

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION NO.1542
TO BE ANSWERED ON 02.08.2021

Observation of MSMEs Day

1542. Shri K.C. Venugopal:
Shri Sanjay Seth:

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

- (a) whether Government observed World Micro, Small and Medium Enterprises (MSMEs) Day recently;
- (b) if so, the details thereof along with the theme of the event and initiatives undertaken;
- (c) the contribution of MSMEs sector to the GDP of the country and the estimated work force in this sector;
- (d) the reason for failure of MSMEs sector to grow and post profitability even after great support from Government; and
- (e) whether many of the MSMEs were on the verge of closure or closed due to lockdown to contain the spread of second wave of COVID-19 pandemic and the corrective steps taken in this regard?

ANSWER

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

(a) & (b): Micro, Small and Medium Enterprises (MSME) day instituted by United Nations General Assembly is celebrated every year on 27th June. Owing to Covid-19 pandemic and restrictions imposed therein, no physical event was organized by the Ministry of MSME. However, a virtual conference on the theme “Indian MSMEs – Growth Engines of Economy” was organized to celebrate International MSME Day and acknowledge the contribution of MSME sector to the Indian economy.

(c): As per Central Statistics Office (CSO), share of MSMEs in the Gross Value Added (GVA) in All India Gross Domestic Product (GDP) for the year 2020-21 is 30%. Further, as per 73rd Round of National Sample Survey (NSS) Report on Unincorporated Non-Agricultural Enterprises’ (July 2015-June 2016), 11.10 crore workers are estimated to be in the MSME sector.

(d) & (e): The growth of Micro, Small and Medium Enterprises depends on various factors such as access to market, quality of products, availability of timely credit, upgradation of technology etc. For capacity building of Indian MSME sector, Ministry of MSME is implementing various schemes for skill development, technology upgradation, marketing support and access to credit to MSMEs. Besides, a provision has been made in Public Procurement Policy which mandates 25 % of annual procurement from Micro and Small Enterprises (MSEs) by Central Ministries/Departments and CPSEs, thus providing marketing opportunities to MSEs for their growth and development.

To counter the impact of Covid 19, Government has taken a number of initiatives under the Atmanirbhar Bharat Abhiyaan to support the MSME sector. 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 Self-Reliant India Fund
- iv. New Revised criteria of classification of MSMEs.
- v. Registration of MSMEs through 'Udyam Registration' Portal for Ease of Doing Business.
- vi. No global tenders for procurement up to Rs. 200 crores.

An Online Portal "Champions" has been launched on 01.06.2020, which covers many aspects of e-governance including redressal of grievances and handholding of MSMEs. Further, RBI has also announced several measures to Reduce Financial Stress of MSMEs.
