

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO: 202
TO BE ANSWERED ON 30.11.2015.

ASSISTANCE TO MSME CLUSTERS

202. SHRI PRALHAD JOSHI:

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

- (a) whether the 'The Energy and Resources Institute' (TERI) has recently conducted any study regarding problems being faced by the Micro, Small and Medium Enterprises (MSME) clusters in the country particularly Hubli-Dharwad clusters;
- (b) if so, the details thereof, State / UT-wise; and
- (c) the corrective steps taken by the Government in this regard including enhancing the number of skilled labour and modernization of the MSME Clusters?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF
MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI GIRIRAJ SINGH)

(a): Yes, Madam. As per the information furnished by the 'The Energy and Resource Institute' (TERI), the study has been conducted regarding the problems being faced by the Micro, Small and Medium Enterprises (MSME) clusters in the country particularly Hubli-Dharwad Cluster;

(b): In Hubli- Dharwad region, study has been carried out in automotive component / engineering cluster. The main objective of the study was to identify infrastructure and non – financial (technology, skill, marketing, energy / environment, quality /productivity etc.) gaps and recommend solutions to overcome the gaps. A brief of the problems indentified and solutions recommended by TERI for Hubli- Dharwad cluster is stated below:

Areas	Problem	Suggested Solution
Infrastructure	Raw materials like SS / MS rods for forging are not available locally.	Explore strengthening raw material procurement / supply.
Marketing	Few OEMs in the cluster. Higher rate of taxation (VAT) in the state make products uncompetitive compared to other states.	Organize buyer-seller meets. Promote policy dialogue between industry association and Department of Commercial Taxes.
Skill set	Lack of basic engineering drawing knowledge among entrepreneurs and draftsmen.	Organize training program on engineering drawing in collaboration with local academic institutes

Product quality	Few units have implemented TQM	Implement TQM tools in selected units on a pilot basis. Encourage units to use DC-MSMEs Lean manufacturing scheme
Technology	Limited facilities for laser cutting / CNC frame cutting in the cluster. No VMC (Vertical Milling Centre) in the cluster and SMEs using three operations (lathe, vertical machining and milling) which is leading to low productivity.	Support vendors in laser /CNC frame cutting. Support vendors equipped with VMC.
Product development	Limited product development capacity among SMEs	Establish technology tie-ups with international firms.

The studies conducted recently by TERI in the clusters, State /UT- wise are:

No.	Cluster	MSME sub-sector	State
1.	Hubli-Dharwad	Engineering / Auto	Karnataka
2.	Rajkot	Engineering /Foundry	Gujarat
3.	Ankleshwar	Chemical	Gujarat
4.	Kolhapur	Foundry	Maharashtra
5.	Mohali-Chandigarh-Panchkula	Engineering	Punjab/ Chandigarh/Haryana
6.	Kerala	Rubber	Kerala

(c): For enhancing the number of skilled labour and modernization of the MSE Clusters, the Government has implemented several schemes such as Micro and Small Enterprises Cluster Development Programme (MSE-CDP), Lean Scheme, Quality Management and Quality Technology Tools (QMS/QTT), Design Clinics etc. In the Auto Cluster, Dharwad, Hubli many facilities have been setup; one of the facilities is skill development training for enhancing the number of skilled labour. Further, latest machines and equipments have been setup in the Common Facility Centre (CFC) for precision machining, manufacture of Jigs and fixtures etc. which in turn would result in modernisation of the cluster.
