

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION NO. 1541
TO BE ANSWERED ON 09.12.2024

PARTICIPATION OF MSMEs IN GLOBAL VALUE CHAIN

1541. SHRI SANJAY SETH:

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

- (a) the manner in which Government is supporting Small and Medium Enterprises (SMEs) to boost their competitiveness and participation in global value chains;
- (b) the details of the policies that are being implemented to attract Foreign Direct Investment (FDI) in manufacturing and high-tech industries;
- (c) the manner in which Government addresses the issue of high logistics costs and improving infrastructure to make exports more competitive; and
- (d) the measures being taken to facilitate ease of doing business and reduce compliance burden for industries?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SUSHRI SHOBHA KARANDLAJE)

- (a): The Government of India has undertaken the following initiatives to boost the competitiveness of MSMEs and their participation in global value chain:
- i. International Cooperation Scheme of Ministry of MSME provides financial assistance to MSMEs for participation in international trade fairs and exhibitions.
 - ii. Export Credit Guarantee Scheme (ECGS) of Ministry of MSME, ensures easy availability of credit to exporters and reduces risks associated with exports.
 - iii. The Interest Equalization Scheme on pre and post-shipments of rupee export credit has also been extended to the MSME Sector up to 31-12-2024, with a total allocation of Rs. 12,788 crores.
 - iv. Assistance provided through several schemes to promote exports, namely, Trade Infrastructure for Export Scheme (TIES) and Market Access Initiatives (MAI) Scheme.
 - v. The Rebate of State and Central Levies and Taxes (RoSCTL) Scheme to promote labour oriented certain items of textiles sector export has been implemented since 07.03.2019.
 - vi. A Common Digital Platform for Certificate of Origin has been launched to facilitate trade and increase Free Trade Agreement (FTA) utilization by exporters.
 - vii. Districts as Export Hubs initiative has been launched by identifying products with export potential in each district, addressing bottlenecks for exporting these products and supporting local exporters/manufacturers to generate employment in the district.
 - viii. The government has launched Trade Connect ePlatform on 11th September 2024. Trade connect ePlatform is an information and intermediation platform on international trade bringing together Indian Missions abroad and officials from Department of Commerce and other organisations to provide comprehensive services for both new and existing exporters.

(b): To promote Foreign Direct Investment (FDI), the Government has put in place an investor-friendly policy, wherein most sectors, except certain strategically important sectors, are open for 100% FDI under the automatic route.

Further, to ensure that India remains an attractive and investor-friendly destination, the Government reviews FDI policy on an ongoing basis and makes changes from time to time after having intensive consultations with stakeholders including apex industry chambers, associations, representatives of industries/groups and other organizations taking into consideration their views/comments.

(c): The Government of India has taken various steps to address the issue of high logistics costs and improve infrastructure to enhance export competitiveness such as;

- I. PM (Pradhan Mantri) Gati Shakti National Master Plan enabling comprehensive and integrated planning for multimodal logistics.
- II. National Logistics Policy (NLP), which aims to drive economic growth and business competitiveness of the country through cost-effective logistics network.
- III. National Industrial Corridor Development Programme to create quality infrastructure.

(d): Department for Promotion of Industry and Internal Trade (DPIIT) is the Nodal Department for coordinating the initiatives under Ease of Doing Business (EoDB) which are aimed at creating a conducive business environment in India. Series of steps have been taken to enhance EoDB in India by Ministries/Departments and States/Union Territories (UTs). These include:

- i. Reducing Compliance Burden on Businesses and Citizens by Simplifying, Rationalizing, Digitizing and Decriminalizing Government to Business and Citizen Interfaces.
- ii. Assessment of States/UTs on the basis of implementation of designated reform parameters under annual exercise called Business Reform Action Plan (BRAP).
- iii. Implementation of National Single Window System (NSWS), a one-stop shop for investor related approvals and services.

In addition, the Ministry of MSME has launched Udyam Registration Portal (URP) on 01.07.2020 for online registration of MSMEs.
