

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

UNSTARRED QUESTION NO:2610
ANSWERED ON:10.08.2010
SHARE OF MSME IN MANUFACTURING SECTOR
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Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) the details of the share of the Micro, Small and Medium Enterprises in the manufacturing sector of the country;
- (b) the average capital investment in MSMEs in the country;
- (c) whether the technological capabilities of the MSMEs are under- developed;
- (d) if so, the details thereof; and
- (e) the steps taken by the Government for technical upgradation and increasing the share of MSME in manufacturing output?

Answer

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

- (a): The share of Micro and Small Enterprises in the manufacturing sector of the country is 45.24% for the year 2007-08 (latest available).
- (b): As per the `Quick Results : Fourth All India Census of Micro, Small & Medium Enterprises 2006-2007`, the average value of fixed investment in Micro, Small and Medium Enterprises (MSMEs) for Registered sector is Rs 32.26 lakh per unit.
- (c) & (d): The MSMEs are heterogeneous in respect of size and state of technology with relatively advanced technology being adopted by many Medium enterprises. There is substantial scope for technology upgradation of MSMEs.
- (e): The Ministry has put in place several measures to help MSMEs for technological upgradation and to increase their share in manufacturing output. The technological upgradation efforts include implementation of Design Clinic Scheme; Scheme for Promotion of Information and Communication Tools; Scheme for Marketing Assistance & Technology Upgradation and Scheme for Mini Tool Rooms under PPP mode, launched under the National Manufacturing Competitive Programme (NMCP) of the Government of India initiated in 2007-08. Further, the Credit Linked Capital Subsidy Scheme (CLCSS), launched in 2005, aims at facilitating technology upgradation by providing 15% upfront capital subsidy to manufacturing Micro and Small Enterprises on institutional finance (subject to a maximum limit of Rs. 15 lakh) for induction of well-established and improved technologies in the specified sub- sectors/products approved under the scheme.

The Central Government implements several other schemes/ programmes to help MSMEs increase their share in the manufacturing output with focus on infrastructure assistance through cluster approach, timely availability of credit, entrepreneurship and skill development, capacity building, marketing assistance etc. The Government has also enacted the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 and announced a `Package for Promotion of Micro and Small Enterprises` in 2007 to facilitate promotion and development of MSMEs and enhancing their competitiveness. Further, a Task Force was constituted under the Chairmanship of Principal Secretary to the Prime Minister in 2009 to address the issues concerning the MSME sector. The Task Force submitted its report and made several recommendations in the areas of technology upgradation, credit, marketing, infrastructure development, skill development etc. for providing an impetus to the growth of the sector. The report has been circulated to the departments/agencies concerned for time-bound action as laid down in the report.