

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION No. †4081
TO BE ANSWERED ON 12.12.2019

EFFECT OF ECONOMIC SLOWDOWN ON MSMEs

†4081. SHRI AJAY NISHAD:

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

- (a) the contribution of Micro, Small and Medium Enterprises in the National Market;
- (b) whether many Micro, Small and Medium Scale Industries have been affected due to recent global economic downturn and at the same time, these enterprises have the misfortune of reformist steps like demonetization and GST;
- (c) if so, the details of the decrease in income and exports and number of units have been closed so far ;
- (d) whether these industries are facing a threat due to the entry of multinational companies in the country;
- (e) if so, whether the Government is searching for any success formula to enable such industries to compete in fiercely competitive world markets and if so, the details thereof; and
- (f) whether the Government has given any incentive package to these industries and if so, the details thereof?

ANSWER

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

(a) to (c): As per National Statistical Office, Ministry of Statistics & Programme Implementation, Share of MSME sector in All India Gross Domestic Product (GDP) during 2017-18 has been 29.7%. As reported by Directorate General of Commercial Intelligence and Statistics (DGCIS), the share of MSME related products in total exports during 2018-19 has been 48.10%.

The impact of global economic downturn on MSMEs is cyclic in nature. As per the preliminary assessment report on the impact of demonetization brought out by the RBI, the adverse impact had been transient.

Under the 'Framework for Revival and Rehabilitation of Micro, Small and Medium Enterprises' issued by Reserve Bank of India, banks have been advised to identify incipient stress in the MSME accounts and refer it to the Committees formed under the Framework for suitable Corrective Action Plan viz. rectification, restructuring and recovery. As per the information received from Reserve Bank of India, stressed accounts referred to the Corrective Action Plan Committee during the half year ended March 2019 is 1,42,275.

(d) & (e): In order to enhance competitiveness, marketability and technology upgradation of products/services of MSMEs in the global market, the Government has taken several measures under various programmes/Schemes.

(f): The Ministry of MSME implements various programmes to support promotion & development of MSMEs. These include Financial Support to MSMEs in ZED Certification Scheme, Marketing Assistance and Technology Upgradation Programme, Procurement and Marketing Support Scheme, Micro and Small Enterprises-Cluster Development Programme (MSE-CDP), Tool Rooms and Technology Centers, Entrepreneurship Skill Development Programme (ESDP), Credit Guarantee Scheme for Micro and Small Enterprises (MSEs), Building Awareness on Intellectual Property Rights" (IPR) for the Micro, Small & Medium Enterprises (MSME) and Credit Linked Capital Subsidy and Technology Upgradation Scheme (CLCS-TUS).