

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

UNSTARRED QUESTION NO:3389

ANSWERED ON:12.02.2014

MSME SECTOR

Ray Shri Saugata;Singh Shri Jagada Nand;Thamaraiselvan Shri R.

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

- (a) whether the Government has any proposal to raise the plan expenditure for the growth of MSME sector in the current five year plan;
- (b) if so, the details thereof;
- (c) whether the share of micro, small and medium scale industries in the domestic production is declining continuously;
- (d) if so, the details thereof during the last three years and the current year along with their share in production in rural areas and employment generation therein; and
- (e) the steps taken/ proposed to be taken by the Government to give protection to said industries and make them sustainable in the competitive market in future and also to increase their share in the domestic production?

**Answer**

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

(a) & (b) An outlay of Rs.24,124 crore has been earmarked for XIIth Five Year Plan for Ministry of Micro, Small and Medium Enterprises (MSME) which would be spent for the growth of MSME sector. The outlay of XIIth Five Year Plan is 109.8% higher than the the XIth Five Year Plan allocation which was Rs.11,500.00 crore.

(c) & (d) Yes Madam. As per Fourth All India Census of MSMEs (2006-07) wherein data was collected till 2009 and published in 2011-12, the estimated contribution of manufacturing in MSME to GDP showed a slight decline during 2009-11. The share was 7.52% in 2008-09, 7.49 in 2009-10 and 7.42% in 2010-11. Based on the above census report and Economic Census 2005 conducted by Central Statistics Office, employment in rural MSMEs was 309.41 lakh upto 2009 which was 49.23% of the total employment in total MSME Sector. Similarly, the share of gross output for rural MSMEs was 41.79% upto 2009.

(e) Recently, Government has provided major protection to the MSME sector by notifying Public Procurement Policy, in March, 2012 whereby Central Government Ministries, Departments and Public sector Undertakings are mandatorily required to procure of minimum of 20% of their total annual purchases of products produced and services rendered by Micro and Small Enterprises and notifying, in December, 2013, the provisions to MSME units to continue non-tax benefits for three years even after their graduation to a higher category.

Besides, various schemes are also being implemented by Ministry of MSME to make MSMEs sustainable in the competitive market viz. Credit Linked Capital Subsidy Scheme (CLCSS) which reduces the financing cost of an enterprises and National Manufacturing Competitiveness Programme (NMCP) which aims at reducing the manufacturing cost of MSMEs and improving quality of their products.