

Role of cottage and small industries

1507. SHRI BASAWARAJ PATIL: Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) the contribution of the Cottage and Small Industries to GDP, employment generation and foreign exchange earnings;
- (b) the ratio of contribution of cottage and small industries in the development of the country *vis-a-vis* other countries;
- (c) the details of new steps taken by Government for improving the productivity in this sector; and
- (d) the percentage of utilization of our potentiality in this sector?

THE MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI KALRAJ MISHRA): (a) As per the revised methodology suggested by Central Statistics Office (CSO), Ministry of Statistics and Programme Implementation (MoSPI), on the basis of the data on Gross Domestic Product (GDP) published by CSO, MoSPI and Final results of the latest Census (Fourth Census), conducted (with base reference year 2006-07), wherein the data was collected till 2009 and results Published in 2011-12, the estimated contribution of manufacturing sector Micro, Small and Medium Enterprises (MSME) to GDP, during 2012-13, is 7.04% . However, taking into account the contribution of services sector MSME, which is estimated at 30.50% during 2012-13, the share of MSME Sector in GDP of the country, during 2012-13, is 37.54%.

(b) The data in respect of the ratio of contribution of cottage and small industries in the development of the country *vis-a-vis* other countries is not maintained by the Ministry.

(c) and (d) Development of cottage and small industries is primarily the responsibility of State Governments. However, Government in the Ministry of Micro, Small and Medium Enterprises (MSME) supplements the efforts of State Governments by implementing a number of schemes for the development of khadi, village industries and coir through Khadi and Village Industries Commission (KVIC) and Coir Board. These include a major credit-linked subsidy programme named Prime Minister's Employment Generation Programme (PMEGP) being implemented through Banks since 2008-09 with KVIC as nodal agency at the national level for generating employment in the Country by setting up of micro enterprises in the non-farm sector. Under PMEGP, general category beneficiaries can avail of margin money subsidy of 25% of the project cost in rural areas and 15% in urban areas. For beneficiaries belonging to special categories such as

scheduled castes, scheduled tribes, OBCs, minorities, women, ex-servicemen, physically handicapped, beneficiaries belonging to North Eastern Region, hill and border areas, etc., the margin money subsidy is 35% in rural areas and 25% in urban area. The maximum cost of project is ₹ 25 lakh in the manufacturing sector and ₹ 10 lakh in the service sector. Under PMEGP, a total of 2.73 lakh micro enterprises have been assisted with a margin money subsidy of ₹ 5232.87 crore providing employment to an estimated 24.06 lakh persons since its inception till June, 2014. In addition, for improving the productivity, KVIC and the Coir Board have also been implementing a cluster-based scheme named Scheme of Fund for Regeneration of Traditional Industries (SFURTI) under which khadi, village industries and coir clusters have been taken up for development by providing them with improved equipments, common facilities centres, business development services, training, capacity building and design and marketing support, etc.

Contribution of MSMEs to GDP, exports and employment

1508. DR. BHALCHANDRAMUNGEKAR: Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) the contribution of Micro, Small and Medium Enterprises (MSMEs) to the country's Gross Domestic Product (GDP), exports and employment generation;
- (b) whether in view of such contributions whether the Ministry would prepare a comprehensive development strategy of this vital sector; and
- (c) if so, its time-frame thereof?

THE MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI KALRAJ MISHRA): (a) As per the revised methodology suggested by Central Statistics Office (CSO), Ministry of Statistics and Programme Implementation (MoSPI), on the basis of the data on Gross Domestic Product (GDP) published by CSO, MoSPI and final results of the latest Census (Fourth Census), conducted (with base reference year 2006-07), wherein the data was collected till 2009 and results published in 2011-12, the estimated contribution of manufacturing sector Micro, Small and Medium Enterprises (MSME) to GDP, during 2012-13, is 7.04%. However, taking into account the contribution of services sector MSME, which is estimated at 30.50% during 2012-13, the share of MSME sector in GDP of the country, during 2012-13, is 37.54%.

Based on the export data maintained by Director General of Commercial Intelligence and Statistics, Ministry of Commerce and the information available with this Ministry about MSME products having significant export, the share of MSME in India's total export, for the year 2013-14, has been estimated as 42.38%.