

**GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:1981

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SHARE OF MSME IN GDP

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

- (a) whether the Micro, Small and Medium Enterprises sector plays an important role in annual growth of the economy;
- (b) if so, the average annual share of this sector in the Gross Domestic Product of the country during each of the last three years;
- (c) whether there is large difference between the number of registered and unregistered units in the said sector; and
- (d) if so, number of units category-wise and the reaction of the Government thereto?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI DINSHA PATEL)

(a): The micro, small and medium enterprise (MSME) sector has continued to contribute significantly in the gross domestic product (GDP), industrial production, employment generation and export and has acquired a prominent place in the growth of the economy of the country.

(b): The share of micro and small enterprise (MSE) sector in the GDP of the country during, 2004-05, 2005-06 and 2006-07 (latest available) is given in the table below.

Year Share of MSE sector in GDP
(Percentage)

2004-05 5.84

2005-06 5.83

2006-07# 7.20

#This includes medium enterprises in the sector after the enactment of micro, small and medium enterprise development (MSMED) Act, 2006.

(c) & (d): Under Micro, Small and Medium Enterprises Development Act (MSMED), 2006 the filing of Memorandum (Registration) by Entrepreneurs intending to establish a Micro, Small or Medium Enterprise is discretionary and not mandatory. As such, the number of Micro, Small and Medium Enterprises, functioning in the country as per Quick Results of 4th All India Census, in the registered and unregistered category are 15.52 lakh (5.94%) and 245.48 lakh (94.06%) respectively.