

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

UNSTARRED QUESTION NO:2411

ANSWERED ON:08.12.2014

NATIONAL MANUFACTURING COMPETITIVENESS PROGRAMME

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

- (a) the aims, objectives and components of the National Manufacturing Competitiveness programme;
- (b) whether the Government has achieved the aims and objectives of the said programme and if so, the details thereof and if not, the reasons therefor;
- (c) whether the said programme and other schemes/programmes of the Government have played a vital role to help the micro and medium small enterprises to deal with the problem of stiff competition from the goods imported from China and other neighbouring countries and if so, the details thereof;
- (d) the number of micro, small and medium enterprises which have become sick or closed during each of the last three years and the current year, State-wise; and
- (e) the corrective steps taken by the Government to revive such sick/closed enterprises and make them globally competent?

Answer

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

(a): The Government has announced formulation of a National Manufacturing Competitiveness Programme (NMCP) with an aim to support the Micro, Small and Medium Enterprises (MSMEs) in their endeavor to become competitive. The objective of NMCP is to develop global competitiveness among Indian MSMEs. This programme targets at enhancing the entire value chain of the MSME sector through the following components:

- (1) Lean Manufacturing Competitiveness Scheme for MSMEs;
- (2) Promotion of Information & Communication Tools (ICT) in MSME sector;
- (3) Technology and Quality Up gradation Support to MSMEs;
- (4) Design Clinics scheme for MSMEs;
- (5) Enabling Manufacturing Sector to be Competitive through Quality Management Standards (QMS) and Quality Technology Tools (QTT);
- (6) Marketing Assistance and Technology Up gradation Scheme for MSMEs;
- (7) National campaign for building awareness on Intellectual Property Rights (IPR);
- (8) Support for Entrepreneurial and Managerial Development of SMEs through Incubators.
- (9) Bar Code under Market Development Assistance (MDA) scheme.

(b): The NMCP programme is still under implementation. Total expenditure of about Rs. 122.00 crore has been made so far, since inception of the programme.

(c): The various programmes of this Ministry in general and NMCP programme in particular are expected to enhance competitiveness of Indian MSMEs to face stiff competition from other countries including China and other neighbouring countries.

(d): As per the data compiled by the Reserve Bank of India (RBI) from the scheduled commercial banks, the state-wise position in respect of sick MSME in the country at the end of March, 2011, March, 2012, March, 2013 and March, 2014 (latest available) is enclosed as Annexure.

(e): Rehabilitation package for the revival of viable sick MSEs is provided by primary lending institutions (PLIs), including commercial banks, which provide credit to the MSEs. The rehabilitation package is determined as per the guidelines issued by RBI from time to time. The latest guidelines were issued by RBI in November, 2012, based on the recommendations of the Committee set up by Ministry of MSME to examine the definition of sickness and the procedure for assessing the viability of sick MSEs. The guidelines, inter alia, provide for:

- (i) Early detection of sickness;
- (ii) A viability study to form the basis of rehabilitation package to potentially viable sick MSEs; and

(iii) A non-discretionary one time settlement scheme for the MSE sector.