

# Indian govt working hard to make MSME sector stronger

## AGENCIES

NEW DELHI, 14 DECEMBER

The micro-small and medium enterprises (MSME) are among the most important pillars of the Indian economy and the government is working to make the MSME sector stronger and more developed, going forward.

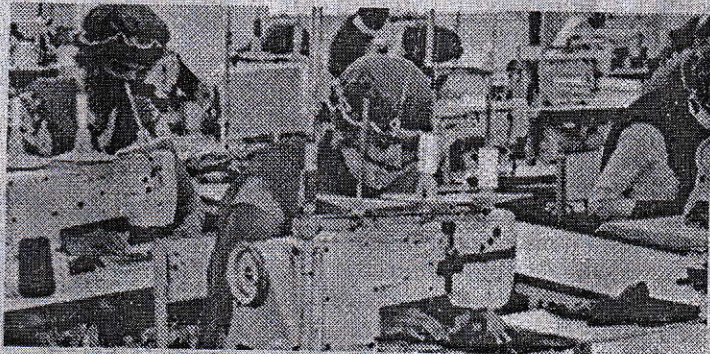
Bhanu Pratap Singh Verma, India's junior minister for the MSME sector said, "We will also work to ensure that interrelationship between the MSME sector and other important pillars of the Indian economy are further strengthened as India grows." He urged the industry and other stakeholders to work with the government to make India a USD 5 trillion economy along with becoming self-reliant.

He said that there are 6.3 crore MSMEs in the country which are providing 11 crore jobs. "MSMEs contribute around 30 percent to our GDP and have a share of 50 percent of the income generated from total exports," he said. Indian MSMEs are also looking for export markets worldwide.

The Minister added that the government is taking continuous steps to strengthen Indian MSMEs and the PMEGP (Prime Minister's Employment Generation Program), launched last financial year, was a step in this direction.

Under this scheme in the year 2021-22, a total of 1.03 lakh new units have been set up in the manufacturing and services sector. "In the last 14 years, this is the first time that new unit's number has crossed the 1 lakh mark and since inception in 2008, the program has generated around 8.25 new jobs," he added.

The government, Verma said, is also working to ensure that by taking advantage of the full potential of the MSMEs, their contribution to the Indian economy should double.



"For this, we will ensure to remove the external barriers and provide strength to MSMEs in order to make India self-reliant. We are also working to develop the culture of becoming entrepreneurs in the youth, provide loans to MSMEs, improve their quality, and increase their competitiveness to increase their efficiency," he added.

The Minister further stated that the MSME ministry is setting up various technology centers across the country to support and strengthen the existing and new MSMEs.

Apart from this, the government is also working with other organizations to help the MSMEs under the 'ZED' certification scheme (providing technology upgradation and quality certification), ASPIRE scheme to promote quality and innovation, Design Clinics, etc. "The government has also launched the Champion portal which will provide all solutions at one place, and we will further promote the portal to make MSMEs more competitive. Through these schemes, we hope MSMEs will become more sustainable," he added.

Micro, Small, and Medium Enterprises (MSMEs) form the cornerstone of the Indian economy. The MSME sector in India has exhibited strong performance and protected the economy from global adversities and shocks. It is estimated that there are 633.9 lakh MSMEs in India. The Micro sector includes

630.5 lakh enterprises, accounting for over 99 percent of the country's total number of MSMEs. The small sector includes 3.3 lakh enterprises (0.5 percent of total MSMEs), while the medium sector includes 0.05 lakh enterprises (0.01 percent of total MSMEs). Around 324.9 lakh enterprises (52.3 percent of total MSMEs) are in rural areas, while 309 lakh enterprises (48.8 percent) are in urban areas.

The Indian MSME sector provides a crucial employment opportunity with low capital requirements. The sector helps uplift the country's rural and less developed areas, reducing regional imbalances and inequality. Moreover, the sector is complementary to large companies and industries, providing them with the necessary parts and components. All these factors make the MSME sector crucial in the country's socio-economic development. The MSME sector is one of the country's major employers. Setting up an MSME would provide owners with a job, helping them avoid hunting for jobs elsewhere.

It also enables them to create employment opportunities for others. The sector has been instrumental in generating employment opportunities in rural and remote areas of the country. As per the data from the Udyam Portal of the Ministry of MSMEs, 93,94,957 people were employed by MSMEs registered on the portal in FY 22.