

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
STARRED QUESTION No. *464
TO BE ANSWERED ON: 25.07.2019

DEVELOPMENT OF MSME SECTOR

* 464 SHRI Y.S. AVINASH REDDY:
 SHRI KOMATI REDDY VENKAT REDDY:

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

- (a) whether the Government has given special attention for the development of the Micro, Small and Medium Enterprises(MSMEs) sector and if so, the details thereof;
- (b) whether the Government has directed the banking sector to deal with the MSME loans by appointing officers of General Manager level and if so, the details thereof;
- (c) the details of the exemptions and sops being given to MSMEs for speedy development;
- (d) whether the measures initiated by the Government in strengthening the MSME sector have gradually started yielding positive results in the development of MSMEs in the country, which are the backbone of the country's economy and if so, the details thereof; and
- (e) the details of the objectives and the achievements made so far by the MSME sector?

ANSWER

MINISTER FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI NITIN GADKARI)

(a) to (e): A statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (e) of Lok Sabha Starred Question No. *464 for answer on 25.07.2019

(a): Yes, Sir. The Ministry of Micro, Small and Medium Enterprises (MSME) implements various Schemes/Programmes for the promotion and development of MSMEs in the country. These include Prime Minister's Employment Generation Programme (PMEGP), Micro and Small Enterprises-Cluster Development Programme (MSE-CDP), Tool Rooms & Technology Centers, Scheme of Fund for Regeneration of Traditional Industries (SFURTI), Procurement and Marketing Support Scheme, Entrepreneurship Skill Development Programme (ESDP), Credit Guarantee Scheme for Micro and Small Enterprises (MSEs), Credit Linked Capital Subsidy and Technology Upgradation Scheme (CLCS-TUS) and Public Procurement Policy (PPP).

Government announced 12 key initiatives on 02.11.2018 to facilitate easy access to credit, technology support and ease of doing business for MSMEs.

The Insolvency and Bankruptcy Code (Amendment) Ordinance, 2018 provides relief to Micro, Small and Medium Sector Enterprises (MSME) by not disqualifying the promoter to bid for his enterprise undergoing Corporate Insolvency Resolution Process (CIRP) provided he is not a wilful defaulter and does not attract other disqualifications not related to default.

(b): The banks have designated senior level officers responsible for credit to MSMEs.

(c): Under Goods and Services Tax (GST) Act, Micro & Small units with turnover up to Rs. 1.5 crore are allowed to avail benefits under the composition scheme. Ministry of Micro, Small and Medium Enterprises (MSME) has launched the Interest Subvention Scheme for new and incremental credit to MSMEs under which 2% interest subvention is provided to all eligible units having Udyog Aadhar Number (UAN) and GST registration.

(d) & (e): As reported by Central Statistics Office (CSO), the share of MSMEs in total Gross Value Added (GVA) during 2016-17 was 31.8%. As reported by Directorate General of Commercial Intelligence and Statistics (DGCIS), the share of MSME related products in total exports during 2018-19 is 48.10%. As per 73rd round of National Sample Survey (NSS) (2016-17) by Ministry of Statistics and Programme Implementation (MoSPI), the employed persons in MSME Sector are about 11.10 crore.

Under the Prime Minister's Employment Generation Programme (PMEGP), the estimated employment generation has increased from 3.58 lakh to 5.87 lakh between the year 2014-15 to 2018-19.

The number and amount of Guarantees approved under the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) has increased during 2018-19 as compared to 2017-18. The details are given below:

Year	No. of Credit Facilities Approved (in lakhs)	Amount of Guarantees Approved (in Rs. crore)
2017-18	2.63	19065.90
2018-19	4.36	30168.57

As per the data received from the Reserve Bank of India (RBI), the outstanding credit to Micro, Small and Medium Enterprise (MSME) sector by all Scheduled Commercial Banks during the last three years has increased as indicated below:

Year ended	Amount Outstanding (in Rs. Crore)
March 2017	1070129.48
March 2018	1149353.83
March 2019 (Provisional)	1497687.10

The Ministry of MSME focuses on high end skilling and technical support through the existing 18 Tool Rooms/Technology Centres.

The details of the training provided through these existing 18 Tool Rooms/Technology Centres are given below:

Year	No. Trainees Trained (in lakh)
2016-17	1.49
2017-18	1.47
2018-19	2.08

Public Procurement Policy mandates the Central Ministries/Departments/Public Sector Undertakings to procure at least 25% of the annual procurement from MSEs in place of 20% stipulated earlier. An online "MSME-SAMBANDH" portal has been launched to track effective implementation of Public Procurement Policy. The significant progress in the procurement of MSEs products and services are furnished below:

Year	Total Procurement (in Rs. crore)	Procurement from MSEs (in Rs. crore)
2017-18	114,042	26357.46
2018-19	152620.40	40303.26

Government has adopted 'Cluster Development Approach' (CDP) as a key strategy for enhancing the productivity, competitiveness and capacity building of Micro and Small Enterprises (MSEs). The details of the progress under the MSE-CDP are given below:

Year	Projects Approved	Projects completed	Budget Utilized (in Rs. Crore)
2016-17	9	10	121.68
2017-18	21	24	157.11
2018-19	36	28	172.73

Khadi activity is considered as potential tool for creation of employment opportunities at the doorstep of rural artisans at very low capital investment. The details of the achievements in Khadi and Village Industries Sector are given below:

Year	Production (Rs. in crore)		Sales (Rs. in crore)		Cumulative Employment (No. of persons in lakhs)	
	Khadi	Village Industries	Khadi	Village Industries	Khadi	Village Industries
2016-17	1520.83	41110.26	2146.60	49991.61	4.56	131.84
2017-18	1626.66	46454.75	2510.21	56672.22	4.65	135.71
2018-19 (P)	1963.30	56255.18	3215.13	71113.68	4.95	142.03

Note: Khadi includes Polyvastra & Solarvastra from 2015-16 onwards, P-Provisional

The Coir Board aims at the development of coir industry in the country by promoting exports of coir yarn and coir products. The details of the achievement of the Coir Board are given below:

Year	Production of coir fibre (in MT)	Export (Rs. in Crore)
2016-2017	5,56,900	2281.65
2017-2018	5,59,400	2532.28
2018-2019	7,49,600	2728.05