam	UAP	Total
2021-22	51.36	-	51.36	349.54	-	349.54
2022-23	72.33	13.32	85.66	446.95	133.25	460.27
2023-24	96.00	153.14	249.13	559.13	185.46	744.59

The details of estimated employment generated under PMEGP during the last 3 years are given below:

Year	No. of Units Assisted	MM Subsidy (Rs. Cr)	Estimated Employment Generated*	Average project size (Rs. Lakh)	Total Loan Sanctioned (Rs. Cr)
FY2021-22	1,03,219	2,977.66	8,25,752	9.01	8,773.23
FY2022-23	85,167	2,722.17	6,81,336	10.04	8,084.74
FY2023-24	89,118	3,093.88	7,12,944	11.14	9,385.00

* The average employment per unit is estimated to be 8.

(b): As per data available on Udyam registration and Udyam Assist Platform, employment is reported to be 7.44 crore in FY2023-24 as compared to the employment reported during FY2021-22 (3.49 crore). Under Prime Minister's Employment Generation Programme, the average annual estimated employment generation per unit during the last three years is 8. Further, as reported by RBI, credit disbursement to MSMEs has been increased from 16.97 lakh crores in FY2022-23 to 22.04 lakh crore in FY2023-24, indicating higher credit disbursement to the MSME sector. Under PMEGP, the loan sanctioned to micro enterprises has increased from Rs. 8,773.23 Crore in FY 2021-22 to Rs. 9,385.00 Crore in FY 2023-24.

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(c): Steps taken by Government to encourage MSME units and employment opportunities in MSME sector include:

i. Prime Minister's Employment Generation Programme (PMEGP):

- a) Maximum project cost admissible has been enhanced from Rs. 25 lakh to Rs. 50 lakh for manufacturing sector and from Rs. 10 lakh to Rs. 20 lakh for service sector.
 - b) Applicants from Aspirational districts and transgenders have been included in Special Category.
 - c) Industries related to animal husbandry like dairy, poultry, aquaculture, insects (bees, sericulture, etc.) have been allowed under the scheme.
 - d) COVID years i.e., FY2020-21 and FY2021-22 have been exempted while considering profitability of existing PMEGP/ Rural Employment Generation Programme / MUDRA units applying for 2nd Loan under PMEGP.
 - e) No mandatory EDP for project cost up to Rs. 2 lakh and shorter period of training (up to 5 days) for projects up to Rs. 5 lakh.
- ii. No global tenders for procurement up to Rs. 200 crores.
 - iii. Credit Guarantee Scheme for MSEs: Under CGSMSE, through Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), collateral free loans are provided to MSEs up to a limit of Rs. 500 lakh (since 01.04.2023) with a guarantee coverage up to 85% for various categories of loans.
 - iv. Launch of portal, Udyam Assist Platform, for bringing Informal Micro Enterprises in the formal ambit which helped the registered Informal Micro Enterprises to avail the benefits of Priority Sector Lending.
 - v. Inclusion of Retail and Wholesale traders as MSMEs with effect from 02.07.2021 for credit purpose.
 - vi. Non-tax benefits extended for 3 years in case of an upward change in status of MSMEs.
 - vii. Launch of "PM Vishwakarma" Scheme on 17.09.2023 to provide benefits such as credit support, skill training, marketing support, etc. to artisans and crafts people engaged in 18 traditional trades. The Scheme will onboard the beneficiaries on Udyam Assist Platform as "entrepreneurs" in the formal MSME ecosystem.
