

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO.1738
TO BE ANSWERED ON 05.12.2024

CHALLENGES FACED BY MSMEs

1738. SHRI K C VENUGOPAL:

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

- (a) whether the Government has taken note of the fact that Micro, Small & Medium Enterprises (MSMEs) face several problems such as lack of access to global markets, inadequate infrastructure facilities, including power, water, roads, low technology levels and lack of access to modern technology, lack of skilled manpower for manufacturing, services, marketing, and multiplicity of labour laws and complicated procedures associated with compliance of such laws; and
- (b) if so, the corrective steps being taken/proposed to be taken by the Government to solve these major problems?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SUSHRI SHOBHA KARANDLAJE)

(a) to (b): Government follows a focused and multipronged strategy for MSME and has inter alia taken measures to address multiple challenges faced by MSMEs including access to infrastructure, access to technology, skilled manpower and global markets as well as compliance burden, economic growth, access to funding, capital infrastructure.

The Ministry of Micro, Small and Medium Enterprises is implementing International Co-operation Scheme to encourage MSMEs to export of their products to other countries and facilitates their participation in the international exhibitions/fairs/buyer-seller meets held abroad and for organizing international conference/seminar/workshops in India. Further, for Capacity Building of First Time Exporters (CBFTE), a reimbursement is provided to new MSE exporters for costs incurred on Registration cum-Membership Certification (RCMC) with EPCs, Export Insurance Premium and Testing and Quality Certification for exports. A new initiative, MSME TEAM (Trade Enablement and Marketing) is being implemented with an objective to support MSMEs by integrating them with the Open Network for Digital Commerce (ONDC) to promote e-commerce in India.

Further, the Ministry of Micro, Small and Medium Enterprises has developed a dedicated support system for export promotion in MSME Sector by establishing 65 Export Facilitation Centres (EFCs) in its field organizations namely MSME-Development and Facilitation Offices, MSME Technology Centres and MSME Testing Centres. An MoU between Ministry of MSME and DGFT has also been signed for validation & issuance of IEC.

Under the Micro and Small Enterprises Cluster Development (MSE-CDP), financial assistance upto 70% of Project cost is being provided by Government of India for establishment of Common Facility Centres (CFCs) and Infrastructure Development. For the development of MSMEs in North Eastern Region, a special scheme for ‘Promotion of MSMEs in North Eastern Region and Sikkim’, is in operation which provides financial assistance up to 90% of the total project cost for creating / upgrading infrastructure facilities including setting up new and modernizing existing Mini Technology Centres and developing Industrial Estates. These Central Sector schemes run with the active cooperation of State Governments.

A network of **Technology Centres/Tool Rooms** has been established by the Government in the country to support MSMEs by providing access to advance manufacturing technologies, training & skilling and business consultancy services to make them competitive. 18 Technology Centres were established between 1969 and 1999. Another 15 Technology Centres are being established. To further increase the geographical outreach of these Technology Centres across the country, the Ministry of MSME is establishing 20 new Technology Centres, along with 100 Extension Centres under the Scheme “Establishment of New Technology/Extension Centres” in Public-Private Partnership Mode across the country. These Centres are conducting various skill development training programmes for the educated youth and technicians of industries. Various levels of courses, viz., certificate, diploma, advanced diploma, post diploma, post graduate diploma and post graduate courses are also offered by these Centres.

“MSME Champions” Scheme with three sub schemes, MSME-Sustainable (ZED) Certification Scheme, MSME-Competitive (LEAN) Scheme and MSME-Innovative Scheme (Incubation, Design& IPR) is a holistic approach to unify, synergize and converge various schemes and interventions with a single purpose to enable our MSMEs to become globally competitive.

Raising and Accelerating MSME Performance (RAMP) is a World Bank supported Central Sector Scheme aimed at providing support to Micro, Small and Medium enterprises in the country, through increased access to technological upgradation, market, and to credit by strengthening of Central and State agencies.

Government has notified 4 Labour Codes towards simplification of multiple labour laws to reduce compliance burden.

“Udyam Registration” has been launched for MSMEs, for Ease of Doing Business w.e.f. 1.7.2020 with a new revised criteria for classification of MSME. Udyam is a hassle free, self-declaration based, digital and voluntary registration. A total of 5.53 crore MSMEs have registered on Udyam Portal with an employment of 23.30 crore up to 30.11.2024.
