

**GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT
LOK SABHA
UNSTARRED QUESTION NO. 3479
TO BE ANSWERED ON 08.08.2022**

SURPLUS LABOUR

**3479. SHRI MANNE SRINIVAS REDDY:
SHRI KOMATI REDDY VENKAT REDDY:**

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

- (a) whether the country has lagged in taking advantage of its surplus labour to become a manufacturing hub and one of the reasons for this is that India's factories are too small to benefit from scale and some surveys also showed that, among the factories considered, about 50 per cent were either classified as individual proprietorships or partnerships and engaged less than 30 people on average and it is hard for such small firms to compete in international markets; and**
- (b) if so, the details thereof, the reasons therefor and the corrective steps being taken in this regard?**

ANSWER

**MINISTER OF STATE FOR LABOUR AND EMPLOYMENT
(SHRI RAMESWAR TELI)**

(a) & (b): The Micro, Small and Medium Enterprises (MSME) sector is an important sector of the Indian economy. The share of MSME Gross Value Added (GVA) in All India Gross Domestic Product at current prices (2011-12) for the year 2018-19 and 2019-20 were 30.5% and 30.0% respectively. The share of the MSME manufacturing in All India manufacturing gross value output during the year 2018-19 and 2019-20 were 36.9% and 36.9% respectively. Further, the share of export of to All India exports during 2019-20 and 2020-21 was 49.8% and 49.5% respectively.

The major policy incentives for promoting manufacturing includes Make in India, Start Up India, Gati Shakti, enactment of four labour codes, Industrial Corridors, Production Linked Incentive Scheme (PLI), Promoting Ease of Doing Business (EoDB) and reducing compliance burden, National Single Window System (NSWS), One District One Product (ODOP), GIS enabled Land Bank, Foreign Direct Investment (FDI) Policy Reforms, Project Monitoring Group to remove bottlenecks in setting up of major infrastructure projects, Special Packages for North Eastern and Himalayan Regions, Setting up of Industrial Park, Stand up India and Tax Incentive etc.
