

India is home to more than 6.3 crore MSMEs

By : Editor Published On : 30 Aug, 2021 02:43 PM IST



INVC NEWS

New Delhi,

In India, just like anywhere in the world, MSMEs are an integral part of the value chain, offering diversified products on one hand and delivering intermediate goods for the large-scale industries on the other. It is one of the largest employment generator and backbone of Indian economy.

India is home to more than 6.3 crore MSMEs, which have the ability and capability to access international markets and work as ancillaries to larger international firms. In terms of exports, the sector holds high potential in various sub-sectors such as textiles, leather & leather goods, pharmaceuticals, automotive, gems & Jewellery etc. with overall contribution of 45 percent. The Indian economy has shown an excellent growth performance over the past few years and is likely to emerge as one of the leading economies in the world, poised to become USD 5 trillion economy by 2025. Thus, a major impetus is to be made to reinforce the overall Entrepreneurship Development eco-system and impediments needs to be understood in terms of internationalization of these enterprises.

Ministry of MSME has been tirelessly working towards development of MSMEs and has undertaken interventions to enhance MSME ecosystem in India. Some of the key reforms introduced by Ministry of MSME are:

- **Revision of MSME definition:** In line with Government of India's top focus on energizing MSMEs in the country, Government of India approved the upward revision of MSME definition on 1st June 2020 under the Aatmanirbhar Bharat Package. The Government revised the MSME classification by inserting composite criteria of both investment and annual turnover.
- **Udyam Registration:** Udyam is an online and simplified procedure of filing of registration which enables MSMEs to obtain registration without any documentation and fees. It is a globally benchmarked process and a revolutionary step towards Ease of Doing Business. Ministry of MSME has also commenced API integration of Udyam Registration portal with GeM so that MSEs can participate in Government procurement easily.
- **Champions Portal:** CHAMPIONS is an online platform to help and handhold the MSMEs specially in this difficult time. It is an ICT based technology system aimed at making the smaller units big by

solving their grievances, encouraging, supporting, helping and handholding throughout the business lifecycle. The platform facilitates a single window solution for all needs of MSMEs.

- **National SC-ST Hub (NSSH):** National SC-ST Hub has been launched to promote entrepreneurship culture in the SC-ST community and fulfill the 4% procurement target mentioned in the Public Procurement Policy order, 2018. To boost entrepreneurship among SC/ST population and for maximum on-ground penetration, several interventions have been undertaken to cater to the challenge of market linkages, finance facilitations, capacity building etc.
- **Self-Reliant India (SRI) Fund:** The scheme is expected to facilitate equity financing of Rs.50,000 crore in the MSME Sector. The infusion of equity will provide an opportunity to get MSMEs listed in stock exchanges. Further, it will also facilitate MSMEs to scale-up their business & growth and will help creating more jobs in the MSME sector.
- **Procurement Policy:** For providing marketing support to MSEs, all Central Ministries/Government Departments and CPSEs are required to procure 25% of their annual requirements of goods and services from MSEs including 4% from MSEs owned by SC/ST and 3% from MSEs owned by women entrepreneurs under the Public Procurement Policy.
- **Establishment of Enterprise Development Centers (EDCs):** With a view to provide Information related to MSMEs at one place, Enterprise Development Centres (EDCs) have been conceptualized. Till date Ministry of MSME has set up 102 EDCs across India. The aim of these centers is to build a network of entrepreneurial leaders by providing professional mentoring and handholding support services to existing as well as aspiring MSMEs with special focus on rural enterprises on continuous basis.

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