

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

STARRED QUESTION NO:43  
ANSWERED ON:09.07.2014  
EMPLOYMENT GENERATION BY MSME SECTOR  
Dubey Shri Nishikant

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

- (a) whether the Government has taken note of various constraints being faced by the Micro, Small and Medium enterprises (MSME) sector, if so, the details thereof;
- (b) the corrective follow-up action taken up to address such constraints;
- (c) whether the MSME sector also play an important role in the generation of employment opportunities in the country; and
- (d) if so, the details thereof including the targets set and employment generated during each of the last three years and current year, State and year-wise?

**Answer**

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI KALRAJ MISHRA)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) IN RESPECT OF LOK SABHA STARRED QUESTION NO. 43 FOR ANSWER ON 09.07.2014

(a) & (b): Yes, Madam. The Government is aware of various constraints faced by the Micro, Small & Medium Enterprises (MSME) sector. The major constraints and the corrective actions taken by the Government to address such constraints are as under:

**Credit:** The Credit Guarantee Scheme is being implemented by the Ministry to facilitate collateral free credit to new and existing micro and small enterprises. RBI has advised the Banks to achieve 20% year on year growth in credit to MSEs to ensure enhanced credit flow, which is being monitored by RBI.

**Infrastructure:** Under Micro Small Enterprises Cluster Development Programme (MSE CDP), Common Facility Centres (CFCs) are set up in the clusters and support for development of industrial infrastructure such as construction of road, supply of power/water, setting up of effluent treatment plants etc. is provided.

**Skilled Manpower:** Prospective and existing entrepreneurs are imparted various kinds of vocational as well managerial training through National Level Training Institutes, such as National Institute for Entrepreneurship & Small Business Development (NIESBUD), Noida, National Institute of Micro, Small & Medium Enterprise (NIMSME), Hyderabad, Indian Institute of Entrepreneurship (IIE), Guwahati, 10 Tool Rooms & 58 MSME Development Institutes/Branch Institutes and Khadi & Coir Institutions.

**Technology Upgradation:** Capital subsidy upto 15% of cost of machinery (subject to maximum of Rs.15 Lakh) is provided for acquiring proven technology under Credit Linked Capital Subsidy Scheme (CLCSS).

**Competitiveness:** National Manufacturing Competitiveness Programme (NMCP) is being implemented to enhance competitiveness of MSEs through various components namely Lean Manufacturing Competitiveness Scheme for MSMEs, Design Clinic Scheme for design expertise to MSMEs Manufacturing sector, Support for Entrepreneurial and Managerial Development of SMEs through Incubators, Enabling Manufacturing Sector to be competitive through Quality Management Standard & Quality Tech. Tools (QMS/QTT), Building Awareness on Intellectual Property Rights (IPR) for MSME, Marketing Assistance & Technology Up-gradation Scheme in MSMEs, Technology and Quality Upgradation Support to MSMEs, Promotion of ICT in Indian Manufacturing Sector (ICT).

**Marketing:** Under Marketing Development Assistance (MDA) programme, MSEs are assisted to exhibit their products in domestic and international markets.

In addition, there are other problems which are squarely in the domain of State Government and require urgent attention from them. They include inter alia supply of good quality power, provisioning for industrial land, maintenance and upgradation of infrastructure on an ongoing basis, enabling conducive atmosphere for transaction of business including interaction with the VAT Department, Labour Department, providing for industrial housing, etc. The Government constantly engages with State Governments on such issues.

The Government welcomes suggestions for addressing the constraints faced by MSMEs.

(c) & (d): Yes, Madam. MSME Sector plays an important role in the generation of employment opportunities in the country. As per the 4th All India Census of Micro, Small and Medium enterprises the MSMEs in an aggregate provide employment to over 80 million persons through over 36 million enterprises. The Annual Employment Generation figures in the non-farm micro enterprises are captured in the Prime Minister's Employment Generation Programme (PMEGP) and such figures in the years 2010-11 to 2013-14, state wise, are furnished at Annexure.