

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 2923
TO BE ANSWERED ON 08.08.2024

SUPPORT TO SMEs

2923. SHRI E T MOHAMMED BASHEER:

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

- (a) the manner in which the Government is supporting Small and Medium Enterprises (SMEs) to boost their competitiveness and participation in global value chains;
- (b) the details of the policies that are being implemented to attract Foreign Direct Investment (FDI) in manufacturing and high-tech industries;
- (c) the manner in which the Government addresses the issue of high logistics costs and improving infrastructure to make exports more competitive; and
- (d) the measures being taken to facilitate ease of doing business and reduce compliance burden for industries?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDMUM ENTERPRISES
(SUSHRI SHOBHA KARANDLAJE)

(a): In order to boost the competitiveness of Indian industry including Small and Medium Enterprises and increase their participation in global value chains, Government of India has taken various initiatives, namely, Make in India Programme, Promotion of Ease of Doing Business, improved availability of credit through MUDRA, Stand up India etc. Further, Ministry of MSME has specifically established 60 Export Facilitation Centers (EFCs) across the country to provide requisite mentoring and handholding support to Micro and Small Enterprises (MSEs). Under International Cooperation Scheme, financial assistance is provided to MSMEs for entering export market by facilitating their participation in international exhibitions/fairs held abroad and reimbursement of various costs involved in export of goods and services. In addition, Ministry of MSME is also providing assistance through various schemes namely, MSME Champions Scheme, Raising and Accelerating MSME Performance (RAMP) Scheme, Credit linked Capital Subsidy Technology Upgradation Scheme (CLCS-TUS), Micro & Small Enterprises- Cluster Development Programme (MSE-CDP), Technology Centre System Programme (TCSP), Procurement and Marketing Schemes (PMS), etc.

(b): To attract more FDI, the Government has put in place an investor friendly FDI policy, wherein most of the sectors, except certain strategically important sectors, are open for 100% FDI under the automatic route. The Government has implemented several radical and transformative FDI reforms across sectors such as Defence, Pension, Other Financial Services, Asset reconstruction Companies, Broadcasting, Pharmaceuticals, Single Brand Retail Trading, Construction & Development, Civil Aviation, Power Exchanges, e-commerce activities, Coal Mining, Contract Manufacturing, Digital Media, Insurance Intermediaries, Insurance, Petroleum & Natural Gas and Telecom, etc. Further, the Government reviews the FDI policy on an ongoing basis and makes significant changes from time to time, to ensure that India remains an attractive & investor friendly destination.

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(c): To reduce logistics costs and improve infrastructure, Government has launched the PM GatiShakti National Master Plan(NMP) initiative on 13 October, 2021 and to complement it, National Logistics Policy (NLP) was notified in September, 2022. While the development of integrated infrastructure development is addressed through the PM Gati Shakti NMP; efficiency in services (like processes, digital systems, and regulatory framework) and human resources is addressed by the NLP through its Comprehensive Logistics Action plan (CLAP). These initiatives together provide a framework for creating a data-driven decision support mechanism for an efficient logistics ecosystem aimed at reducing logistics costs and enhancing logistics efficiency in the country.

(d): The Department for Promotion of Industry and Internal Trade (DPIIT) is the Nodal Department for coordinating the initiatives under Ease of Doing Business (EoDB) which are aimed at creating a conducive business environment in India. These efforts are aimed to cover all sectors/industries of the economy, including Micro, Small and Medium Enterprises(MSMEs).DPIIT is the nodal Department for several key initiatives including the Business Reform Action Plan (BRAP), the B-Ready assessment, Jan Vishwas and Reducing Compliance Burden on Businesses and Citizens. These initiatives are designed to improve India's business eco system, attract investments, and foster economic growth by reducing bureaucratic hurdles and making the regulatory environment more conducive.

Further, for facilitating Ease of Doing Business for MSMEs in India, Ministry of MSME has also launched Udyam registration Portal & Udyam Assist Platform for registration of MSMEs;
