

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**UN STARRED QUESTION No. 971**  
**TO BE ANSWERED ON 08.02.2024**

**CONTRIBUTION OF MSME SECTOR IN GDP**

971. SHRI BALASHOWRY VALLABHANENI:

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

- (a) the contribution of Micro, Small and Medium Enterprises (MSMEs) sector to Gross Domestic Product (GDP) and manufacturing output during the last five years and in the first three quarters of the current fiscal;
- (b) the efforts being made to increase its contribution to GDP and manufacturing output to increase employment opportunities; and
- (c) the steps taken/proposed to be taken to bring all unregistered MSMEs under Udyam Portal?

**ANSWER**

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

(a): As per the latest information received from the Ministry of Statistics & Programme Implementation, share of MSME Gross Value Added (GVA) in all India GDP and Share of MSME Manufacturing Output in All India Manufacturing Output (in %) are as follows:

Year	Share of MSME GVA in All India GDP (in %)	Share of MSME Manufacturing Output in All India Manufacturing Output (in %)
2017-18	29.7%	37.4%
2018-19	30.5%	36.9%
2019-20	30.5%	36.6%
2020-21	27.2%	36.9%
2021-22	29.1%	36.2%

(b): The Ministry of Micro, Small and Medium Enterprises implements various schemes and programmes aimed at support and development of MSME Sector in the country in areas of credit support, new enterprise development, formalization, technological assistance, infrastructure development, skill development and training and market assistance to MSMEs. These schemes/programmes include MSME Champions Scheme, Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), Prime Minister's Employment Generation Programme (PMEGP), Micro and Small Enterprises - Cluster Development Programme (MSE-CDP) and Raising and Accelerating MSME Performance (RAMP).

Further Government has taken a number of initiatives to support the MSME Sector. Some of them are:

- i. Collateral free loan up to a limit of Rs. 500 lakh (w.e.f. 01.04.23) to MSEs with guarantee coverage up to 85 % for various categories of loan through Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) under Credit Guarantee Scheme.

- ii. Rs. 50,000 crore equity infusion through Self Reliant India Fund. This scheme has a provision for corpus of Rs.10,000 crore from Government of India.
- iii. No global tenders for procurement up to Rs. 200 crore
- iv. Roll out of Raising and Accelerating MSME Performance (RAMP) programme with an outlay of Rs. 6,000 crore over 5 years.
- v. Integration of Udyam Portal and National Career Service (NCS) of Ministry of Labour & Employment, as an outcome registered MSMEs are able to search for jobseekers on NCS.
- vi. Under Vivad se Vishwas – I, relief by way of refund of 95% of the deducted performance security, bid security and liquidated damages was provided to MSMEs. Relief was also provided to MSMEs debarred for default in execution of contracts.
- vii. Launch of ‘PM Vishwakarma’ Scheme on 17.09.2023 to provide benefits to the traditional artisans and craftspeople engaged in 18 trades.
- viii. Samadhaan Portal for monitoring of Out Standing dues to MSEs from buyers of goods and services w.e.f. 30.10.2017.

(c): The Udyam Registration Portal was launched on 01.07.2020 to facilitate ease of registration for MSMEs and access to all the Schemes and benefits. The registration process is free of cost, paperless and digital. As on 05.02.2024, more than 3.64 crore MSMEs with an employment of more than 16.86 crore, have registered on Udyam Portal (this includes the Informal Micro Enterprises (IMEs) registered on Udyam Assist Platform (UAP)). The Government has also launched Udyam Assist Platform on 11.01.2023 to bring Informal Micro Enterprises (IMEs) under the formal ambit for availing the benefits under Priority Sector Lending. The following steps have been taken by the government to promote MSMEs:

- I. New revised criteria for classification of MSMEs w.e.f. 01.07.2020.
- II. "Udyam Registration" for MSMEs, for Ease of Doing Business w.e.f. 01.07.2020.
- III. Inclusion of Retail and Wholesale trades as MSMEs w.e.f. 02.07.2021 for availing the benefits of Priority Sector Lending.
- IV. Non-tax benefits extended for 3 years in case of an upward change in status of MSMEs w.e.f. 18.10.2022.

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