

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

UNSTARRED QUESTION NO:2099

ANSWERED ON:06.12.2012

PACKAGE TO SSIs

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

- (a) whether the Government has provided any package for Small Scale Industries (SSIs) so as to make them competitive in the international market;
- (b) if so, the details thereof;
- (c) the share of the small scale industries in the global market;
- (d) whether any growth target has been set for the SSIs during the current Five Year Plan;
- (e) if so, the details thereof and the action plan of the Government to achieve the said growth target;
- (f) whether there is any proposal to set up hubs for small scale sector under the existing Industrial Infrastructure Upgradation Scheme (IIUS); and
- (g) if so, the details thereof, State-wise?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI K.H.MUNIYAPPA)

(a) & (b): Madam, the Government announced in February, 2007 a 'Package for Promotion of Micro and Small Enterprises' with the objective to provide support in areas of credit, technology upgradation, marketing, infrastructure etc. This package has been contributing to increasing the international competitiveness of the Micro Small and Medium Enterprises (MSMEs) sector.

Further, in 2010, A Task Force on MSMEs was constituted under the chairmanship of Principal Secretary to the Prime Minister to look into areas of credit, taxation, labour, infrastructure, technology, skill development, marketing etc. Many of the recommendations of the Task Force have been implemented which have also contributed to increasing the international competitiveness of the MSME sector.

(c): As per the data reported in Economic Survey 2011-12, the share of Indian exports in world export was 1.5% in 2010. As MSME in India accounts for 45% of Indian exports, its share in world export or global market was about 0.68% in 2010.

(d) & (e): The growth rate targeted for Micro, Small and Medium Enterprises (MSMEs) during the XIth Five Year Plan is likely to be on par with that of the national economy, as MSMEs are dependent on macro economic factors influencing industry and the economy of the country. The National Manufacturing Policy envisages share of manufacturing in the country to rise to 25% of Gross Domestic Product from the present 16% by the year 2022.

The Government has formulated several policies, programmes and schemes to facilitate promotion and development of MSMEs in the country. In the Union Budget 2012-13, capital gains tax on sale of a residential property has been exempted, if the sale consideration is used for purchase of new plant and machinery. The restriction on venture Capital Funds to invest only in nine specified sectors has been removed. Another important incentive is through implementation of Public Procurement Policy for Micro and Small Enterprises Order 2012. Other major schemes include Credit Guarantee Scheme, Credit Linked Capital Subsidy Scheme, Cluster Development Programme, National Manufacturing Competitiveness Programme, Prime Minister's Employment Generation Programme, Entrepreneurship & Skill Development Programme and Performance and Credit Rating Scheme, all of which help growth of this sector.

(f) & (g): There is no proposal to set up hubs for small scale sector under the existing Industrial Infrastructure Upgradation Scheme (IIUS).