

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

UNSTARRED QUESTION NO:4421

ANSWERED ON:04.08.2009

POLICY FOR DEVELOPMENT OF MSME

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

- (a) whether any long term policy has been formulated by the Government for the development of micro, small and medium enterprises during the 11th Five Year Plan;
- (b) if so, the details thereof;
- (c) the details of the contribution of micro, small and medium enterprises in creating employment opportunities and revenue earning during the 10th Five Year Plan;
- (d) the details of the targets fixed by the Government for MSMEs in the country during the 11th Five Year Plan; and
- (e) the extent to which the Government have been able to achieve such targets during the first two years of the current plan period?

**Answer**

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

(a) & (b): The Government has enacted the Micro, Small and Medium Enterprises Development Act, 2006, which has come into force from 2nd October, 2006 and provides for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises (MSMEs). The Government has also announced in February 2007 a 'Package for Promotion of Micro and Small Enterprises' with an objective to provide support in areas of credit, technology upgradation, marketing, infrastructure, etc. Further, the Government has launched the National Manufacturing Competitiveness Programme (NMCP) which has ten components targeted at enhancing the entire value chain of the MSME sector. In addition, the Government is implementing various schemes/programmes relating to credit, infrastructural development, technology upgradation, marketing, entrepreneurial/skill development, etc., for assisting the MSME sector in meeting the challenges. Some of the major schemes/programmes being implemented are Credit Guarantee Scheme, Credit Linked Capital Subsidy Scheme, Performance and Credit Rating Scheme, Cluster Development Programme, Prime Minister's Employment Generation Programme and Market Development Assistance Scheme.

(c): The estimated employment provided by micro and small enterprises (MSEs) in the country increased from 263.68 lakh persons in 2002-03 to 312.52 lakh persons in 2006-07 (terminal year of Tenth Five Year Plan). As per the information furnished by the Department of Revenue, the total Central Excise revenue from MSEs during the Tenth Plan period is estimated at Rs.11,715 crore.

(d) & (e): The targets set for the Eleventh Plan for the MSE sector provide for increasing the production (at current price) and employment from Rs.6,82,613 crore and 322.28 lakh persons in 2007-08 to Rs.13,98,803 crore and 391.73 lakh persons in the terminal year (2011-12) of the Plan period respectively. As per the provisional estimates of production and employment in MSE sector for the year 2007-08 (latest available), the targets for 2007-08 have been achieved.