

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION No. †1319
TO BE ANSWERED ON 24.07.2017

PROMOTION OF MSMES

†1319. SHRI KRUPAL BALAJI TUMANE:
SHRI SHIVKUMAR UDASI:
SHRIMATI REKHA VERMA:

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

- (a) the contribution of Micro, Small and Medium Enterprises (MSMEs) sector in the gross domestic product of the country during the last three years;
- (b) whether the Government has implemented any special schemes to increase the competitiveness amongst MSMEs in the country;
- (c) whether it has been made mandatory for central public sector enterprises to make 20 per cent of their procurements from MSMEs and if so, the total procurements made therefrom during the last three years; and
- (d) the other steps taken by the Government to promote competitiveness and productivity in the MSMEs sector?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF
MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI HARIBHAI PARATHIBHAI CHAUDHARY)

(a): As per the data available with Central Statistics Office (CSO), Ministry of Statistics & Programme Implementation, Government of India, the contribution of Micro, Small and Medium Enterprises (MSME) in the Gross Value Added (GVA) of the country for the year 2013-14, 2014-15 and 2015-16 at current prices are 32.26%, 31.86% and 31.60% respectively and the contribution in Gross Domestic Product (GDP) of the country for the year 2013-14, 2014-15 and 2015-16 at current price are 29.76%, 29.39% and 28.77% respectively.

However, as the CSO does not compile estimates (GVA/GDP) of MSME sector based on the definition of MSME sector, an approximation based on the results of Annual Survey of Industries (ASI) and surveys on unorganised sector has been made to arrive at the contribution, mentioned in the above para.

(b): Yes madam, the Government has implemented the National Manufacturing Competitiveness Programme for increase the competitiveness amongst MSME in the country.

(c): The Government of India has introduced Public Procurement Policy for Micro and Small Enterprises (MSEs) Order-2012 which is applicable to all Central Ministries/Departments/CPSUs and is effective from the 1st April, 2012. Under the said Policy, every Central Government Ministry, Department and Public Sector Undertaking shall procure a minimum of 20 per cent of their total annual value of goods or services from Micro and Small Enterprises (MSEs). Out of this 20%, it is mandatory to earmark 4% for MSEs owned by SC/ST entrepreneurs from the 1st April, 2015.

The Details of Procurement during last three years (reported by CPSUs till 18th July, 2017) are given below:

(Figures in Rs. Crore)

| Year | Total Procurement | Procurement from MSEs(including SC/ST owned MSEs) | Procurement from MSEs owned by SC/ST |
|--------------------------------|--------------------------|---|---|
| 2014-15 (133 CPSUs) | 131766.86 | 15300.57 | 59.37 |
| 2015-16 (116 CPSUs) | 134848.14 | 18246.15 | 99.37 |
| 2016-17* (60 CPSUs) | 55291.64 | 13288.96 | 195.22 |

* Provisional

(d): The Ministry of Micro, Small & Medium Enterprises (MSME) has introduced various schemes to help MSMEs to increase their competitiveness and productivity in the country. These, inter-alia, include National Manufacturing Competitiveness Programme (NMCP), Micro and Small Enterprises- Cluster Development Programme (MSE-CDP), Credit Linked Capital Subsidy Scheme (CLCSS), A Scheme for Promoting Innovation, Rural Industry & Entrepreneurship (ASPIRE) and Scheme of Fund for Regeneration of Traditional Industries (SFURTI), etc.

The National Manufacturing Competitiveness Programme (NMCP) highlights the need for enhancing the competitiveness of Indian Manufacturing Sector. The NMCP is the nodal programme of the Government of India to develop global competitiveness among Indian MSMEs. Under NMCP the schemes are (i)Support for Entrepreneurial and Managerial Development of SMEs through Incubators (ii)Building Awareness on Intellectual Property Rights (IPR) for MSME (iii)Enabling Manufacturing Sector to be competitive through Quality Management Standard & Quality Technology Tools (QMS/QTT) subsumed under Zero Defect Zero Effect (ZED) (iv)Digital MSME Scheme (v)Technology and Quality Up gradation Support to MSMEs (vi)Design Clinic Scheme for design expertise to MSMEs Manufacturing sector and (vii)Lean Manufacturing Competitiveness Scheme.

The Ministry of MSME has also adopted the Cluster Development approach as a key strategy for enhancing the productivity and competitiveness as well as capacity building of Micro and Small Enterprises (MSEs) and their collectives in the country.
