

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

STARRED QUESTION NO:183

ANSWERED ON:23.11.2010

DEVELOPMENT OF MSME SECTOR

Majhi Shri Pradeep Kumar;Patel Shri Kishanbhai Vestabhai

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

- (a) whether the Government is satisfied with the development of the Micro, Small and Medium Enterprises (MSME) sector in the country;
- (b) if so, the details thereof alongwith the significant steps taken/achievement made in the said sector during each of the last three years and the current year;
- (c) whether the Task Force constituted for the development and promotion of the Micro, Small and Medium Enterprises has recommended encouragement to Micro Finance Institutions (MFIs) to form Self Help Groups (SHGs) and finance micro enterprises at reasonable rates;
- (d) if so, the details thereof alongwith the salient features of the other recommendations made by the Task Force; and
- (e) the details of Memorandum-of-Understanding signed with various countries including Mozambique on cooperation in MSME sector?

Answer

MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRIDINSHA PATEL)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) IN RESPECT OF THE LOK SABHA STARRED QUESTION NO.183
FOR ANSWER ON 23.11.2010

The micro, small and medium enterprises (MSME) sector continues to contribute significantly to the country's manufacturing output, employment and exports. As per the quick results of 4th All India Census of MSMEs (2006-07), the number of MSMEs are estimated to be 2.6 crore, providing employment to an estimated 6 crore persons. For the promotion and development of the MSME sector and to enhance their competitiveness, the Government has taken steps for promotion of entrepreneurship, capacity building, enhancing credit flows, marketing and technology upgradation. The recent initiatives include launching of Prime Minister's Employment Generation Programme, National Manufacturing Competitiveness Programme, Market Development Assistance Scheme for Khadi sector, Khadi Reforms and Development Programme and Rajiv Gandhi Udyami Mitra Yojana.

The Task Force on MSMEs in its report submitted in January 2010 has made recommendations on policy/programme support, institutional matters and legal/ regulatory measures for the growth of MSMEs in the country. The Task Force has made wide ranging recommendations in the areas of marketing, labour, rehabilitation and exit policy, infrastructure, technology, skill development, taxation and credit, including financing of micro enterprises through Micro Finance Institutions (MFIs).

The Ministry of MSME has so far entered into long term agreements (Memorandum of Understanding/Agreements /Joint Action Plan) with 14 countries, namely, Tunisia, Romania, Rwanda, Mexico, Uzbekistan, Lesotho, Sri Lanka, Algeria, Sudan, Cote d'Ivoire, Egypt, South Korea, Botswana and Mozambique for cooperation in the MSME sector.