

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 3479
TO BE ANSWERED ON 24.03.2022

ECOSYSTEM FOR GROWTH OF MSME SECTOR

3479. SHRI SUSHIL KUMAR SINGH:

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

- (a) the steps being taken by the Government to build a vibrant ecosystem for the rapid growth of the MSME sector;
- (b) whether the Government has floated the draft MSME policy;
- (c) if so, the features of the policy; and
- (d) the time by which the policy is likely to be implemented?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI BHANU PRATAP SINGH VERMA)

(a): The Government has taken a number of measures for promotion, development, and for enhancing the competitiveness of MSME sector to build a vibrant ecosystem for growth of MSME Sector. These inter alia include (i) Rs. 20,000 crore Subordinate Debt for MSMEs; (ii) Rs.3 lakh crores Emergency Credit Line Guarantee Scheme (ECLGS) for Businesses, including MSMEs (subsequently increased to Rs. 5 lakh crore, as announced in Budget 2022-23); (iii) Rs. 50,000 crore equity infusion through Self Reliant India Fund; (iv) New revised classification of MSMEs based on composite criteria of investment in Plant & Machinery or equipment and Turnover; (v) No Global tenders for Government procurements upto Rs. 200 crore, etc.

Beside the above measures, the Ministry of MSME implements various schemes. These schemes and programmes inter alia include Prime Minister's Employment Generation programme (PMEGP), Scheme of Fund for Regeneration of Traditional Industries (SFURTI), A Scheme for Promoting Innovation, Rural Industry & Entrepreneurship (ASPIRE), Credit Guarantee Scheme for Micro and Small Enterprises, Micro and Small Enterprises Cluster Development Programme (MSE-CDP), etc.

In addition, the Government had announced following initiatives for MSMEs in the Budget 2022-23:-

(i) Udyam, e-Shram, NCS and ASEEM portals to be interlinked for credit facilitation, skilling and recruitment. (ii) Emergency Credit Line Guarantee Scheme (ECLGS) to be extended up to March 2023 and its guarantee cover to be expanded by Rs. 50,000 crore, with the additional amount being earmarked exclusively for the hospitality and related enterprises. (iii) Credit Guarantee Trust for Micro and Small Enterprises (CGTMSE) scheme to be revamped with required infusion of funds to facilitate additional credit of Rs. 2 lakh crore for MSEs and expand employment opportunities. (iv) Roll out of Raising and Accelerating MSME Performance (RAMP) programme with an outlay of Rs. 6,000 crore over 5 years.

(b) to (d): The Ministry of Micro, Small and Medium Enterprises had assigned the task of framing the draft Policy for MSMEs to Indian Institute of Public Administration (IIPA) New Delhi and IIPA submitted its report in July, 2021. Some features of the draft Policy as submitted by IIPA include (i) to facilitate building a vibrant eco-system for the rapid growth of the MSME sector; (ii) creating physical infrastructure and backward & forward linkages; (iii) developing a framework for accessible and technology upgradation; (iv) promoting a conducive business environment, etc. The aim of MSME Policy is to stimulate efficiency and productivity of MSME sector to generate income, employment, etc. to become a part of domestic and global value chains. The draft Policy has been uploaded on the Ministry's portal to seek comments from stakeholders.
