

Need differentiated approach for MSMEs: Secretary

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The central government is pushing for policy reforms specific to the unique problems and demands of various segments of micro, small and medium enterprises (MSMEs) without viewing them as a homogeneous sector, Subhas Chandra Lal Das, secretary of the MSME ministry, said on Wednesday.

“MSMEs is a nomenclature. It is not a sector. We need a differentiated approach. While we have 60 million digitally registered MSMEs, only 800,000 of these are small, and just about 70,000 are medium. There are

varying levels of capability and digital maturity, exposure to debt, and technology adoption. I request the industry to focus more on the SME segment,” Das said at the Confederation of Indian Industry (CII) in New Delhi.

The government can provide a push factor with a universal digitalisation programme — a broad enabler — but SMEs and the industry need to work on the ‘pull factor’, Das said.

The government is working on a digitalisation road map for SMEs, with the MSME ministry and NITI Aayog developing the plan.

“Strategically, the new classification scheme gives the small sector a big headroom deliberately to provide

the necessary stimulus and growth space for exports, technology, and advancing towards high-tech,” Das said. In parallel, a different approach — more rooted in industry and academia and less in the government — is required for the medium sector, he added. The government’s effort is to create upward mobility in technology, skilling, and business growth so that more micro enterprises can become small, transition into medium, and then grow into large companies.

According to officials, the Centre has been working on a plan to provide customised schemes for medium enterprises to shed their inhibitions about becoming large companies.