

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UN STARRED QUESTION No. 745
TO BE ANSWERED ON 29.07.2024

CONTRIBUTION OF MSMES TO MANUFACTURING SECTOR

745. SHRI C. VE. SHANMUGAM:

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

- (a) the details of the ratio of contribution of MSME sector to total manufacturing output in the country;
- (b) whether the ratio has increased in the last four years;
- (c) if so, the details thereof for the said period, year-wise;
- (d) the steps taken by Government to make this sector grow faster; and
- (e) the details of the modern technologies being used and fresh investments being made, etc.?

ANSWER

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

(a) to (c): As per information received from Ministry of Statistics and Programme Implementation, the share of MSME manufacturing output in all India manufacturing output during the last four years is as follows:

Year	Share of MSME Manufacturing GVO in all India Manufacturing GVO (in %)
2019-20	36.6
2020-21	37.0
2021-22	36.1
2022-23	35.4

(d) to (e): Ministry of MSME has been implementing Champions Scheme for promoting competitiveness among Micro, Small and Medium Enterprises (MSMEs) by creating awareness amongst MSMEs about Zero Defect Zero Effect (ZED) practices and Lean Manufacturing (LM) techniques. Through the ZED Certification, MSMEs can reduce wastages substantially, increase productivity, enhance environmental consciousness, save energy, optimally use natural resources, expand their markets, etc. The ZED Certification also envisages MSMEs to upgrade their processes for attaining quality and high productivity with the least effect on the environment.

Under Lean Manufacturing, MSMEs will be assisted in reducing their manufacturing costs, through proper personnel management, better space utilization, scientific inventory management, improved process flows, reduced engineering time and so on with the application of LM techniques. The scheme envisages improvement in the quality of products and lowering of cost, which is essential for competing in national and international markets.

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Further, Micro and Small Enterprises Cluster Development Programme (MSE-CDP) implemented by Ministry of MSME, aims to enhance the productivity and competitiveness of Micro and Small Enterprises (MSEs) by adopting a cluster approach through financial assistance for establishment of Common Facility Centers (CFCs) in existing clusters and for establishment of new clusters or up-gradation of existing Industrial Areas / Estates.

Also, Ministry of Micro, Small and Medium Enterprises (MSMEs) has established Technology Centres (TCs) which provide technological support to industries through design and manufacture of tools, precision components, moulds, dies etc. in sectors such as general engineering, forging & foundry, electronics, electrical, fragrance & flavour, glass, footwear and sports goods. The Ministry also implements various schemes and programmes aimed at providing investment for adoption of latest technologies in MSME sector. These schemes and programmes, inter alia, include financial support, under schemes such as Prime Minister's Employment Generation Programme (PMEGP), Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) and Procurement and Marketing Support Scheme (PMS) etc.
