

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

STARRED QUESTION NO:48
ANSWERED ON:24.11.2011
GROWTH RATE OF MSME
Reddy Shri K. Jayasurya Prakash

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

- (a) the growth rate of Micro, Small and Medium Enterprises (MSMEs) since 2007-08, and the expected growth rate by the end of the Eleventh Five Year Plan;
- (b) whether the Government has made any projection of growth rate of MSMEs for the Twelfth Five Year Plan;
- (c) if so, the details thereof; and
- (d) the steps taken/proposed to be taken by the Government to increase the growth rate of MSMEs?

Answer

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI VIRBHADRA SINGH)

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

STATEMENT REFERRED TO IN REPLY TO PART (a) TO (d) IN RESPECT OF LOK SABHA STARRED QUESTION NO. 48 FOR ANSWER ON 24.11.2011

(a) The Government monitors growth of Micro, Small and Medium Enterprises (MSME) by conduct of All India Census of the sector, periodically in the country. The latest Census (Fourth Census) was conducted with reference year 2006-07 wherein the data was collected till 2009 and the results published in 2011. The growth in major parameters pertaining to registered MSMEs viz. Number of enterprises, employment and Gross Output, as per Third All India Census of Small Scale Industries with reference year 2001-02 and Fourth All India Census of MSMEs shows annual compound growth rate of 2.61% , 8.60% and 30.26% respectively.

(b) & (c) MSMEs are highly diverse in their nature of activity and operate across the non- agricultural segment of economy , specific growth targets for the Sector during 12th plan is likely to be on par with that of National Economy, as these enterprises are dependent on the macro economic factors influencing the economy and industry.

(d) To facilitate promotion and development as well as enhance competitiveness of MSMEs in domestic and global market, so as to achieve higher growth rate of MSMEs, ongoing initiatives include:

(i) 'Policy Package of Stepping up Credit to Small and Medium Enterprises (SMEs)', in the year 2005, which envisages public sector banks to fix their own targets for funding SMEs in order to achieve a minimum 20 per cent year-on-year growth in credit to the SME sector.

Hon'ble Prime Minister has set up a Task Force to address the issues of the MSME sector which has since submitted its report. The Task Force 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, which are under various stages of implementation. Also, the recently announced Public Procurement Policy envisages 20% of the total procurement to be made by Central Ministries / departments / PSUs, would be from MSEs.

Further, the Government is 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.