GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION NO. 1698
TO BE ANSWERED ON: 03.08.2026

SAFEGUARDING MSMEs FROM GLOBAL SUPPLY CHAIN AND ECONOMIC DISRUPTIONS

1698. SHRI VINOD SHRIDHAR TAWDE:

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

(a) whether Government has reviewed the likely impact of recent geopolitical developments in West Asia on MSMEs and if so, the details thereof;
(b) the measures taken to strengthen MSME resilience against supply chain disruptions, raw material price volatility, transportation and logistics challenges and working capital constraints;
(c) whether any framework/mechanism exists for continuous monitoring and timely policy intervention to protect MSMEs from external economic shocks and if so, the details thereof; and
(d) the steps taken to enhance the competitiveness and adaptability of MSMEs amid evolving global uncertainties?

ANSWER

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

(a) to (d): In order to address wider trade and logistics challenges arising from the recent geopolitical developments in West Asia, the Government has formed an Inter-Ministerial Group (IMG) and a sub-group. Measures have been taken to strengthen MSME resilience against supply chain disruptions, raw material price volatility, transportation and logistics challenges and working capital constraints.

As informed by Department of Commerce, Agricultural and Processed Food Products Export Development Authority (APEDA) is facilitating alternative routing for perishable exports, and facilitative measures such as simplified customs procedures, support for stranded cargo, and port-level interventions have been undertaken. In addition, Directorate General of Foreign Trade (DGFT) notified the Resilience & Logistics Intervention for Export Facilitation (RELIEF) intervention on 19 March 2026 under the Export Promotion Mission through Export Credit Guarantee Corporation of India (ECGC) to address elevated export risks. Government has taken measures such as restoration of Remission of Duties and Taxes on Exported Products (RoDTEP) benefits to mitigate higher freight, insurance, and war-risk costs.

In view of the evolving global uncertainties, Emergency Credit Line Guarantee Scheme (ECLGS 5.0) was launched on 5th May 2026 to provide liquidity support to businesses facing cash-flow disruptions. The scheme provides for additional credit flow of Rs. 2,55,000 crore out of which Rs. 2,00,000 crore is earmarked for MSMEs. Under the scheme, 100% guarantee coverage is provided to MSMEs and 90% to other business segments. Till 14.07.2026**,** 4,65,807 guarantees amounting to Rs. 1,72,526 crore have been issued.

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