

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

UNSTARRED QUESTION NO:1333
ANSWERED ON:24.07.2017
Impact of Make in India on MSME
Maadam Smt. Poonamben Hematbhai

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

- (a) whether employment generation has got a big boost due to the role played by the Micro, Small and Medium Enterprises (MSMEs) sector in the country and if so, the details thereof;
- (b) whether the Government has made any evaluation to assess the impact of Government's Make in India (MII) Initiative on MSMEs in the country and if so, the details and the findings thereof;
- (c) whether MII programme has been successful in generating jobs in the country and if so, the details thereof; and
- (d) the measures/initiatives taken by the Government to bring in Foreign Direct Investment (FDI) in the MSME sector?

Answer

MINISTER OF STATE IN THE MINISTRY OF
MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI HARIBHAI PARATHIBHAI CHAUDHARY)

- (a): Yes, Madam. The government monitors the employment in the MSME sector in the country by conducting All India Census of the sector, periodically. As per the last census (Fourth) of Micro, Small & Medium Enterprises data collected with reference to base year 2006-07, as well as data extracted from the Economic Census 2005 conducted by Central Statistical Office (CSO), Ministry of Statistics & Programme Implementation (MoSPI), for activities excluded from Fourth Census, namely Wholesale/retail trade, legal, educational and social services, hotels & restaurants, Transports and storage & warehousing (except cold storage), the total employment in the MSME sector was 805.24 lakh.
- (b): The Ministry of Micro, Small and Medium Enterprises (MSME) has not made any assessment of the impact of Make in India initiative on MSMEs.
- (c): The 'Make in India ' initiative launched on 25th September, 2014 aims at promoting India as an important investment destination and a global hub in manufacturing, design and innovation. Make in India initiative aims to create a conducive environment for investment, development of modern and efficient infrastructure, opening up new sectors for foreign investment and forging a partnership between Government and industry through a positive mind set. Industrial production and employment generation are influenced by a range of domestic factors and international factors, including enabling policies like Make in India. Government has been taking steps to boost industrial development, capital formation and employment generation in the country. Besides Make in India, these, inter-alia, include 'Start-up India' initiative and 'Ease of Doing Business'. Steps taken to improve ease of doing business include simplification and rationalisation of existing rules and introduction of information technology, setting up of an Investor Facilitation Cell, launch of e-biz Portal and liberalising policy for industrial licensing. Details of employment generated are not centrally compiled.
- (d): India has one of the most liberalized FDI policy in the world, wherein 100% FDI under automatic route is permitted in most of the sectors/activities. There is only a small list of sectors/activities where FDI is regulated i.e. subjected to Government approval, cap or having other conditionalities. The FDI policy also equally applies to small and medium enterprises in the sectors.