GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
STARRED QUESTION NO. *417
TO BE ANSWERED ON 21.08.2025

INTEGRATION OF MSMEs WITH GLOBAL VALUE CHAINS

*417. SHRI E T MOHAMMED BASHEER:
MS. S JOTHIMANI:

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

(a) whether the Government is aware of the need of improving integration of Micro, Small and Medium Enterprises (MSMEs) with global value chains and strengthen their participation in international trade and if so, the details thereof;

(b) the key global challenges faced by MSMEs in international markets;

(c) the impact of global economic factors on the growth and sustainability of MSMEs;

(d) the initiatives taken to enhance the global competitiveness of Micro, Small and Medium Enterprises (MSMEs) for access to international markets;

(e) the status of India's Micro, Small and Medium Enterprise (MSME) sector in comparison to other major economies in terms of productivity, innovation and ease of doing business; and

(f) the future strategies being considered by the Government to address global challenges and position Indian MSMEs as key players in the international market?

ANSWER

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI JITAN RAM MANJHI)

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

STATEMENT REFERRED TO IN REPLY TO PART (a) TO (f) OF THE LOK SABHA STARRED QUESTION NO. *417 FOR ANSWER ON 21.08.2025.

(a) to (f): Yes Sir. The government is aware of the need of improving integration of Micro, Small and Medium Enterprises (MSMEs) with global value chains and strengthen their participation in international trade. This leads to increase economic growth, job creation, and global competitiveness for the country.

Some of the challenges faced by MSMEs in International Markets include limited access to information on Global Markets, access to finance, formalization of MSMEs, Research & Development and Innovation. Globalization can offer opportunities like access to international markets and foreign investment in the growth and sustainability of Micro, Small, and Medium Enterprises (MSMEs). To address some of these challenges, Ministry is implementing several initiatives/Schemes and policies:

(i) The International Cooperation (IC) Scheme aims to capacity build MSMEs to enter the export market. Under the Market Development Assistance component of the Scheme, financial assistance is provided to MSMEs for participation in International Fairs/Exhibitions, as well as for organizing International Conferences in India to continuously update themselves to meet the challenges emerging out of changes in technology, changes in demand, emergence of new markets, etc. Under the Capacity Building for First Time Exporters component, reimbursement is provided to Micro and Small Entrepreneurs on export shipments for costs incurred on Registration - Cum - Membership Certification with Export Promotion Councils, Export Insurance Premium and Testing and Quality Certification for Exports of products and services.

(ii) Ministry of MSME has also set up a dedicated support system for export promotion by establishing 65 Export Facilitation Centres (EFCs). These EFCs support MSMEs by disseminating information on various Schemes and supports available for the MSMEs, assisting exports in linking them with financial institutions such as Non Banking Financial Companies, New Fintech start-ups, to avail credit at competitive rates etc.

(iii) MSME Champions Scheme with three sub schemes, MSME-Sustainable (ZED) Certification Scheme, MSME-Competitive (LEAN) Scheme and MSME-Innovative Scheme (Incubation, Design & Intellectual Property Rights) is a holistic approach to unify, synergize and converge with various Schemes and interventions to enable MSMEs to become globally competitive. Raising and Accelerating MSME Performance (RAMP) Scheme aims to provide support to MSMEs through increased access to technological upgradation, market and credit by strengthening of Central and State Agencies. In order to support MSMEs for adoption of sustainable and eco-friendly practices and technologies, renewable energy sources and promotion of Circular Economy, Ministry has launched Green Investment & Financing for Transformation (GIFT) Scheme and Scheme for Promoting of Investment in Circular Economy (SPICE). Further, in order to provide Micro and Small Enterprises Access to Digital Marketing, Ministry has launched the Trade Enablement and Marketing Initiative (TEAM).

(iv) Coir Board is implementing Coir Vikas Yojana, a central sector Scheme with a component for promotion of coir exports through its various export promotion activities.

(v) Ministry also facilitates collateral free credit for Micro and Small Enterprises through Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) Scheme. The guarantee limit has been raised to Rs. 10 Crore.

(vi) The revised criteria for classification of MSMEs widens the ambit of the MSME sector. Under the revised criteria, units with investments up to ₹2.5 crore are now classified as micro enterprises, from the previous threshold of ₹1 crore. The turnover limit has been revised from ₹5 crore to ₹10 crore. Units with investments up to ₹25 crore are classified as small enterprises, from the earlier ₹10 crore. The turnover limit for such enterprises has been doubled from ₹50 crore to ₹100 crore. Units with investments up to ₹125 crore are now classified as medium enterprises, from the earlier limit of ₹50 crore. For medium enterprises, the turnover limit has been doubled to ₹500 crore.

(vii) Udyam registration Portal facilitates the online registration of MSMEs and Udyam Assist Platform brings Informal Micro Enterprises (IMEs) under the formal ambit for availing benefits under Priority Sector Lending and Schemes of Ministry.

The MSME sector in India contributes significantly to the national economy. Indian MSMEs have demonstrated resilience and growth. The Government is actively pushing to support MSMEs through Digitalization and Technological Upgradation, Financial Inclusion and Access to Credit, Skill Development and Human Capital, Green Manufacturing and Sustainability to build competitiveness of MSMEs to establish them as key players in Global Value Chain.

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