

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION NO. 740
TO BE ANSWERED ON 29.07.2024

EMPLOYMENT OPPORTUNITIES IN MSMEs SECTOR

740. SHRI M. SHANMUGAM:

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

- (a) the year-wise details of employment opportunities created in MSMEs under various programmes including PMEGP during the last three years;
- (b) whether persons engaged in MSME units are declining due to lack of financing from banks, lack of marketing opportunities etc.; and
- (c) if so, the details thereof and the steps being taken by Government to encourage MSME units and to increase employment opportunities in MSMEs?

ANSWER

MINISTER FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI JITAN RAM MANJHI)

(a): Government implements various schemes to promote MSME sector. These include Prime Minister Employment Generation Programme (PMEGP), Procurement and Marketing Support (PMS) scheme, Credit Guarantee Scheme for Micro and Small Enterprises (CGSMSE), Micro and Small Enterprises Cluster Development Programme (MSECDP), Scheme of Fund for Regeneration of traditional Industries (SFURTI), A Scheme for Promotion of Innovation, Rural Industry & Entrepreneurship (ASPIRE) etc. The focus of PMEGP is exclusively on employment generation by setting up new micro enterprises.

Details of employment in MSME sector as per Udyam and Udyam Assist Platform (UAP) during the last 3 years are given below:

FY	Total MSMEs Registered			Employment		
	Udyam	UAP	Total	Udyam	UAP	Total
2021-22	51,36,236	-	51,36,236	3,49,54,072	-	3,49,54,072
2022-23	72,33,048	13,32,489	85,65,537	4,46,94,974	13,32,489	4,60,27,463
2023-24	95,99,941	1,53,13,518	2,49,13,459	5,59,13,216	1,85,46,114	7,44,59,330

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The details of estimated employment generated under PMEGP during the last 3 years are given below:

Year	No. of Units Assisted	MM Subsidy (Rs. Cr)	Estimated Employment Generated
FY2021-22	1,03,219	2,977.66	8,25,752
FY2022-23	85,167	2,722.17	6,81,336
FY2023-24	89,118	3,093.88	7,12,944

(b): As per data available on Udyam registration and Udyam Assist Platform, employment is reported to be 7.44 crore in FY2023-24 as compared to the employment reported during FY2021-22 (3.49 crore). Under Prime Minister's Employment Generation Programme, the average annual estimated employment generation during the last three years is 7.4 lakh. Further, as reported by RBI, credit disbursement to MSMEs has been increased from 16.97 lakh crores in FY2022-23 to 22.04 lakh crore in FY2023-24, indicating higher credit disbursement to the MSME sector.

(c): Steps taken by Government to encourage MSME units and employment opportunities in MSME sector include:

i. Prime Minister's Employment Generation Programme (PMEGP):

- Maximum project cost admissible has been enhanced from Rs. 25 lakh to Rs. 50 lakh for manufacturing sector and from Rs. 10 lakh to Rs. 20 lakh for service sector.
- Applicants from Aspirational districts and transgenders have been included in Special Category.
- Industries related to animal husbandry like dairy, poultry, aquaculture, insects (bees, sericulture, etc.) have been allowed under the scheme.
- COVID years i.e., FY2020-21 and FY2021-22 have been exempted while considering profitability of existing PMEGP/ REGP/ MUDRA units applying for 2nd Loan under PMEGP.
- No mandatory EDP for project cost up to Rs. 2 lakh and shorter period of training (up to 5 days) for projects up to Rs. 5 lakh.

ii. New revised criteria for classification of MSMEs with higher thresholds, based on Investment and Turnover, to widen the ambit of the MSME sector.

iii. No global tenders for procurement up to Rs. 200 crores.

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- iv. Credit Guarantee Scheme for MSEs: Under CGSMSE, through Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), collateral free loans are provided to MSEs up to a limit of Rs. 500 lakh (w.e.f. 01.04.2023) with a guarantee coverage up to 85% for various categories of loans.
- v. Free “Udyam Registration” for MSMEs, for Ease of Doing Business.
- vi. Launch of portal, Udyam Assist Platform, for bringing Informal Micro Enterprises in the formal ambit which helped the registered IMEs to avail the benefits of Priority Sector Lending.
- vii. Inclusion of Retail and Wholesale traders as MSMEs w.e.f. 02.07.2021 for credit purpose.
- viii. Non-tax benefits extended for 3 years in case of an upward change in status of MSMEs.
- ix. Launch of SAMADHAAN Portal for filing of grievances and monitoring of outstanding dues to the MSEs from the buyers of goods and services.
- x. Launch of online Portal “Champions” in June, 2020 to cover many aspects of e-governance including redressing grievances and handholding of MSMEs.
