

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION No. 104
TO BE ANSWERED ON 19.07.2021

World Bank programme to support MSMEs

104. Shri Sanjay Raut:

Will the Minister of **Micro, Small and Medium Enterprises** be pleased to state:

- (a) whether it is a fact that large number of Micro, Small and Medium Enterprises (MSMEs) and Small Scale Industries have collapsed during the last two years due to COVID-19;
- (b) if so, the details thereof indicating situation and Government's response thereto, State-wise;
- (c) whether the World Bank has approved a \$500 million programme to support Government of India's nationwide initiative to revitalize the MSMEs sector, which has been heavily impacted by the COVID-19 crisis; and
- (d) if so, the details thereof and details of programme initiated by Government to utilize this fund to improve the MSMEs sector in the country?

ANSWER

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI NARAYAN RANE)

(a) & (b): COVID-19 pandemic has temporarily affected various sectors including Micro, Small and Medium Enterprises in the country. Economic activity contracted due to the strict lockdown measures imposed by the Government. This contraction has also had impact on the MSME sector.

Post Covid-19, Government has taken a number of initiatives under Aatma Nirbhar Bharat Abhiyan to support the MSME Sector in the country especially in Covid-19 pandemic. Some of them are:

- i) Rs 20,000 crore Subordinate Debt for MSMEs.
- ii) Rs. 3 lakh crores Collateral free Automatic Loans for business, including MSMEs.
- iii) Rs. 50,000 crore equity infusion through MSME Fund of Funds.
- iv) New revised criteria for classification of MSMEs.
- v) New Registration of MSMEs through 'Udyam Registration' for Ease of Doing Business.
- vi) No global tenders for procurement up to Rs. 200 crores, this will help MSME.

An online Portal "Champions" has been launched on 01.06.2020 by Hon'ble Prime Minister. This covers many aspects of e-governance including grievance redressal and handholding of MSMEs. Through the portal, total 35,361 grievances have been redressed upto 12.07.2021.

(c) & (d): Yes, Sir. The World Bank has approved a loan of \$500 million to support Government of India's programme "Raising and Accelerating MSME Performance (RAMP)" aimed at revitalizing the MSME sector, which has been heavily impacted by the COVID -19 pandemic. The Cabinet approval for the same is under process.

RAMP is a part of the COVID Resilience and Recovery initiatives of the Government. The program aims at improving market access, access to credit, strengthening Institutions and governance at the Central and State level. The programme will support the ongoing support programmes of the Government, focusing on competitive aspect of MSMEs. It would enhance MSME performance through capacity building, handholding, skill development, quality enrichment, technological upgradation, digitization, outreach and marketing promotion through delivery of higher quality integrated services.
