CHALLENGES FACED BY MSME SECTOR

1147. SHRI BALASHOWRY VALLABHANENI:

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

(a) the details of share of budget allocated to major focused areas of MSME sector during 2022-23 and 2023-24;
(b) the challenges faced by the MSME sector; and
(c) the measures taken/being taken by the Government to resolve the challenges including the uncharted sectors either through PM Vishwakarma programme or otherwise, with a particular reference to Andhra Pradesh?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI BHANU PRATAP SINGH VERMA)

(a) to (c): The challenges faced by the MSME sector inter alia include access to affordable credit, technology, informality, lack of infrastructure, shortage of skilled manpower and access to market. To mitigating these challenges, the Ministry of Micro, Small and Medium Enterprises implements various schemes for the benefit of MSMEs across the country including in the State of Andhra Pradesh. The schemes/programmes inter alia include Prime Minister’s Employment Generation Programme (PMEGP), Credit Guarantee Scheme for Micro and Small Enterprises, Micro and Small Enterprises-Cluster Development Programme (MSE-CDP), MSME Champions scheme, International Cooperation Scheme, Procurement and Marketing Support Scheme (PMS) and National SC/ST Hub (NSSH).

There has been a significant increase in the budget allocated to the Ministry of MSME towards interventions for addressing these focus areas. The same for the FY 2022-23 and FY 2023-24 are given below.

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Budget Estimates (Rs. in crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022-23</td>
<td>21,422.00</td>
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<tr>
<td>2023-24</td>
<td>22,137.95</td>
</tr>
</tbody>
</table>

In the recent past, Government has taken various measures in the areas of credit support, formalization, technological assistance, infrastructure development, skill development and training and market assistance, in the country including in the State of Andhra Pradesh, which inter alia include the following.

(i) Rs. 5 lakh crore Emergency Credit Line Guarantee Scheme for business, including MSMEs.
(ii) Rs. 50,000 crore equity infusion through Self Reliant India Fund.
(iii) Revised criteria for classification of MSMEs to promote investment.
(iv) No global tenders for procurement up to Rs. 200 crores.
(v) “Udyam Registration” for MSMEs, for Ease of Doing Business w.e.f. 01.07.2020.
(vi) Launching of an online Portal “Champions” in June, 2020 to cover many aspects of e-governance including redressing grievances and handholding of MSMEs.
(vii) Inclusion of Retail and Wholesale traders as MSMEs on 02.07.2021.
(viii) Non-tax benefits extended for 3 years in case of an upward change in status of MSMEs.
(ix) Roll out of Raising and Accelerating MSME Performance (RAMP) programme with an outlay of Rs. 6,000 crore over 5 years.
(x) Launch of Udyam Assist Platform (UAP) on 11.01.2023 to bring the Informal Micro Enterprises (IMEs) under the formal ambit for availing the benefit under Priority Sector Lending (PSL).
(xi) As announced in Budget 2023-24, Rs. 9,000 crore has been infused in the corpus of CGTMSE to enable additional credit of Rs. 2 lakh crore with a reduced cost of credit.

For the promotion and development of the uncharted sectors like artisans and craftspeople in the country, The PM Vishwakarma Scheme was launched on 17.09.2023 to provide end-to-end support to artisans and craftspeople who work with their hands and tools. The Scheme components include recognition through PM Vishwakarma Certificate and ID Card, Skill Upgradation, Toolkit Incentive, Credit Support, Incentive for Digital Transactions and Marketing Support. Details of registrations under the Scheme on the PM Vishwakarma portal, since the launch of the Scheme on 17.09.2023 upto 05.02.2024, in the State of Andhra Pradesh are given below.

<table>
<thead>
<tr>
<th>State</th>
<th>Number of applications received</th>
<th>Number of applications successfully registered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andhra Pradesh</td>
<td>11,39,051</td>
<td>44,827</td>
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</tbody>
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