

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 1565
TO BE ANSWERED ON 13.02.2025

CONTRIBUTION OF MSMEs IN INDUSTRIALISATION

1565. SMT. BHARTI PARDHI:
SHRI DHARMENDRA YADAV:
SHRI SHRIRANG APPA CHANDU BARNE:

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

- (a) whether the MSMEs play an important role in reducing regional imbalances by contributing to the industrialization of rural and backward areas;
- (b) if so, the details of the policy formulated by the Government to ensure the industrialization of rural and backward areas;
- (c) whether the MSME sector is facing difficulties in attaining desired growth and become medium-sized and subsequently large companies;
- (d) if so, the details of the challenges being faced by the MSME sector;
- (e) whether MSMEs need a nine-fold increase in digitally skilled workers by 2025 to compete globally;
- (f) if so, the reaction of the Government thereto; and
- (g) the steps taken by the Government to address the challenges being faced by the MSME sector?

ANSWER

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

(a) & (b): Within 4.5 years of adoption of the revised definition of enterprise and launch of Udyam Registration Portal, over 5.83 crore enterprises have already registered as Micro, Small and Medium Enterprises (MSMEs) across the country, including in rural and backward areas. Out of these, 1.21 crore enterprises are engaged in manufacturing activity. As per the data for 2022-23, the MSME sector contributed 30.1% to GDP and 36% to manufacturing output. Further, as per the data for 2023-24, the MSME sector contributed 45% to exports. To create an enabling, inclusive and business friendly environment for industrial growth in the country, Department for Promotion of Industry and Internal Trade has taken a number of measure like PM Gati Shakti National Master Plan and National Logistics Policy, Production Linked Incentive Scheme, Startup India, etc.

The Central Government supplements the efforts of the State/UT Governments through various schemes, programmes and policy initiatives for development and promotion of MSMEs in the country, including for rural areas which inter alia includes various schemes and programmes such as Prime Minister's Employment Generation Programme, Credit Guarantee Scheme for Micro and Small Enterprises, Micro and Small Enterprises - Cluster Development Programme, Raising and Accelerating MSME Performance, SRI Fund, PM Vishwakarma and MSME Champions Scheme, etc.

(c) to (g): In order to address the challenges of MSME sector, which inter alia includes access to finance, skilling and technology, the Government of India has taken a number of steps to revive and rebuild the MSMEs. Some of the measures are as under:

- i. Launch of Udyam Assist platform on 11.01.2023 to bring Informal Micro Enterprises under the formal ambit for availing benefits under Priority Sector Landing.
- ii. Non-tax benefits extended for 3 years in case of an upward change in status of MSMEs to encourage MSME sector in attaining desired growth and grow in size.
- iii. Rs. 50,000 crore equity infusion through Self Reliant India Fund.
- iv. Rs. 5 lakh crore Emergency Credit Line Guarantee Scheme, for businesses, including MSMEs was operational till 31.03.2023. As per a research report dated 23.01.2023 of the State Bank of India on Emergency Credit Line Guarantee Scheme, almost 14.6 lakh MSME accounts, of which about 98.3% of the accounts were in the MSEs categories, were saved from slipping into non-performing asset classification.
- v. Grievances of MSMEs are being addressed through CHAMPIONS Portal launched on 01.06.2020 by the Ministry of MSME.
- vi. Under the PM Vishwakarma Scheme, the components include recognition through PM Vishwakarma Certificate and ID Card, Skill Upgradation, Toolkit Incentive, Credit Support, Incentive for Digital Transactions and Marketing Support. After successful registration, the beneficiary is provided basic skill training. Upon successful completion of the skill training, the beneficiary becomes eligible for other scheme benefits.
- vii. Under Entrepreneurship Skill Development Programme basic and advanced entrepreneurship training is provided to help entrepreneurs improve their personal entrepreneurial skills and upscale their business or enterprise.
- viii. Further, Udyam Registration portal has been integrated with portals of National Career Services, e-Shram of Ministry of Labour & Employment and Skill India Digital Portal.
- ix. Further, under the Tool Rooms & Technical Institutions, the Ministry of MSME has set up 18 Tool Rooms & Technical Institutions known as Technology Centres to support MSMEs with the relevant technologies.
