

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF INDUSTRIAL POLICY & PROMOTION**

LOK SABHA

**UNSTARRED QUESTION NO. 5022
TO BE ANSWERED ON MONDAY, THE 26TH MARCH, 2018.**

PROMOTION OF MSMEs UNDER MII

**5022. SHRI ADHALRAO PATIL SHIVAJIRAO:
SHRI SHRIRANG APPA BARNE:
DR. PRITAM GOPINATH MUNDE:
SHRI ANANDRAO ADSUL:**

Will the Minister of **COMMERCE AND INDUSTRY** be pleased to state:

वाणिज्य एवं उद्योग मंत्री

- (a) whether the Government has made any assessment for determining the manner in which the 'Make in India' (MII) initiative has helped the Micro, Small and Medium Enterprises (MSMEs) sector in the country, if so, the details thereof along with the manner and the extent to which it has helped in promotion of the MSME sector so far;
- (b) whether the objective of the MII programme is to increase manufacturing activities and generate employment for the youth by training them in skills under the skill development programme, if so, the details thereof;
- (c) whether the Government proposes to ensure that the Foreign Direct Investment provides a boost to the MSME sector in the country, if so, the details thereof; and
- (d) the other steps taken/proposed to be taken by the Government for the promotion of the MSME sector in the country?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्यमंत्री (श्री सी.आर. चौधरी)

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY
(SHRI C.R. CHAUDHARY)**

- (a): No, Madam; The Department of Industrial Policy and Promotion (DIPP) has not made any assessment of the impact of 'Make in India' initiative on Micro, Small and Medium Enterprises (MSMEs) sectors.
- (b): 'Make in India' initiative was launched on September 25, 2014 with the objective of facilitating investment, fostering innovation, building best in class manufacturing infrastructure, making it easy to do business and enhancing skill development. Action Plans for 21 key sectors were identified for specific actions under (i) Policy Initiatives (ii) Fiscal incentives (iii) Infrastructure Creation (iv) Ease of Doing Business (v) Innovation and R&D (vi) Skill Development areas. The initiatives under 'Make in India' are targeted towards

employment creation and skill development of youth in both urban and rural areas. The data for employment generated under this initiatives is not centrally compiled.

- (c):** 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 equally applies to MSME sector.

Government reviews FDI policy on an ongoing basis to ensure that India remains attractive & investor friendly destination. Government has undertaken a number of reforms in FDI policy in recent years. These measures have been taken with a view to simplify the FDI policy and provide ease of doing business to the foreign investors thereby increasing FDI inflows complement and supplement domestic investment. Domestic companies are benefited through FDI by way of enhanced access to supplementary capital and state-of-art-technologies; exposure to global managerial practices amounting into employment generation and accelerated growth of the sector, including MSMEs of the country.

To look after the interest of Indian SME sector, certain provisions have been provided for FDI in retail trading sector. For retail trading of single brand products, in respect of proposals involving foreign investment beyond 51%, sourcing of 30% of the value of goods purchased, has been mandated to be done from India, preferably from MSMEs, village and cottage industries, artisans and craftsmen, in all sectors.

Statement on sector-wise FDI equity inflows from October 2014 to December 2017 is placed at Annexure.

- (d):** The Ministry of MSME has taken several steps to promote and stimulate the growth of MSME Sector in the country. These include simplification of the registration process through a one page Udyog Aadhar Memorandum (UAM), introduction of the 'MSME SAMBANDTH' portal for monitoring the implementation of public procurement policy for the MSEs and launching of the 'MSME SAMADHAN' portal for enabling MSMEs to directly register their cases relating to delayed payments. In addition, Ministry of MSME also helps the MSME Sector through its schemes/ programmes which include the Prime Minister's Employment Generation Programme (PMEGP), Credit Guarantee Scheme, Credit Linked Capital Subsidy Scheme (CLCSS), National Manufacturing Competitiveness Programme, Cluster Development Programme, Marketing Development Assistance and Skill/ Entrepreneurship Development Programme etc.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PART (c) OF THE LOK SABHA UNSTARRED QUESTION NO. 5022 FOR ANSWER ON 26.03.2018.

STATEMENT ON SECTOR-WISE FDI EQUITY INFLOWS

From OCTOBER 2014 TO DECEMBER 2017

(Amount in US\$ million)

S.No	Sector	Amount of FDI Inflows	%age of Total Inflows
1	SERVICES SECTOR (Fin.,Banking,Insurance,Non Fin/Business,Outsourcing,R&D,Courier,Tech. Testing and Analysis, Other)	23,395.31	17.25
2	COMPUTER SOFTWARE & HARDWARE	16,586.16	12.23
3	TELECOMMUNICATIONS	13,447.98	9.91
4	TRADING	10,209.33	7.53
5	CONSTRUCTION (INFRASTRUCTURE) ACTIVITIES	9,655.33	7.12
6	AUTOMOBILE INDUSTRY	7,565.32	5.58
7	CHEMICALS (OTHER THAN FERTILIZERS)	4,347.96	3.21
8	POWER	3,617.98	2.67
9	HOTEL & TOURISM	3,361.00	2.48
10	INFORMATION & BROADCASTING (INCLUDING PRINT MEDIA)	3,309.16	2.44
11	ELECTRICAL EQUIPMENTS	3,269.64	2.41
12	DRUGS & PHARMACEUTICALS	2,895.18	2.13
13	NON-CONVENTIONAL ENERGY	2,874.03	2.12
14	HOSPITAL & DIAGNOSTIC CENTRES	2,490.64	1.84
15	METALLURGICAL INDUSTRIES	2,288.83	1.69
16	FOOD PROCESSING INDUSTRIES	2,288.33	1.69
17	CEMENT AND GYPSUM PRODUCTS	2,263.72	1.67
18	SEA TRANSPORT	2,091.46	1.54
19	MISCELLANEOUS INDUSTRIES	1,850.59	1.36
20	INDUSTRIAL MACHINERY	1,607.76	1.19
21	CONSULTANCY SERVICES	1,504.31	1.11
22	TEXTILES (INCLUDING DYED,PRINTED)	1,321.72	0.97
23	AIR TRANSPORT (INCLUDING AIR FREIGHT)	1,071.48	0.79
24	RUBBER GOODS	1,017.43	0.75
25	RETAIL TRADING	867.33	0.64
26	MINING	837.26	0.62
27	CONSTRUCTION DEVELOPMENT: Townships, housing, built-up infrastructure and construction-development projects	788.14	0.58
28	MEDICAL AND SURGICAL APPLIANCES	787.44	0.58
29	MISCELLANEOUS MECHANICAL & ENGINEERING INDUSTRIES	745.25	0.55
30	PRIME MOVER (OTHER THAN ELECTRICAL GENERATORS)	732.07	0.54
31	EDUCATION	706.92	0.52

32	DIAMOND,GOLD ORNAMENTS	652.68	0.48
33	SOAPS, COSMETICS & TOILET PREPARATIONS	497.31	0.37
34	FERMENTATION INDUSTRIES	466.70	0.34
35	PAPER AND PULP (INCLUDING PAPER PRODUCTS)	435.50	0.32
36	ELECTRONICS	432.64	0.32
37	PETROLEUM & NATURAL GAS	365.04	0.27
38	VEGETABLE OILS AND VANASPATI	332.76	0.25
39	AGRICULTURE SERVICES	286.30	0.21
40	FERTILIZERS	272.59	0.20
41	RAILWAY RELATED COMPONENTS	268.08	0.20
42	PRINTING OF BOOKS (INCLUDING LITHO PRINTING INDUSTRY)	264.99	0.20
43	MACHINE TOOLS	201.41	0.15
44	BOILERS AND STEAM GENERATING PLANTS	196.87	0.15
45	EARTH-MOVING MACHINERY	195.30	0.14
46	GLASS	170.55	0.13
47	SUGAR	155.55	0.11
48	CERAMICS	125.52	0.09
49	AGRICULTURAL MACHINERY	99.98	0.07
50	GLUE AND GELATIN	99.73	0.07
51	SCIENTIFIC INSTRUMENTS	90.00	0.07
52	TIMBER PRODUCTS	79.47	0.06
53	COMMERCIAL, OFFICE & HOUSEHOLD EQUIPMENTS	71.99	0.05
54	LEATHER,LEATHER GOODS AND PICKERS	57.86	0.04
55	TEA AND COFFEE (PROCESSING & WAREHOUSING COFFEE & RUBBER)	20.17	0.01
56	DYE-STUFFS	14.02	0.01
57	INDUSTRIAL INSTRUMENTS	10.97	0.01
58	DEFENCE INDUSTRIES	0.18	0.00
	Grand Total	135,659.22	