

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION No. 3789
TO BE ANSWERED ON 18.03.2021

PROMOTION OF MSMEs

3789. SHRI PRATHAP SIMHA:
SHRI L.S. TEJASVI SURYA:

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

- (a) whether there has been a significant improvement in the health of MSMEs following the Government's Atmanirbhar Bharat announcement not to permit global tenders upto Rs 200 crore and if so, the details thereof;
- (b) whether the Government is aware that certain tender announcements request companies to submit irrelevant technical certificates not issued by any Indian agencies like Electronic Products Environmental Assessment Tool, instead of relying on Indian certificates like BIS, EPR, ISO 140001 etc; and
- (c) if so, the measures taken by the Government to promote MSMEs in participating in tenders below Rs 200 crore?

ANSWER

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

(a): As reported by Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry, the Public Procurement is a sizeable share of Indian Economy. To promote domestic investment and usage of made in India products by the Government, Government of India has revised the Public Procurement (Preference to Make in India) Order, 2017 on 16.09.2020. The salient features of the order are:-

- For Government purchases of less than Rs. 200 crore, global tender enquiry shall not be issued.
- Suppliers offering items with minimum 50% domestic value addition will get purchase preference over other suppliers in government procurement.
- Suppliers offering items with less than 20% domestic value addition can't participate in domestic/national bidding process.
- Nodal Ministries/ Departments have been authorized to notify higher minimum local content requirement for Class-I/ Class-II local suppliers i.e. higher than 50/20%.

(b): No, Sir.

(c): Government is enforcing the Public Procurement (Preference to Make in India) Order to further encourage the domestic manufacturing base, facing severe constraint due to the pandemic situation globally, establish more joint ventures within the country and for India to take a lead as an important player in the global and domestic supply chain. The changes have been undertaken to enhance the participation of domestically produced goods and services in the Government procurement process. Government of India has also modified the General Financial Rules (GFRs), so that any bidder having beneficial ownership / financial relationship with investments from countries sharing land border with India would now be eligible to bid, only after the bidder is registered after a rigorous scrutiny. This step has been taken keeping in mind National security and National requirement for such a bidder in all Government procurements.

For providing marketing support to MSEs all Central Ministries/ Government Department and CPSEs are required to procure 25% of their annual requirements of goods and services from MSEs including 4% from MSEs owned by SC/ST and 3% from MSEs owned by women entrepreneurs under the public procurement policy. The progress of procurements from MSEs is regularly monitored through MSME-SAMBANDH portal. Procurement from MSEs has been increased from 26.32% in 2018-2019 to 31.69 % in 2019-2020 benefiting 1,28,124 and 1,57,664 MSEs respectively during the said period. We have overachieved the target minimum of 25 percent, as set in November, 2018. During the current FY, as on date (15.03.2021), the public procurement from the MSEs is to the extent of Rs 31,292.09 Cr (31.51%), benefitting 1,35,580 MSEs (**till 15.03.2021**).
