

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

STARRED QUESTION NO:382  
ANSWERED ON:07.12.2010  
GROWTH OF MSME SECTOR  
Rai Shri Prem Das

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

- (a) whether the Government monitors the progress and recent developments made in the Micro, Small and Medium Enterprises (MSME) sector in the country;
- (b) if so, details thereof alongwith the growth rate in production, establishment of new units and the employment generation achieved in the sector during each of the last three years and the current year;
- (c) whether there are any constraints impeding the growth of the MSME sector in terms of creation of new units, production and employment generation;
- (d) if so, the details thereof alongwith the steps taken by the Government to assist the MSME sector to achieve higher rate of growth; and
- (e) the details of the steps taken by the Government to promote the MSME sector in the North Eastern Region of the country including Sikkim?

**Answer**

MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES  
(SHRI DINSHA 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 LOK SABHA STARRED QUESTION NO.382 FOR ANSWER ON 07-12-2010

The Government periodically monitors the progress and recent developments made in the Micro, Small and Medium Enterprises (MSME) Sector in the country through review meetings and All India Census of the sector. Till date, the office of Development Commissioner MSME (DCMSME) has conducted four censuses with reference years 1971-72, 1987-88, 2001-02 and 2006-07, respectively. The number of units, production and employment in registered MSME sector increased from 13.75 lakhs, Rs.203254.62 crore and 61.64 lakhs in 2001-02 to 15.53 lakhs, Rs. 709468.15 crore and 92.04 lakhs respectively in 2006-07, thus registering impressive growth in all the three major parameters.

Some of the common problems faced by the Micro, Small and Medium Enterprises Sector relate to lack of timely and adequate credit, outdated technology, infrastructure bottlenecks, marketing constraints, delayed payments of their dues by large units, enhanced competition due to liberalized trade regime, etc. To facilitate the promotion and development of micro and small enterprises (MSEs) and enhance their competitiveness, the Government announced a 'Policy Package for Stepping up Credit to Small and Medium Enterprises' on 10th August 2005 which envisages public sector banks to fix their own targets for funding MSMEs in order to achieve a minimum 20 per cent year-on-year growth in credit to the MSME sector. 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 enacted the Micro, Small and Medium Enterprises Development Act, 2006 which has come into force from 2nd October, 2006. The Government is also implementing various schemes/programmes relating to credit, infrastructural development, technology upgradation, marketing, entrepreneurial/skill development, etc., for assisting the MSE 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, National Manufacturing Competitiveness Programme, Prime Minister's Employment Generation Programme and Market Development Assistance Scheme.

In addition, the Prime Minister's Task Force constituted to address the issues of the micro, small and medium enterprises (MSME) sector in its report has made various recommendations in the areas of credit, taxation, labour issues, infrastructure/technology/skill development, marketing, 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. A Steering Group under the chairmanship of Principal Secretary to the Prime Minister has been constituted for ensuring timely/speedy implementation of the recommendations of the Task Force.

The schemes and programmes of the Central Government for promotion of MSME Sector are not state or region specific. However, to promote the MSME sector in the North Eastern Region of the country including Sikkim, the Government of India has stipulated that 10% of the outlay in each Plan Scheme of the Office of the Development Commissioner MSME (DCMSME) would be earmarked for the North Eastern Region. In addition, there is special dispensation for NER states in schemes such as Credit Guarantee Scheme, Micro and Small Enterprises - Cluster Development Programme (MSE-CDP), Scheme for Export Promotion, Scheme for National Exhibition, Prime Minister's Employment Generation Programme (PMEGP) and Scheme of Fund for Regeneration of Traditional Industries (SFURTI)