

附件一

第 10 屆印度全球微型及 中小企業高峰會會議議程



Confederation of Indian Industry



Ministry of Micro, Small & Medium Enterprises
Government of India



10th Edition of

GLOBAL INDIA MSME SUMMIT

Building Innovative, Knowledge-Led Global MSMEs In Engineering & Manufacturing Sectors

9-10 October 2013: Eros Hilton Hotel, Nehru Place, New Delhi

Programme

Inaugural Session

1000 hrs	Opening Remarks & Context Setting	Mr Deep Kapuria Chairman, CII National Council on MSMEs & Chairman, Hi Tech Gears Ltd
1010 hrs	Address	Dr Surajit Mitra Director Indian Institute of Foreign Trade
1015 hrs	Guest of Honour & Keynote Address	Mr Madhav Lal Secretary – Ministry of MSME Government of India
1030 hrs	Signing of MoU between Confederation of Indian Industry and Indian Institute of Foreign Trade	
1030 hrs	Inaugural Address	Mr K H Muniyappa Minister of State (Independent Charge) Ministry of MSME Government of India
1055 hrs	Session Concludes	
1100 hrs	Networking Break	

Plenary Session on Potential of MSME's in Manufacturing & Engineering Sectors

As India gears up to retrace the high growth path, the micro, small and medium enterprises (MSME) sector assumes a pivotal role in driving the growth engine. The MSME sector has demonstrated remarkable resilience in the face of trying global and domestic economic circumstances, evidenced by an average 11 percent Sectoral growth during 2006-11, which went up to an impressive 19.6 percent in 2011-12. Encouraged by this growth trend, certain quarters in the industry now expects the MSME sector to increase its share of national GDP from the present 17 percent to 22 percent by 2020. This session will explore the growth potential of MSMEs in Manufacturing and Engineering Sectors.

1130 hrs	Opening Remarks by Session Moderator	Mr Deep Kapuria Chairman, CII National Council on MSMEs & Chairman Hi Tech Group
1140 hrs	Panelists	Mr Achal Nath Chairman, Regional Council (North) Indian Machine Tool Manufacturers Association Mr Sunil Arora Deputy Chairman – Northern Region Automotive Component Manufacturers Association of India Mr Vikas Garg Vice President The Institute of Indian Foundry Men Mr Tamal Sarkar Director, Foundation of MSME Clusters Dr Maghin Tamilarasan Director – Strategy & Business Development Rolls-Royce India Pvt Ltd Mr Suman Bose Managing Director Siemens Industry Software (India) Pvt Ltd
1235 hrs	Keynote Address	Mr Amarendra Sinha Additional Secretary & Development Commissioner, Ministry of MSME Government of India

1250 hrs	Q & A Session	
1300 hrs	Closing Remarks	Mr Deep Kapuria
1300 – 1400 hrs	Lunch Break	

**Plenary Session on Emerging Markets &
Leveraging International Business for Indian MSMEs**

Even as the Indian MSME sector forays into new and emerging business areas, a greater number of these enterprises are venturing into the global business landscape to tap new markets and to identify attractive investment opportunities. This global push is guided by Indian industry's recognition of the need to do business more effectively in an interconnected world. Indian MSMEs has the potential to penetrate deeper into the developed markets, but they are also foraying into developing and emerging markets where their products and services are more appropriate and affordable. Further, Indian MSMEs are also stepping up their investments overseas, mainly through collaborative arrangements like joint ventures. Many of these investments are guided by government-to-government cooperation endeavours. This session will deliberate on the opportunities for Indian MSMEs in the Emerging Global Markets.

1400 hrs	Opening Remarks by Session Moderator	Mr P Ganesh Chairman, MSME Regional Sub Committee, CII Southern Region & Managing Director, Glass & Glazing Ltd
1405 hrs	Theme & Context Setting	Dr K Rangarajan Professor – Strategic Management Head- Centre for SME Studies Indian Institute of Foreign Trade
1410 hrs	Panelists	HE Mr Jaime Nualart Ambassador of Mexico to India Ms M H Lin Deputy Director General Small & Medium Enterprise Administration Ministry of Economic Affairs, Taiwan Mr Michael Williamson Head – APCTT UN ESCAP Mr Naoyoshi NOGUCHI Chief Director General, JETRO

1525 hrs	Keynote Address	Mr H P Kumar Chairman & Managing Director National Small Industries Corporation
1545 hrs	Discussions	
1555 hrs	Closing Remarks	Mr P Ganesh
1600 hrs	Networking Break	

FOCUSED MASTER CLASSES FOR EXPORT COMPETITIVENESS OF MSMEs

Enhancing competitiveness of MSMEs on various aspects is imperative to enable its global outreach. The Master Classes would enable participating MSMEs to understand the relevance of enhancing their competitiveness in the area of Technology, Innovation, Design, R&D, Finance / Cost Management, Marketing, Branding Packaging etc.

1630 Hrs – 1800 Hrs: Master Class on Technology & Innovation for MSMEs

<u>Topic</u>	<u>Faculty</u>
Relevance & Importance of R&D and Technology commercialization for MSMEs	Mr Harkesh Mittal Secretary – Technology Development Board Ministry of Science & Technology Government of India
Importance of Design for MSMEs	Mr Sudhir Kumar National Institute of Design
Importance of IPR for MSMEs	Mr R Saha Senior Advisor – IPR Confederation of Indian Industry
Providing Global Technological Alliances	Mr Sabyasachi Dasmohapatra CEO, Global Innovation & Technology Alliance

1630 Hrs – 1800 Hrs: Master Class on Export Finance

<u>Topic</u>	<u>Faculty</u>
Session Moderator	Mr A Ramesh Kumar Managing Director & CEO Asia Pragati Capfin Pvt Ltd
Seeding Working Capital	Mr Kavi Arora Managing Director & CEO Religare Finvest Ltd
Alternate source of Finance for MSMEs	Mr Ajay Thakur Head -SME Segment, BSE Limited
Forex Management for MSMEs	Mr Kushal Agarwal Head – SME Banking (North) Standard Chartered Bank
Global Financial situation : MSME perspective	Mr V Sivasri GM – Mid Corporate Group State Bank of Hyderabad

1630 Hrs – 1800 Hrs: Master Class on Effective Branding, Marketing and Packaging

Faculty: **Mr Harish Bijoor**
Chief Executive Officer
Harish Bijoor Inc.

1630 Hrs – 1800 Hrs: Master Class on Documentation, Legal Formalities for MSMEs

Faculty: **Prof Areej Aftab Siddiqui**
Assistant Professor
Indian Institute of Foreign Trade

1800 Hrs: End of Day 1

Day II: Thursday, 10th October 2013

1000 Hrs: B2B Meetings

1500 Hrs: End of B2B Session

* * * * *

附件二

第 10 屆印度全球微型及 中小企業高峰會會議資料

Global India MSME Summit 2013

How Taiwan be Your Best Partner for Innovative SME Development

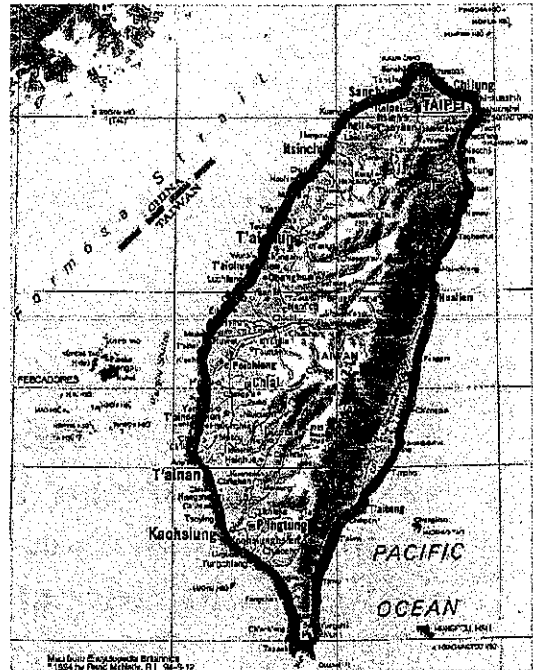
Mei-Hsueh Lin
Deputy Director General
Small and Medium Enterprise Administration
Ministry of Economic Affairs
Taiwan, October 9, 2013

Outlines

- I. SME Supporting Measures in Taiwan**
- II. Partnering for Innovative SMEs**
- III. Conclusion**

— About Taiwan

- Area: 36,000 sq. km**
- Population: 23 million**
- Per Capita Income: US\$20,378***
- Foreign Trade (goods) :**
- World's 18th largest trading nation***
- Number of Enterprises: 1.31 million***
- Number of SMEs: 1.28 million***
- Ratio of SMEs to All Enterprises: 97.63%***



Source : White Paper on SMEs in Taiwan, 2012
 Department of Statistics, Ministry of Economic Affairs, 2012

Gateway to China

- Geographically**, Taiwan is very close to Emerging Market of East Asia.
- Culturally**, Taiwan is highly influenced by China and Western World.
- Economically**, Taiwan is export oriented and one of the largest Foreign investors in China.

World Bank 2012 / out of 185

Doing Business 2013

<Ease of doing business> **16**



2008-2012 jump from **61**

WEF 2013 / out of 144

Global Competitiveness Report

Overall Ranking

<Global Competitiveness Index> **12**

Business Sophistication

<State of Cluster Development> **1**

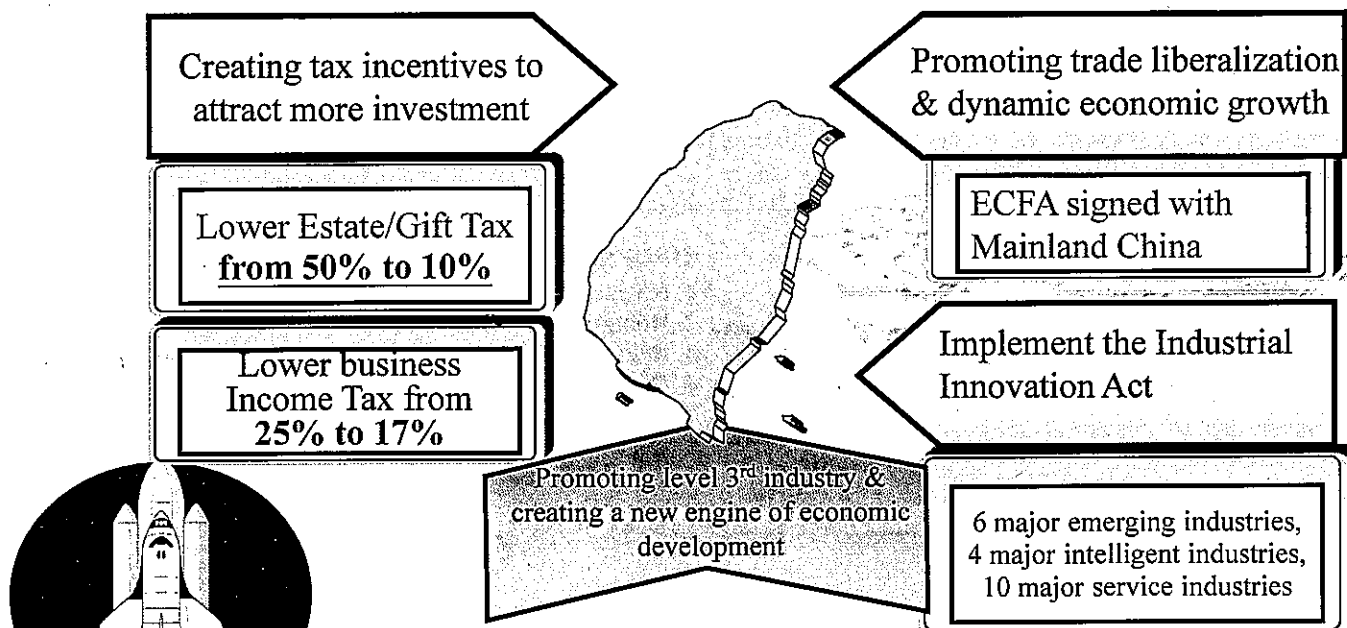
BERI 2013 / out of 50

Business Environment Risk Intelligence Report

3

<Profit Opportunity Recommendation>

1. New Incentives



The signing of ECFA has highlighted the competitive advantage of Taiwan's Engineering & Manufacturing Industry. International SMEs can easily capture the Chinese market thru Taiwan.

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2. Criteria for Identifying SMEs

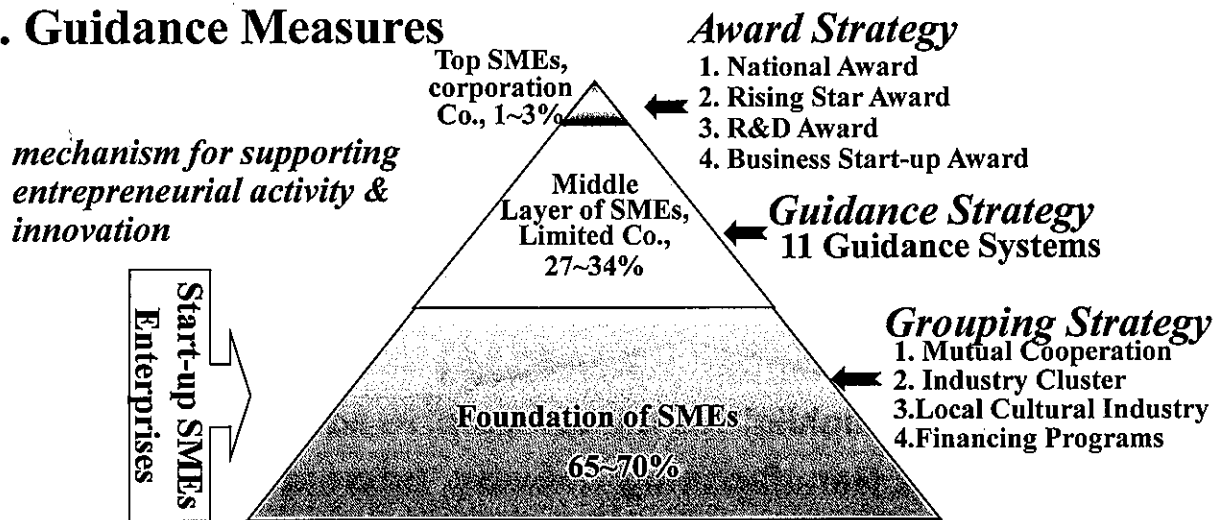
SECTORS	SMEs	Micro Business
Manufacturing, Construction, Mining, Quarrying	Paid-in Capital < NTS 80 million (US\$2.6 Million) or Employees < 200 persons	Employees < 5 persons
Service, Commerce	Preceding year revenue < NTS 100 million (US\$3.3 million) or Employees < 100 persons	

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3. Current Status of Taiwan's SMEs

- ◆ The number of enterprises is 1.28 million, accounting for 97.63% of total enterprises.
- ◆ Total employees is 8.33 million people, accounting for 77.85% of total national employment.
- ◆ Direct export sales accounted for 16.29% of all enterprises, domestic sales accounted for 34.51% of all enterprises.

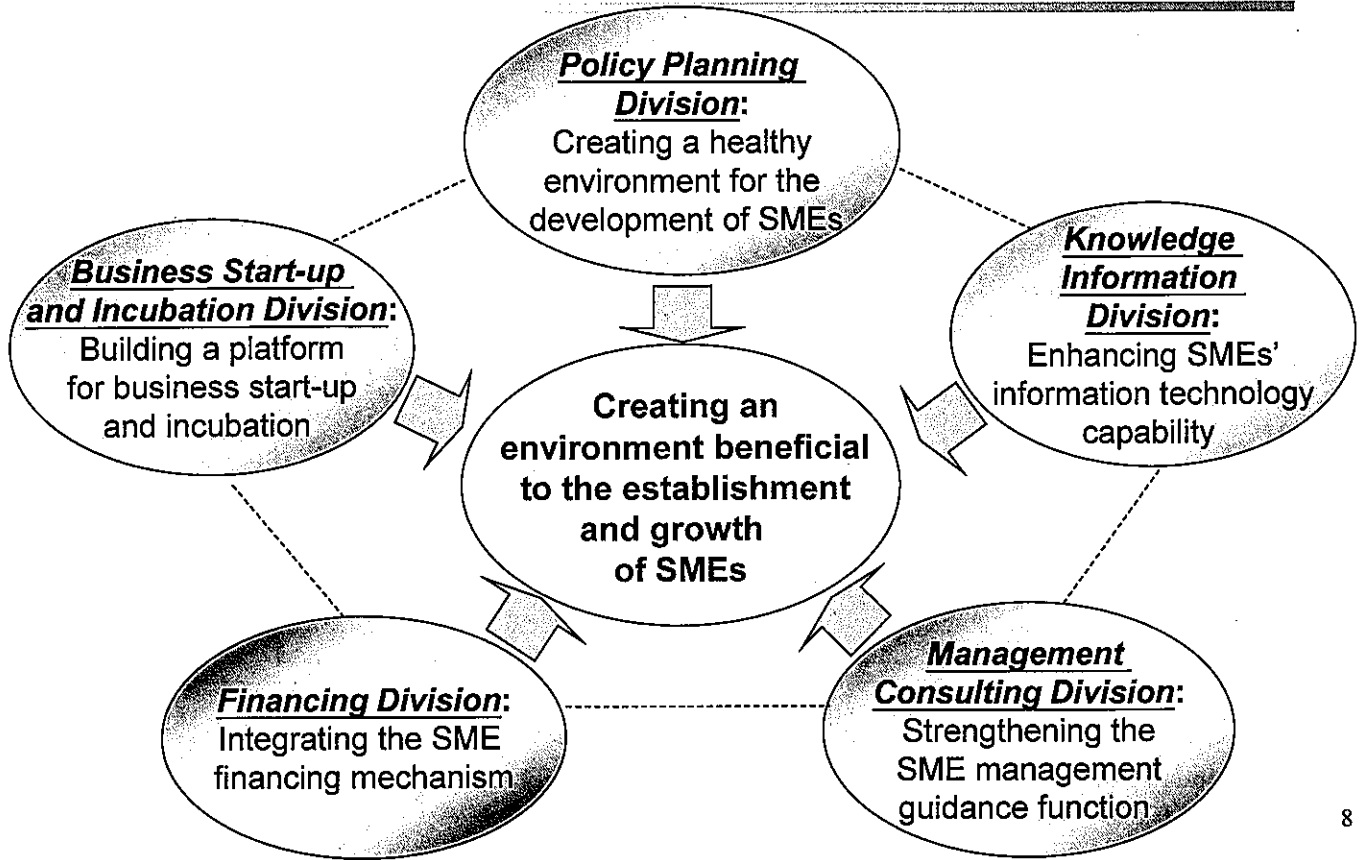
4. Guidance Measures



5. MOEA 11 Guidance Systems

- | | | |
|--|---|---|
| <ul style="list-style-type: none"> (1) Industrial Safety (2) R & D (3) Pollution Prevention (4) Production Technology (5) Marketing | } | <ul style="list-style-type: none"> •Industrial Development Bureau (IDB) •Department of Industrial Technology (DOIT) |
| <ul style="list-style-type: none"> •Small & Medium Enterprise Administration (SMEA) | } | <ul style="list-style-type: none"> (6) Management (7) Finance (8) Quality Upgrading (9) Information Management (10) Business Start-up and Incubation (11) Mutual Assistance and Collaboration |

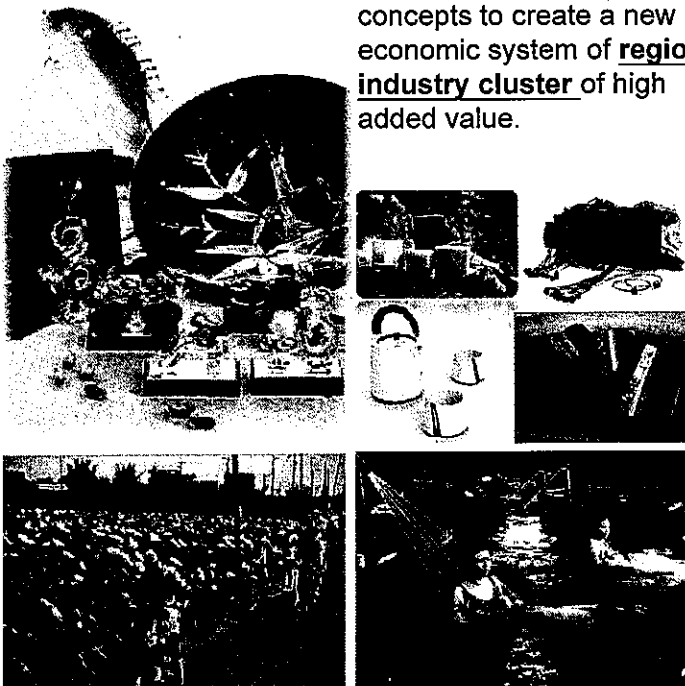
6. Vision and Strategies



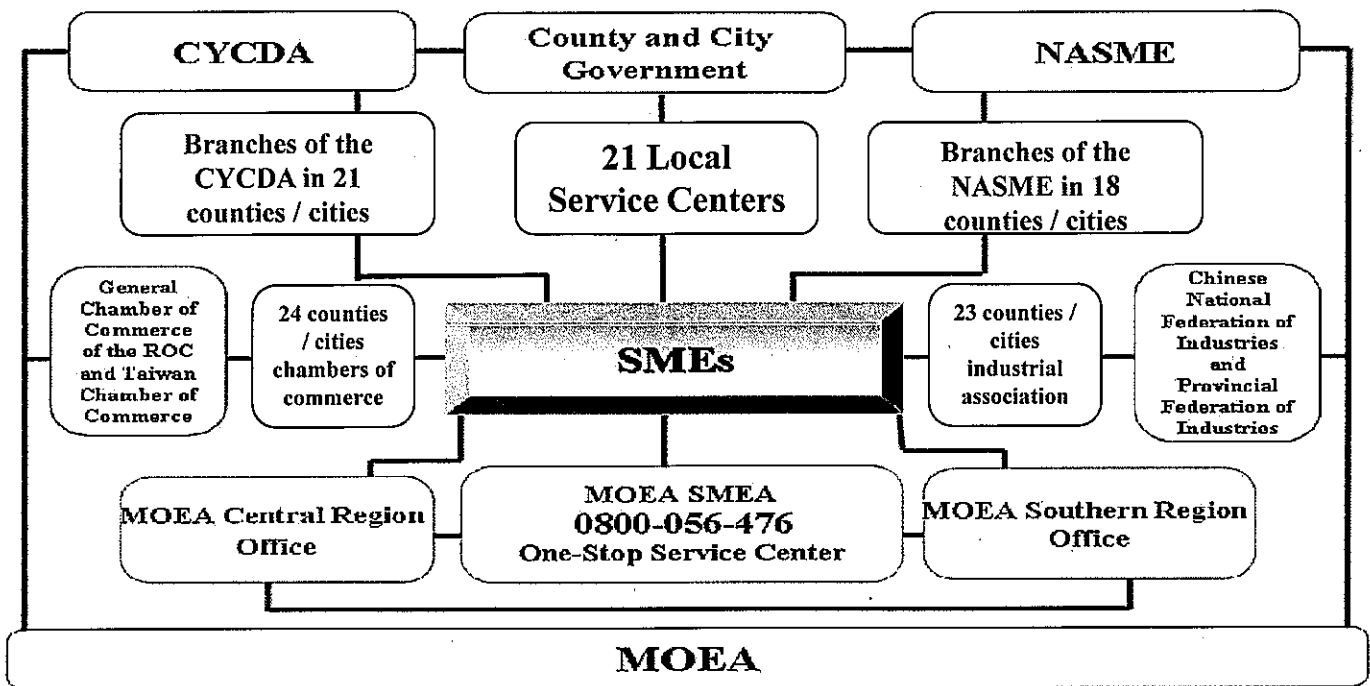
7. One Town One Product (OTOP)



Assist SMEs to, on the basis of local cultural industries, use "knowledge economy" concepts to create a new economic system of regional industry cluster of high added value.

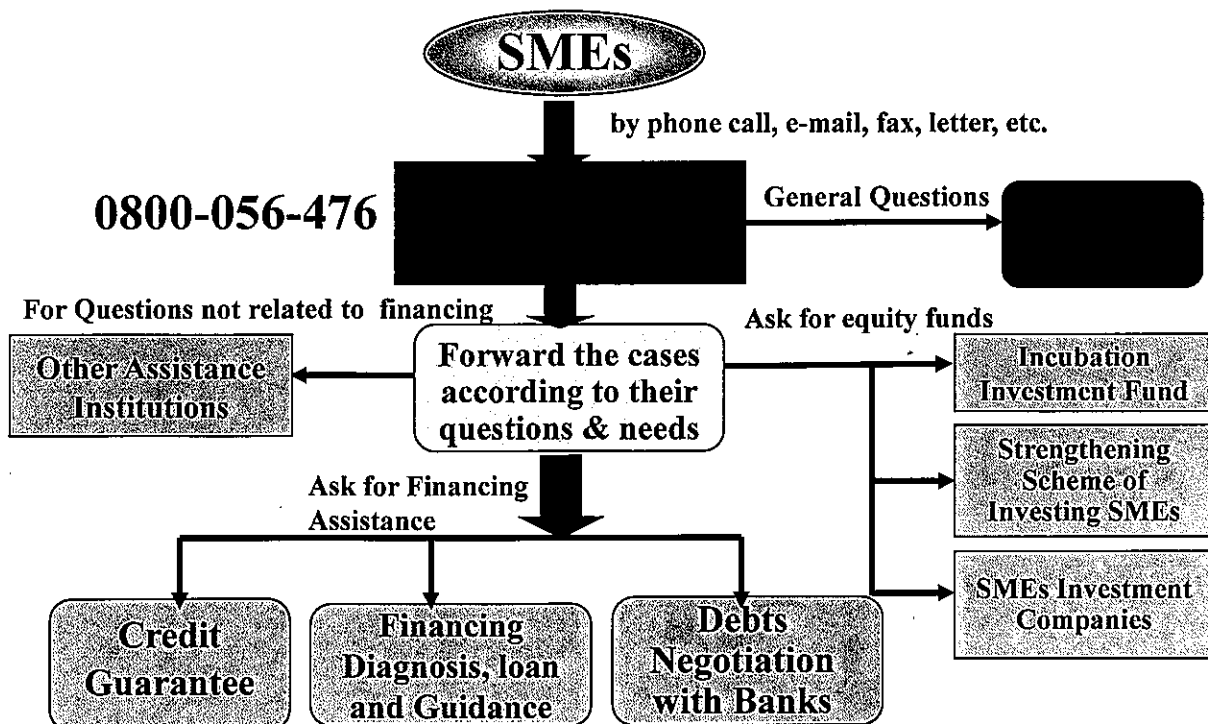


8. SME Service Network



Note : SMEs located in special zones such as Industrial Districts, Export-processing Zones or Science Parks can receive services provided by the zone administration. 10

9. One-Stop Service Center



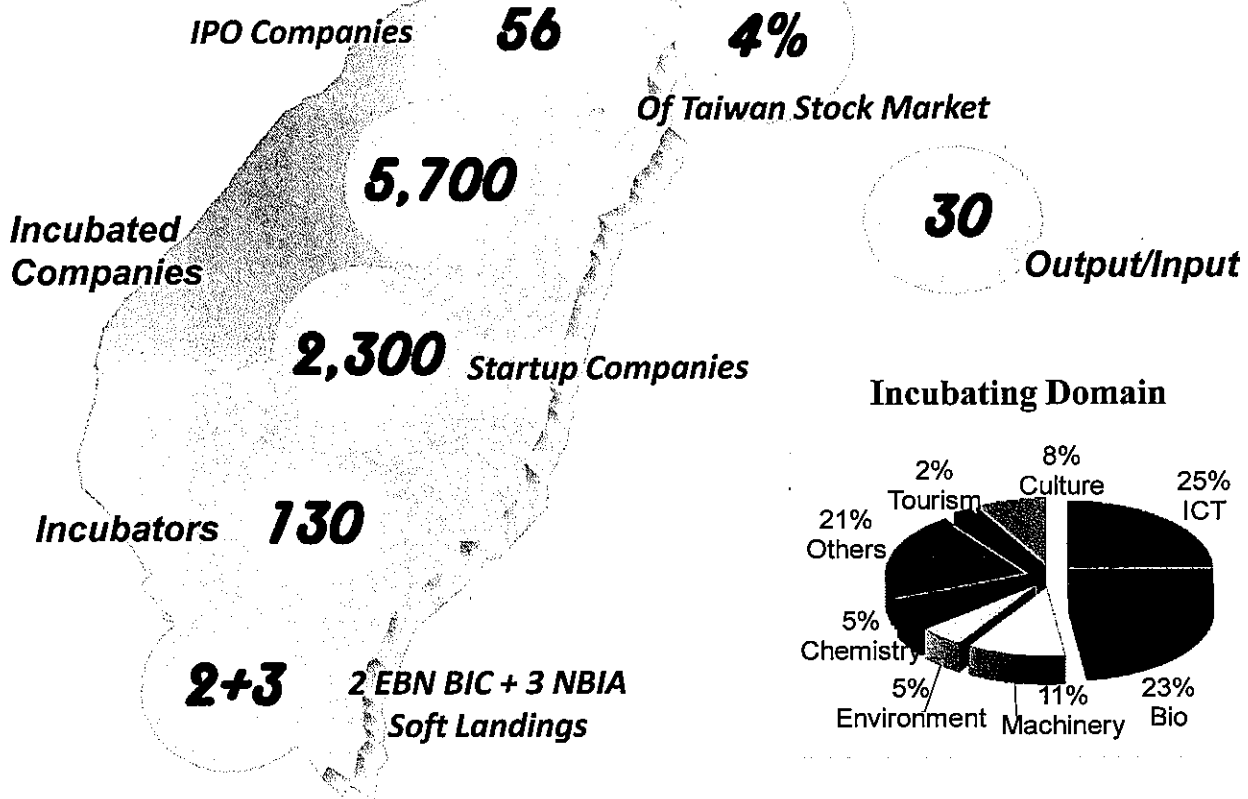


II. Partnering for Innovative SMEs

SMEs
make Taiwan shine.

MINISTRY OF ECONOMIC AFFAIRS

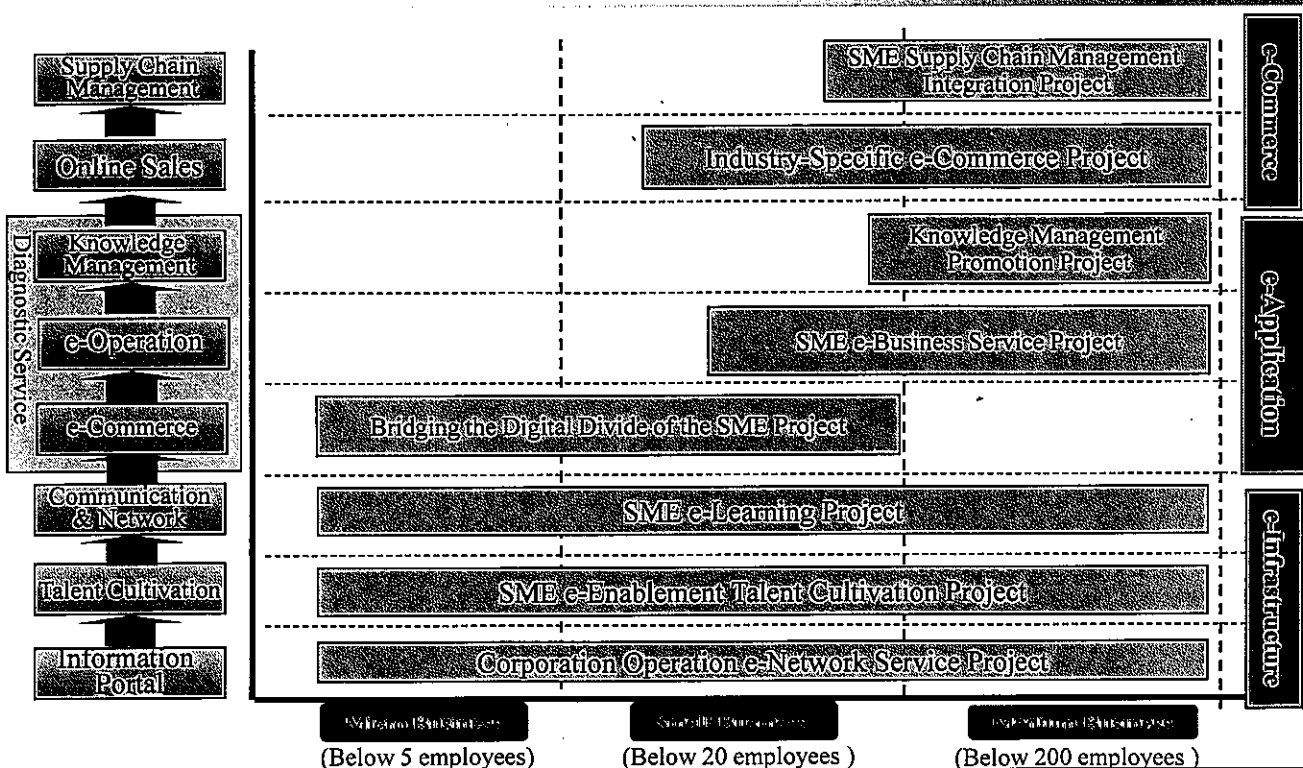
1. Incubation System in Taiwan



2. Enhancing SMEs Information Technology

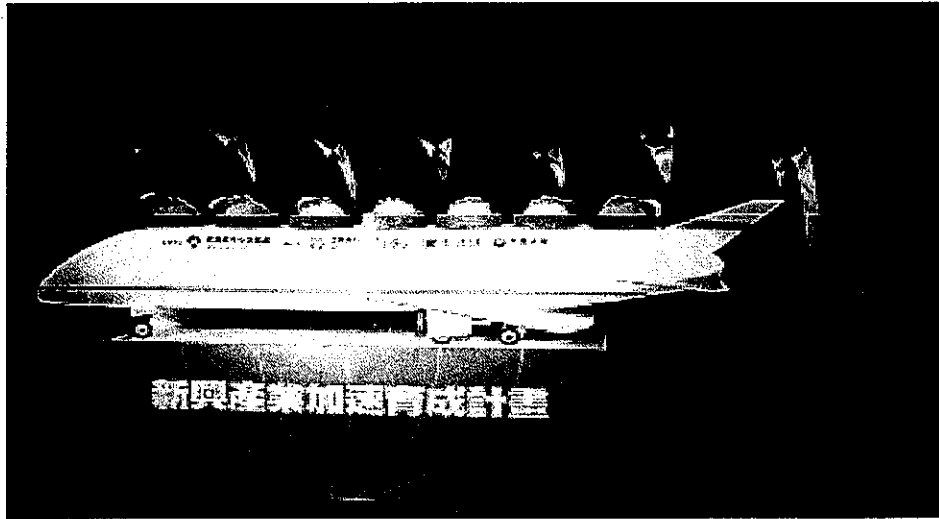
SMEs
make Taiwan shine.

MINISTRY OF ECONOMIC AFFAIRS



- The Guidance Service that's Always By Your Side, Lifting SME e-Dream off the Ground
- Provide e-Business Enabling of Independent Enterprise, Clusters, and Industries

3. Start-up Taiwan Accelerator



In order to establish the international emerging industries service network, SMEA has referred to the Silicon Valley to implement the Start-up Taiwan Accelerator project to integrate the resources the startups need.

4. APEC Start-up Accelerator



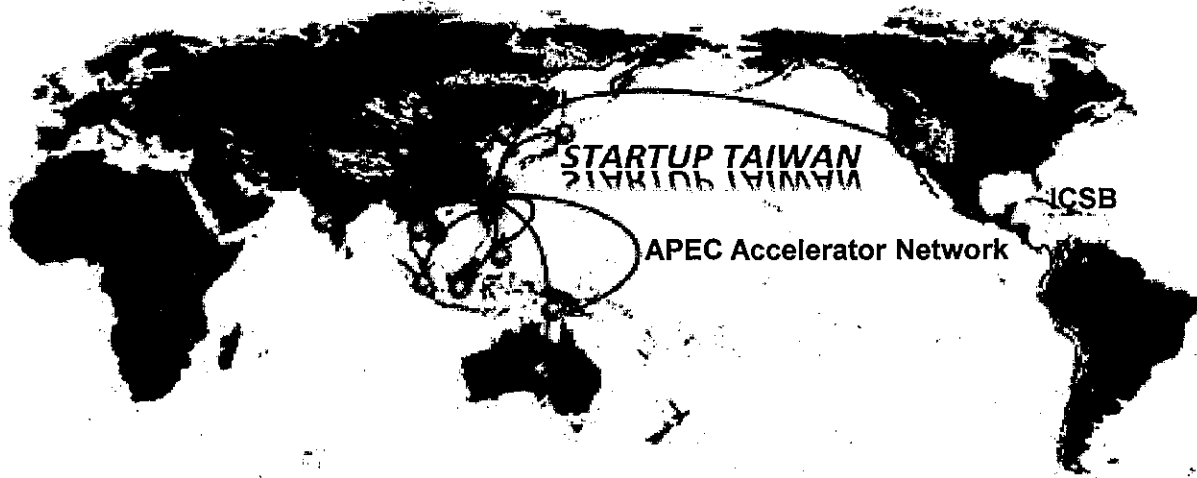
In order to promote the entrepreneurship in the Asia Pacific region, SMEA cooperate with Intel and APEC to hold the "APEC Start-up Accelerator Leadership Summit 2013" on August 13-14, 2013 in Taipei. For two days, 31 top startups and 300 CEOs/officials from the APEC region are invited to ignite the momentum to cooperate with Taiwan .

Cooperation with other SME, Incubation or Accelerator Network

The MOU with EBN is to provide a framework of cooperation and facilitate collaboration between EBN and SMEA in areas of common interest.

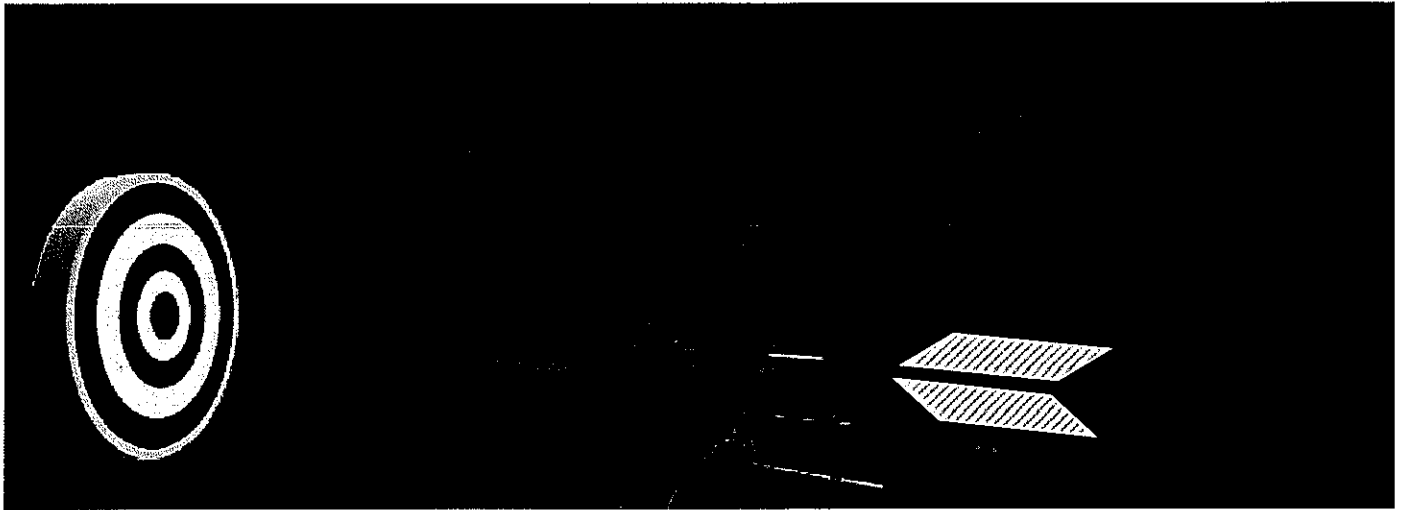
-The Soft Landing Club

Co-Incubation: Keep each other informed of and consult on matters of common interest, which are likely to lead to mutual collaboration.



SMEA witnessed the Signing Ceremony with Strategic Partners (MOU) between ITRI from Taiwan and ASU · WSGR at NBIA meeting held in Boston, the US, April, 2013 . Through the bilateral cooperation, we look forward to building the platform for SME internationalization and market access.

How to leverage Taiwan's Resources



Build up Your Taiwan ASSET!
Build up Your Taiwan TEAM!

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III. Conclusion (1/2)

Future Policy Focuses

Entrepreneurship → Team UP

- Exploration, Adventure, Inspiration and Wisdom

Speed UP → Accelerator

- Digitalization, Internet Application, Automation, Time to Market

Value UP

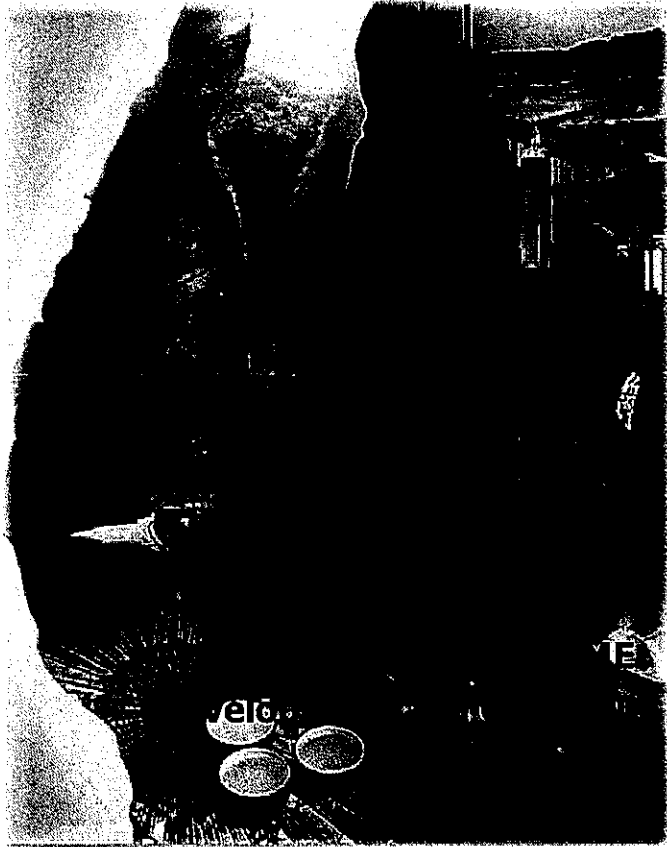
- High Quality, Specialization, Niche Market

Globalization → Power UP

- Global Division of Labor, Clustering, New Market Exploration

By enhancing quality, developing clustering networks, and applying technology value-adding to correspond to green trends and cultivate SME innovation capability.

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New Meaning for Taiwan

T-talent

A-accelerator

I-innovation

W-world

A-action

N-networks

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Upcoming Events in Taiwan 2014

Phase I : APEC Accelerator Network Forum

March

We would like to host APEC Accelerator Network Meeting in Taiwan back to back with the 38th SMEWG Meeting in 2014, inviting senior SME officials, experts, SMEs and SME-related agencies to raise common awareness over APEC region and shed light to further directions of efforts in the future.

Phase II : APEC Challenge

August

APEC Challenge held in Taipei is for startups incubated by regional accelerators during the 3 month period to enable business development activities combined with fundraising opportunities.

Seeking for Your Participation and Nominating Experts & Teams to the Event!



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Thank you for your attention!



Asia-Pacific
Economic Cooperation

Appendix: APEC Event Overview

APEC Start-up Accelerator Leadership Summit

Intel APEC Challenge

- August 13-14 in Taipei
- 700+ key participants from 20 member economies

Officials

- ABAC members
- Officials of Australia, Canada, Chile, Japan, Mexico, Peru, Thailand, US, and ...more

Venture Capitalists

- SK Telecom Ventures
- ShanghaiVest
- CyberAgent Ventures
- AngelVest
- WI Harper
- Taipei Angels
- and ...more

Incubators & Accelerators

- NBIA
- EBN
- Global Entrep. Week (GEW)
- 500 Start-ups
- Addlight
- AppWorks
- E27
- and ...more

Business Elites

- Intel
- Visa
- Google
- TSMC
- Microsoft
- Acer
- Vertu
- Uber
- and ...more

Entrepreneur

- Acer
- Priceline
- Pebble Tech
- Uber
- Plurk
- Cubie
- Vpon
- EZTABLE
- and...more



Asia-Pacific
Economic Cooperation

ASA Leadership Summit (2/2)

◆ Event Speakers



Stan Shih
Acer



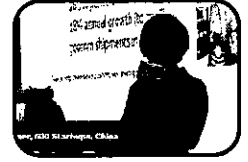
Anjan Ghosh
Intel



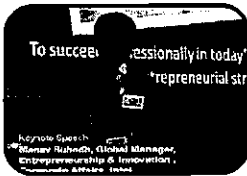
Jonathan Ortman
GEW



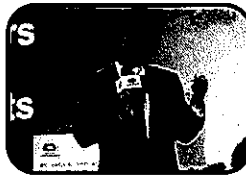
Juan Raffo
ABAC SMMEE
Chair



Rui Ma
500 Start-ups



Manav Subodh
Intel



Jeff Hoffman
Priceline



David Lee
SK Telecom
Ventures



Lorraine Hariton
US Dept. of
States



John Danner
Intel Global
Challenge



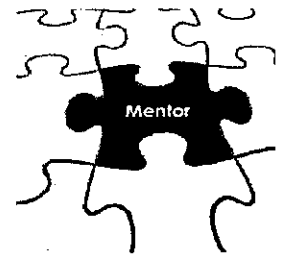
Asia-Pacific
Economic Cooperation

Mentorship Program

◆ August 13

◆ 12 experienced mentors and 60+ startup teams

The mentorship program serves as a knowledge-sharing platform and consulting assistance between experienced mentors and startups.

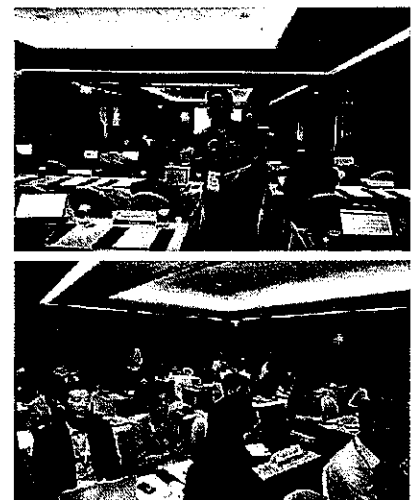


Training Courses

- A series of training courses set for all start-up teams
- Introducing cutting-edge issues and emerging trends concerning entrepreneurship and startups.

1-on-1 Mentoring Session

- Within 30 minutes, each start-up team have a chance to demo in front of the experienced mentors who give valuable advices to enhance startups' capacities on Intel APEC Challenge next day.





Asia-Pacific Economic Cooperation

Intel APEC Challenge (1/3)

◆ High-quality competition in collaboration with Intel

- Thanks to members' supports on recommending top startup teams
- Cooperation between international incubators and accelerators
- Candidates are winners from regional start-up competitions



Asia-Pacific Economic Cooperation

Intel APEC Challenge (2/3)

◆ 31 Winning Teams from 15 Economies

- 31 pre-selected start-up teams had chances to pitch in 10 minutes before an international panel of experts, judges and investors.

Chinese Taipei				
Indonesia			Japan	
Philippines			Korea	
Thailand			Malaysia	
Canada			Viet Nam	
Singapore			Peru	
India			Australia	
			United State	
			Canada	



Asia-Pacific
Economic Cooperation

Intel APEC Challenge (3/3)

Winners

Early Stage Awards



ShuR



CONNEXX
SYSTEMS

Both Teams from Japan

Growth Stage Awards



cinemapapaya

from Peru &
Hong Kong,
China



Roam & Wander

Host Economy Award



Golface
www.golface.com.tw

from
Taiwan



People's Choice Award



International

from
Viet Nam

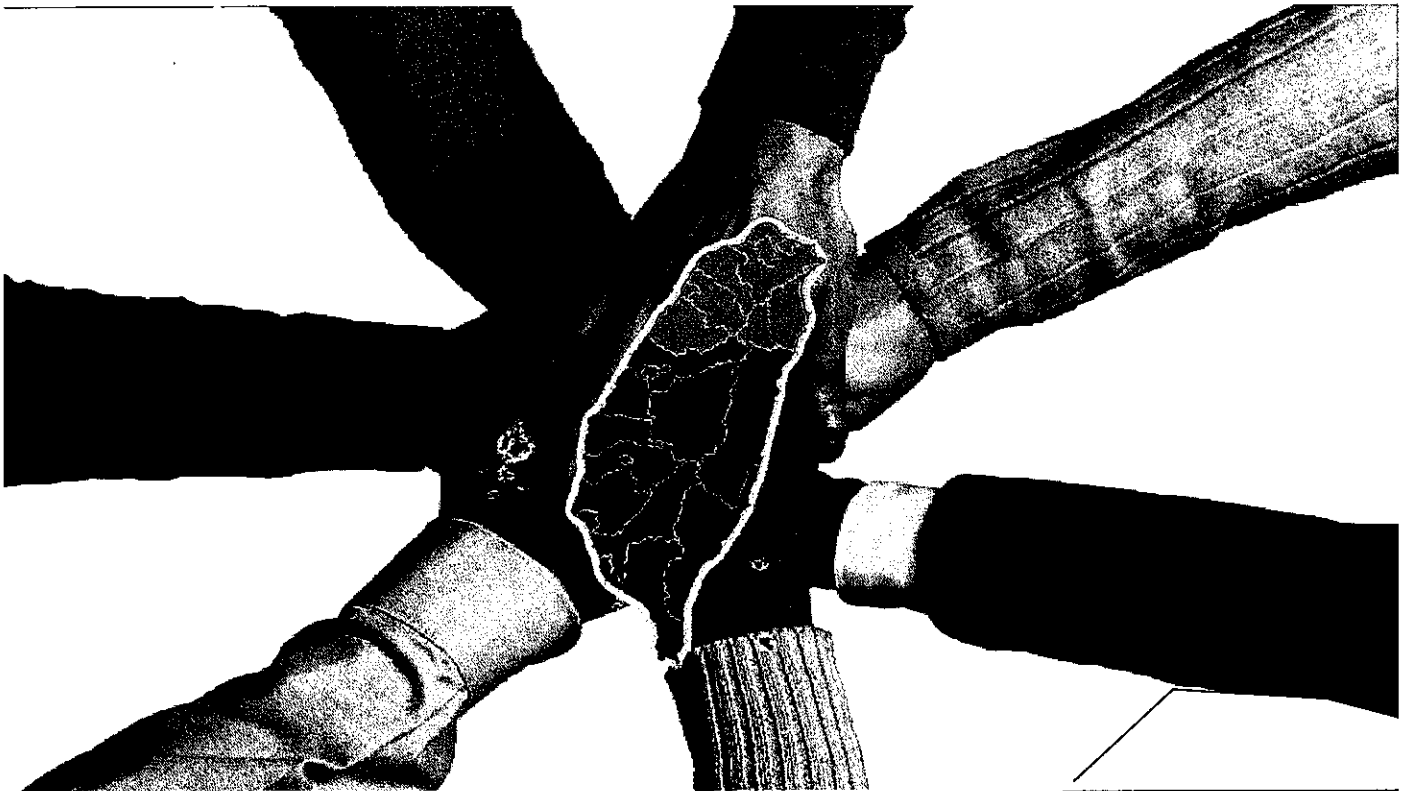


3 Winning teams are sponsored to join
the Intel Global Challenge 2013 at UC
Berkeley !



Intel Global Challenge
at UC Berkeley

- Mentoring and Incubation Chances
- Mobile Marketing Resources
- Ultrabooks for Each Team



附件三

印度台灣商會成立大會 議程

印度台灣商會成立大會議程

(Taiwan Chamber of Commerce-India)

Date: Oct. 11, 2013 at Radisson Blu Hotel, Paschim Vihar

時 間	事 項	人 員
10:30~11:00	報到	
11:00~11:10	德里台商會報告	主持人：德里台商會張會長鴻鐘
11:10~11:40	來賓致詞	邀請 1. 駐印度代表處田大使中光 2. 世界台灣商會聯合總會李名譽總會長 <u>芳信</u> 3. 亞洲台灣商會聯合總會施總會長至隆 4. 經濟部中小企業處林副處長美雪
11:40~12:00	印度各地區台商會報告 (各會活動狀況)	1. 南印度台灣商會潘會長興華 2. 孟買台灣商會曾理事小莉 3. 德里台灣商會張會長鴻鐘
12:00~12:20	印度台灣商會組織章程討論及確認	
12:20~12:40	1. 選舉第一屆印度台灣商會會長 2. 由各商會會長介紹其推薦理監事人選及背景簡介 3. 由選出之印度台灣商會會長於會後指定秘書長一人、副秘書長若干人及財務長一人後向印度台灣商會理監事會報備 (全體確認)	孟買台商會：三位理事名單請先提供 南印度台商會：三位理事名單請先提供 德里台商會：三位理事名單請先提供
12:40~12:50	第一屆印度台灣商會會長及副會長介紹 (全體確認)	
12:50~13:00	第一屆印度台灣商會新任會長、副會長及理監事宣誓就任	見證人：世界台灣商會聯合總會李名譽總會長芳信
13:00~13:10	新任會長致詞	
13:10~15:00	禮成~用餐	

附件四

第 10 屆印度全球微型及

中小企業高峰會會議

會議資料



Confederation of Indian Industry



Ministry of Micro, Small & Medium Enterprises
Government of India



एन.एस.आई.सी
NSIC
ISO 9001:2008



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BACKGROUND PAPER



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Foreword

MSMEs play a crucial role in any countries inclusive economic growth. They have higher potential employment generation capacity that underlines their role in the society.

At the crossroad of challenging global economic scenario and innovation led business, it is an imperative for today's Indian MSMEs to hone their technological capability to match the global excellence.

In the past few years, Indian MSMEs have marked global footprints across all sectors. However, contemporary manufacturing and engineering industry is highly dependent on innovations. In the advanced economies, the sustainability is a part and parcel of any product right from the design level.

As per the Global Competitive Report of the World Economic Forum, innovation is one of the main deciding matrices for any business in developed countries to become commercially and socially viable. Innovations like additive manufacturing have started revolutionizing the global manufacturing and engineering practices.

In order to deliver competitive and frugal products, India has to catch up with the global pace in this very field. Given the capacity and strength of India MSMEs, choosing the theme Building Innovative Knowledge-Led Global MSMEs in Engineering and Manufacturing at the 10th edition of India Global MSME Summit is the need of the hour.

This Summit, organised by the Confederation of Indian Industry in active collaboration with the Ministry of Micro, Small & Medium Enterprises, Government of India, brings together all the stakeholders to voice their opinion as well as to align their mettle and force towards a common goal.

Beyond the rhetoric, this Summit also brings forth a series of focussed master classes to enhance competitiveness and equip our entrepreneurs with up-to-date operational tools and techniques covering all possible aspects of their businesses. The Global Summit has more than 300 participants from overseas as well as from Indian MSMEs. The fruition of this Summit would certainly be the translation of these activities into concrete endeavours.

Deep Kapuria

Chairman

CII National Council on MSMEs



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Programme Outline

Wednesday, 09th October 2013

- | | |
|-----------------|--|
| 1000 – 1100 hrs | Inaugural Session |
| 1100 – 1130 hrs | Networking Break |
| 1130 – 1300 hrs | Plenary Session on Potential of MSME's in Manufacturing & Engineering Sectors |
| 1300 – 1400 hrs | Lunch Break |
| 1400 – 1600 hrs | Plenary Session on Emerging Markets & leveraging International Business Development for Indian MSMEs in Manufacturing & Engineering sector |
| 1630 – 1800 hrs | Focused Master Classes for the development of Core Competitiveness of MSMEs |

Thursday, 10th October 2013

- | | |
|-----------------|------------------------------------|
| 1000 – 1500 hrs | B-B Meetings amongst the delegates |
| 1500 hrs | Networking Lunch & End of Summit |

* * * * *



Confederation of Indian Industry



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THEME PAPER

Indian MSME Landscape

The Indian MSME growth model has captured the imagination of economic strategists and policy makers around the world. Over the last two decades, the Indian MSME sector has grown exponentially in terms industrial output, exports, innovation and employment generation, fuelled by globalization, liberal domestic economic policies and increasing accent on public-private partnerships.

Today, many developing countries around the world have benchmarked the Indian MSME sector as the key model for their own small sector development initiatives. Several key factors have influenced the shaping of this growth model:

- Indian MSMEs account for over 40 percent of the country's industrial output, exports and employment. The sector commands a strong presence across India, accounting for the bulk of every state's industrial output and employment generation.
- The MSME sector is a key GDP growth driver, having 30 million enterprises, creating some 1.3 million jobs every year and producing over 8,000 quality products for Indian and international markets.
- The sector comprises a wide range of enterprises, many of which are competing with large enterprises in sectors like auto components, agribusiness, etc., on the plank of quality and innovation.

- Today, Indian MSMEs are driving a gamut of R&D and innovation initiatives in both traditional and emerging business sectors, besides furthering the country's green agenda and manufacturing growth.
- The sector is a nursery for highly innovative, knowledge-driven startups. Young Indian entrepreneurs are continually arriving on the scene with well-chiseled plans to establish globally competitive businesses.

Growth Drivers

- Even as the Indian MSME sector forays into new and emerging business areas, a greater number of these enterprises are planning the global business landscape to tap new markets and identify attractive investment opportunities. This global push is guided by Indian industry's recognition of the need to do business more effectively in an interconnected world.
- Indian MSMEs are penetrating deep into the developed markets and foraying into developing and emerging markets where their products and services are seen as most appropriate and affordable.
- Indian MSMEs are also stepping up their investments overseas, mainly through collaborative arrangements like joint ventures. Many of these investments are guided by government-to-government cooperation endeavours. Confederation of Indian Industry (CII) is actively involved in mounting MSME delegations to different countries every year, and facilitates the participation of Indian MSMEs in major international exhibitions and fairs. In addition, CII hosts visiting foreign MSME delegations for talks, discussions, company visits, and participation in key conferences and workshops.
- Indian government is encouraging global investments in the Indian MSME sector. Several policy initiatives have been taken to attract PE / VC funds in this sector. Dedicated SME exchanges have come up to give exit options for such investments. Besides, several key and strategic sectors have been opened up to FDI, which in turn will drive foreign investments in the MSME sector. The Indian industry is also seeking ways to attract more NRI investments in the MSME sector.

- FDI will strengthen Indian MSMEs' capability to meet the procurement criteria laid down by the Government and MNCs alike. It is expected that FDI will bring with it cutting-edge management expertise and technologies that will enhance the sector's productivity levels, branding and supply chain efficiencies, apart from creating more employment opportunities.

10th Global India Summit on MSMEs 2013

- The Annual Global India Summit on MSMEs, organized by CII in association with support from the Ministry of Micro, Small & Medium Enterprises, Government of India, provides a singular opportunity for MSMEs from around the world to identify the emerging business opportunities in India, hold high-level meetings with prospective Indian partners, and establish collaborative businesses.

The Summit is designed to:

- Nurturing Indian MSMEs to go Global
- Connecting MSMEs across the World for Mutual Business Development
- Explore Emerging Markets for MSMEs
- Create a strong platform for key decision makers, business leaders and multilateral, regional and national funding agencies from India and other countries to address issues common to MSMEs and identify cross-border partnership opportunities.
- Facilitate buyer-seller meets.
- Showcase Indian MSME technologies, innovations, products and services to Indian and visiting foreign audiences.

Building on the gains from the previous editions of the Global India Summit on MSMEs, CII is bringing a greater business focus to the **10th Global India Summit on MSMEs 2013** which will be held in New Delhi during 9-10 October.

Theme & Focus Areas

The 10th India Global India Summit on MSMEs 2013 will promote extensive knowledge sharing and collaborative efforts toward ***'Building Innovative, Knowledge-Led Global MSMEs in Engineering & Manufacturing Sectors'***, which is the principal theme of the Summit.

The deliberations and other engagements at the Summit will centre on the following areas:

- Engineering & Manufacturing Strengths of Indian MSMEs
- Emerging Markets for MSMEs
- Focused Master Classes on
 1. Successful Financial Management for MSMEs
 2. Technology & Innovation for MSMEs
 3. Effective Branding, Marketing & Packaging
 4. Documentation & Legal Formalities for MSMEs

The sessions would be structured and conducted in a manner as to promote maximum knowledge sharing between the delegates. Each session will devote ample time for all participants to air their views as well as obtain responses to their questions. Key recommendations made at these sessions will be documented and sent to relevant decision making bodies for further action.

Multi-Stakeholder Participation

Over the years, the annual Global India Summit on MSMEs has drawn high-level participation from both developed and developing economies. The foreign delegations comprise senior ministers and government officials, business leaders, senior representatives of business chambers, investment promotion agencies, and banking and financial institutions.

The 10th India Global India Summit on MSMEs 2013 will see the presence of Senior Officials from the Ministry of Micro, Small & Medium Enterprises, Government of India, and other Union ministries. Foreign Missions in India, Representatives of Foreign Financial Institutions and Credit Agencies, Officials of Foreign Trade Developmental Agencies, Heads of Indian MSMEs in diverse sectors, SME Leaders from different countries, Representatives of various Indian MSME Associations.

The Summit will reinforce the global thrust of the Indian MSME sector, with particular emphasis on boosting Indian MSME exports, covering a broad range of engineering and other industrial goods. The high level global participation in the event will also give Indian MSMEs the opportunity to interact with potential global partners, identify new business opportunities in existing and unexplored markets, and gauge global investor interest in Indian MSME business segments. The Summit will also pave the way for various cross-border knowledge sharing arrangements that will eventually develop into R&D partnerships. Also, the recommendations put forth by speakers and delegates during the course of the Summit will be submitted for consideration of the Ministry of Micro, Small & Medium Enterprises, Government of India and other concerned entities.

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Confederation of Indian Industry



Ministry of Micro, Small & Medium Enterprises
Government of India



10th Edition of

GLOBAL INDIA MSME SUMMIT

Building Innovative, Knowledge-Led Global MSMEs in Engineering & Manufacturing Sectors

9-10 October 2013: Eros Hilton Hotel, Nehru Place, New Delhi

INITIATIVES OF THE MINISTRY OF MICRO SMALL & MEDIUM ENTERPRISES (MSME) IN RECENT YEARS

1. Promulgation of MSMED Act, 2006

A significant policy initiative of the Government is the enactment of the 'Micro, Small and Medium Enterprises Development Act, 2006', which aims to facilitate the promotion and development and enhance the competitiveness of MSMEs. The Act, which came into force from 2nd October 2006, fulfilled a long-cherished demand of this sector. Apart from giving legal strength to the definitions of micro, small and enterprises, this Act also contains penal provisions relating to the delayed payment to these enterprises.

2. Khadi and village Industries Commission Act, 1956

The Khadi and Village Industries Commission Act, 1956 has been comprehensively amended in 2006, introducing several new features to facilitate professionalism in the operations of the Commission as well as field-level formal and structured consultations with all segments of stakeholders. A new Commission has also been constituted in July 2006.

3. Prime Minister's Employment Generation Programme

A national level credit linked subsidy scheme, namely, 'Prime Minister's Employment Generation Programme (PMEGP) was introduced in August 2008 by merging erstwhile PMRY and REGP schemes of the Ministry. Under this programme,

financial assistance is provided for setting up of micro enterprises each costing upto Rs. 10 lakh in service sector and Rs. 25 lakhs in manufacturing sector. The assistance is provided in the form of subsidy upto 25 per cent (35 per cent for Special category including weaker sections) of the project cost in rural areas while it is 15 per cent (25 per cent for Special category including weaker sections) for urban areas.

During 2012-13, disbursements were made in 56,997 cases utilizing the Rs. 1,078.61 crore as margin money subsidy. The estimated employment generation is 4.28 lakh persons. An amount of Rs. 1418.28 crore including Rs. 1380 crore margin money subsidy has been provided in BE 2013-14.

4. Procurement Policy for MSEs

A Public Procurement Policy for MSEs was notified in March 2012. The policy envisages that every Central Ministry / PSU shall set an annual goal for procurement from the MSE sector with the objective of achieving minimum 20% of the total annual purchases from MSEs in a period of three years. Of this, 4% will be earmarked for procurement from MSEs owned by SC/ST entrepreneurs. The policy will help to promote MSEs by improving their market access and competitiveness through increased participation by MSEs in Government purchases and encouraging linkage between MSEs and large enterprises.

5. Task Force on MSMEs

A Task Force under the chairmanship of the Principal Secretary to Prime Minister was constituted to address the issues of MSME sector. The Task Force in its Report made recommendations in the areas of credit, marketing, labour, rehabilitation and exit policy, infrastructure, technology, skill development, taxation and development of MSMEs in the North-East and Jammu & Kashmir. A large number of recommendations have been implanted and several other recommendations are at an advanced stage of implementation. A council on MSEMES under the chairmanship of Hon'ble Prime Minister has been constituted to lay down the broad policy guidelines

and review the development of the MSME sector. For ensuring timely/speedy implementation of the of the recommendations of the Task Force and follow-up on the decisions of the Prime Minister's Council on MSMEs, a Steering Group under the chairmanship of Principle Secretary to the Prime Minister has also been constituted.

6. 4th All India Census of MSMEs

The 4th All India Census of MSMEs (2006-07), which was launched in May 2008, were released during 2011-12. The result reveal that there are 36.2 crore MSMEs in 2006-07, providing employment to over 80 crore persons. This is the first Census after the enactment of the MSMED Act, 2006 and includes, for the first time, medium enterprises also.

7. Enhanced Credit Flow to the MSE Sector

For strengthening the delivery of credit to the MSEs, the Government announced a "Policy Package for Stepping up Credit to Small and Medium Enterprises (SME) in August 2005 for doubling the credit flow to this sector within a period of five years. This has resulted in a significant increase in the Credit flow from public Sector Banks (PBS) to the micro and small enterprises(MSE) sector-with the outstanding credit of public sector banks increasing from Rs.1,02,550 crore at the end of March 2007 to Rs.2,78,398 crore at the end of the March 2010. It has further enhanced to Rs. 3,94,343 crore at the end of the March 2012. With constant monitoring and efforts made by the Government, the credit flow from Public Sector Banks (PBS) to the MSE Sector has registered a growth of 47.4%, 26.6% and 45.4% during 2007-08,2008-09, 2009-10 respectively- higher than the stipulated 20% in the Policy Package. The growth of credit during 2010-11 and 2011-12 have been 35% and 5% respectively.

8. Credit Guarantee Scheme

The Government has set up a Credit Guarantee Fund to provide relief to those micro and small entrepreneurs who are unable to pledge collateral security in order to obtain loans for the development of their enterprises. The guarantee cover provided is upto 75% of the credit facility upto Rs. 50 lakh and upto Rs.100 lakh (85% of loan upto Rs. 5 lakh provided to Micro enterprises, 80% for MSEs owned/operated by women and all loans to NER). A composite all-in annual guarantee fee of 1% per annum of the credit facility sanctioned (0.75% for credit facility upto Rs.5 lakh and 0.85% for above Rs.5 lakh and upto Rs.100 lakh for women, micro enterprises and units in NER including Sikkim) is now being charged. As a result, the scheme has been able to overcome the initial inhibition of bankers and is steadily gaining in acceptance. Further, efforts made to enhance the awareness have led to coverage of 10,76,479 proposals (for loans of Rs.52,600 crore) at the end of March 2013. The Government is making concerted efforts to further enhance the awareness of the scheme throughout the country for enhancing the coverage of the Scheme.

9. National Manufacturing Competitiveness Programme

The Government has launched an all-India campaign under the National Manufacturing Competitiveness Programme (NMCP) for the MSMEs, which has specific components aimed at improving their processes, designs, technology and market access. These components seek to introduce the best elements of industrial competitiveness in the MSME sector, which has often been unable to afford such practices and techniques. Various components of the scheme are as under:

- (i) Building Awareness on Intellectual Property Rights for MSME;
- (ii) Scheme for Providing Support for Entrepreneurial and Managerial Development of SMEs through Incubators;
- (iii) Enabling Manufacturing Sector be competitive through Quality Management Standards (QMS) and Quality Technology Tools (QTT)
- (iv) Mini Tool Rooms under PPP mode;

- (v) Lean Manufacturing Competitiveness Programme for MSMEs;
- (vi) Promotion of Information & Communication Tools (ICT) in Indian MSME sector;
- (vii) Design Clinics Scheme for MSMEs;
- (viii) Marketing Assistance and Technology Upgradation Scheme for MSMEs; and
- (ix) Technology and Quality Upgradation Support to MSMEs.

The details of the scheme guidelines are available on the website www.dcmsme.gov.in.

10. MSE-Cluster Development Programme (MSE-CDP)

The Programme is being implemented for holistic and integrated development of micro and small enterprises in cluster through Soft Interventions (such as diagnostic study, capacity building, marketing development, export promotion, skill development, technology upgradation, organizing workshops, seminars, training, study visits, exposure visits, etc), Hard Interventions (setting up of Common Facility Centres) and Infrastructure Upgradation (create/upgrade infrastructural facilities in the new/existing industrial areas/clusters of MSEs).The guidelines of the MSE-Cluster Development Programme have been comprehensively modified in February 2010 to provide higher support to the MSEs. The scope of the scheme includes:

- (i) Preparation of Diagnostic Study Report with Government of India (Gol) grant of maximum Rs. 2.50 lakh (Rs. 1 lakh for field offices of the Ministry of MSME).
- (ii) Soft Interventions like training, exposure, technology upgradation, brand equity, business development, etc. with Gol grant of 75% of the sanctioned amount of the maximum project cost of Rs. 25 lakh per cluster. For NE & Hill states, Clusters with more than 50% (a)

micro/village (b) women-owned (c) SC/ST units, the Gol grant will be 90%.

- (iii) Detailed Project Report (DPR) with Gol grant of maximum Rs 5 lakh for preparation of a technically-feasible and financially-viable project report.
- (iv) Hard Interventions in the form of tangible assets like Common Facility Centre having machinery and equipment for critical Processes, research and development, testing, etc , for all the units of the cluster with Gol grant up to 90% of the cost of project of maximum Rs.15 crore.
- (v) Infrastructure Development with Gol grant of upto 80% of the cost of Project of Rs. 10 crore, excluding cost of land.
- (vi) Exhibition Centres by Associations of Women Entrepreneurs of women owned micro and small enterprises with Gol assistance @ 40% of the Project cost.

Over 798 clusters have been undertaken for various cluster development interventions (i.e., diagnostic study, soft interventions, and hard interventions) and 152 proposals have been taken up for infrastructure development under the scheme.

11. Credit Linked Capital Subsidy Scheme

To make the credit Linked Capital Subsidy Scheme (CLCSS) more attractive, the following amendments were made with effect from 29 September 2005: (a) the ceiling on loans has been raised from Rs.40 lakh to Rs.1 Crore ; (b) the rate of subsidy has been raised from 12 percent to 15 percent ; (c) the admissible capital subsidy has now been based on the purchase price of plant and machinery, instead of the term loan disbursed to the beneficiary unit; (d) the practice of categorisation of MSEs in different slabs on the basis of their present investment for determining the eligible subsidy has been dispensed with. The coverage under the Scheme has shown considerable increase and up to March, 2013, total 22,007 MSEs have benefited under the scheme with the total subsidy sanctioned amounting to Rs. 1,196.00 crore.\

12. Entrepreneurship and skill Development

In line with the overall target set by the Prime Minister's National Council on skill Development, the Ministry has taken up skill development as a high priority area. Under the Entrepreneurship Skill Development Programmes conducted by various organisations of the Ministry of MSME, about 16.87 lakh persons were trained during the XI th Plan.

The Ministry has fixed target to train 42.65 lakh persons during XIIth Plan through its various schemes being implemented by different Organizations. To further expand the coverage of training programmes, a new component under the scheme of 'Assistance to training Institutions was added in 2009-10 to, inter alia, provide assistance to the National level Entrepreneurship Development Institutions established by partner Institutions of National Level Entrepreneurship Development Institutes, training incubation centres of NSIC and franchisees of National Small Industries Development Corporation. Further, the Ministry of MSME provides all such trainings to disadvantaged sections of the society like the trainings for SCs/STs, free of cost. A number of programmes are also being organized for women and other weaker sections of the society free of cost, besides providing a monthly stipend of Rs 500/- per month during the entire period of training.

In addition to this, existing 18 Tool Rooms and Technology Development Centres also impart high tech training in conventional manufacturing, CAD/CAM ,tool design, CNC, mechatronic etc. In order to follow up Finance Minister's Budget announcements in February 2013 regarding setting up of 15 new Tool Rooms with World Bank's assistance, the process has already been initiated.

13. Rajiv Gandhi Udyami Mitra Yojana

The scheme aims to promote and support establishment of new micro and small enterprises through handholding of potential first generation entrepreneurs, who have already successfully completed Entrepreneurship Development Programme (EDP)/Skill Development Programme (SDP)/ Entrepreneurship cum Skill Development Programme (ESDP) of at least two weeks duration, or have undergone

vocational training from it is. One of the main objectives of handholding is to guide and facilitate the potential entrepreneurs in dealing with various procedural and legal hurdles and completion of various formalities which are required for setting up and running of enterprise successfully and to save them from harassment at the hands of various regulatory agencies for want of required compliances. It will not only increase the proportion entrepreneurs trained under various EDPs/SDPs/ESDPs/(VT) in setting up their enterprises, more importantly, it will also enhance survival/success rate of newly set up enterprises.

As a component of this scheme, the Ministry has launched a MSME Call Centre (Known as Udyami Helpline) with a toll-free number 1800-180-6763. The Udyami Helpline, inter-alia, provides basic information on how to set up an enterprise, various schemes being implemented for the promotion of MSMEs, accessing loans from Banks and further contacts for obtaining detailed information.

14. Performance and Credit rating scheme

To sensitize the MSE sector on the need of credit rating and encourage the MSEs to maintain good financial track record enabling them to earn higher rating for their credit requirements, the Government in April 2005 launched the "Performance and Credit Rating Scheme".

The implementation of the scheme is through National Small Industries Corporation (NSIC). Reputed rating agencies have been empanelled by NSIC from which the MSEs can select the one to be engaged by it for obtaining the rating. The Ministry of MSME subsidises the cost of rating by sharing 75% of the fee charged by the Rating Agency, subject to a ceiling of Rs. 40,000.

15. National Small Industries Corporation (NSIC)

To provide an opportunity for the first generation entrepreneurs to acquire skills for enterprise building and to incubate them to become successful small business owners, NSIC has setup 47 training-cum-incubator centres (TICs) under PPP mode. NSIC has also launched a B2B Web portal to provide marketing facilities to National and International MSMEs for business to business relationship. The MSME Info Call Centre of NSIC has been made functional to provide information about the schemes and activities being implemented for the benefit of MSMEs. Further, NSIC has established a Marketing Intelligence Cell in May 2010, which provides database and information support to the MSMEs on marketing of their products/services.

16. Khadi Reform Development Programme (KRDP)

In order to revitalize and reform the traditional khadi sector, enhanced sustainability of khadi, increased artisans welfare, increased income and employment opportunities for spinners and weavers with lesser dependence of Government grants, a Khadi reform and Development programme was formulated by the Ministry of MSME in consultation with Khadi and Village industries Commission(KVIC), Asian Development Bank (ADB), Department of Economic Affairs(DEA) and M/s. Price Waterhouse Coopers (PWC). This Programme is proposed to be implemented in 300 selected khadi institutions willing to undertake the identified reforms. The DEA has arranged a sum of US\$ 150 million to Rs. 717 crore (approx.) from ADB to be given to KVIC as grant in four tranches over a period of 36 months. After completion of procedural formalities, and signing of necessary agreement and announcement by ADB, the first tranche of Rs. 96 crore was released to KVIC in February, 2010. The Second tranche of Rs. 50 crore has been earmarked in BE 2013-14.

17. Market Development Assistance (MDA) Scheme

The Scheme has been introduced *w.e.f.* 01.04.2010 and envisages financial assistance@ 20% on value of production of khadi and polyvastra which will be shared among artisans, producing institutions and selling institutions in the ratio 25:30:45. The scheme has been introduced on the basis of recommendation of several committees constituted during the past few decades and after running several pilot projects in the

past. The need had arisen because Khadi production so far was not based on market demand or performance and the rebate system did not benefit the spinners and weavers. Also KVIC was constrained to devote most of its resources for administration of rebate; to the detriment of its remaining responsibilities regarding the development of the sector. MDA seeks to rectify this imbalance and provide flexibility/ freedom to the khadi institutions to take innovative measure to improve its marketing infrastructure such as renovation of outlets, training sales persons, computerization of sales, design improvement, publicity, discount to customer, improved equipment of production, training of artisans and capacity building so that khadi can attract more customers not just because of discount, but of its quality design and appeal. Most importantly, for the first time a definite share of 25% of MDA has been earmarked for spinners and weavers which will give them a prominent role in the entire khadi chain of activities. An amount of Rs 360.90 crore has been released to KVIC during 2011- 12 and 2012 – 13 towards MDA.

18. Workshed Scheme for Khadi Artisans

Under this scheme, assistance is provided for construction of Worksheds for Khadi artisans for better work environment. Financial assistance for establishment of workshed has been provided to 4444 artisans in 2012 -13 . In BE 2013-14 an amount of Rs. 20 crore has been earmarked for assisting 4444 artisans under this scheme.

19. Scheme for enhancing Productivity & Competitiveness of Khadi Industry and Artisans

The scheme aims to provide financial assistance to 200 of 'A+' and 'A' category khadi institutions of which 50 institutions would be those which are managed exclusively by beneficiaries belonging to scheduled caste/ Scheduled Tribes to make them competitive with more market driven and profitable production by replacement of obsolete and old machinery and equipment. 59 khadi institutions were assisted with financial assistance of Rs.3.06 crore under this scheme in 2011 -12. An amount of Rs

15 crore has been earmarked in BE 2013-14 assisting 60 khadi institutions under this scheme.

20. Scheme for Rejuvenation, Modernisation and Technological Upgradation of Coir Industry

Under the scheme being implemented since 2007-08, assistance is provided to spinner and tiny household sector for replacement of outdated ratts/looms and for constructing worksheds so as to increase production and earnings of workers. Year wise details of Grants released by Ministry and units assisted during XI Plan are as under:

Year	Grants received from MoMSME	Grants released to banks	No. of units assisted
	Rs. in crore	Rs. in crore	Rs. in crore
2007-08	9.00	8.80	669
2008-09	21.30	19.90	1389
2009-10	9.73	9.73	706
2010-11	14.03	13.91	1200
2011-12	10.00	2.04	170
Total	64.06	54.38	4134

21. Scheme of Fund for Regeneration of Traditional Industries (SFURTI)

This Scheme was launched in 2005 for regeneration of traditional industries identified cluster in khadi, village industries and coir sectors with a view to make these industries more productive and competitive and increase the employment opportunities in rural and semi-urban areas. The objective of the Scheme is to establish a regenerated, holistic, sustainable and replicable model of integrated cluster-based development of traditional industries in khadi, village and coir sectors. So far 96 clusters (Khadi – 29, Village Industries – 47 and Coir – 20) have been developed under SFURTI.

22. Mahatma Gandhi Institute for Rural Industrialisation (MGIRI)

A national level institute named MGIRI has been established at Wardha, Maharashtra as a society under Societies Registration Act, 1860 by revamping Jamnalal Bajaj Central Research Institute has in association with IIT, Delhi for strengthening the R&D activities in khadi and village industry sectors. The main objectives of the institute are as under:

- To accelerate rural industrialization for sustainable village economy so that KVI sectors co-exists with the main stream.
- Attract professionals and experts to Gram Swaraj
- Empower traditional artisans
- Innovation through pilot study / field trails
- R&D for alternate technology using local resources

23. National Board for MSMEs

The Government has set up for the first time, a statutory National Board for Micro, Small and Medium Enterprises so as to bring together the representatives of different sub-sectors of MSMEs, along with policy makers, bankers, trade unions and others – in order to move towards cohesive development of the sector. The Board has

been meeting periodically. The Board has recently been re-constituted on 27th May 2013. The deliberations and directions of the national Board pave the way to guide and develop enterprises in this sector – to become more competitive and self-reliant.

24. Announcements for MSME sector in Union Budget, 2013-14

Hon'ble Union Finance Minister, while presenting Union Budget 2013-14 in the Parliament, made various announcements specifically for MSME sector as under:

- Micro, small and medium enterprises (MSME) have a large share of jobs, production and exports. Too many of them do not grow because of the fear of losing the benefits associated with staying small or medium. To encourage them to grow, the benefits or preferences enjoyed by them will now stay with them for upto three years after they grow out of the category in which they obtained the benefit. To begin with, the non-tax benefits would be made available to an MSME unit for three years after it graduates to a higher category.
- To provide greater support to MSMEs, the refinancing capability of SIDBI has been enhanced from the current level of Rs. 5,000 crore to Rs. 10,000 crore per year.
- SIDBI set up the India Microfinance Equity Fund in 2011-12 with budgetary support of Rs. 100 crore to provide equity and quasi-equity to Micros Finance Institutions (MFI). An amount of Rs. 104 crore has been committed to 37 MFIs. Earlier Rs. 100 crore were allocated to the IME Fund in the budget and now another of Rs. 100 crore has been provided in present budget for the Fund.
- The Factoring Act 2011 has been passed by Parliament. A provision of a corpus of Rs. 500 crore to SIDBI has been made in the present budget to set up a Credit Guarantee Fund for factoring.
- Tool Rooms and Technology Development Centres set up by the Ministry of Micro, Small and Medium Enterprises have done well in extending technology and design support to small businesses. Finance Minister has proposed to

provide, with World Bank assistance, a sum of Rs. 2,200 crore during the 12th Plan period to set up 15 additional Centres.

- Incubators play an important role in mentoring new businesses with start as a small or medium business. The new Companies Bill obliges companies to spend 2 per cent of average net profits under Corporate Social Responsibility (CSR). The Ministry of Corporate Affairs will notify that funds provided to technology incubators located within academic institutions and approved by the Ministry of Science and Technology or Ministry of MSME will qualify as CSR expenditure.

Appropriate action has been initiated by concerned Govt. agencies for implementation of these announcements.

Source: Ministry of Micro Small & Medium Enterprises, Government of India

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OVERVIEW OF MICRO, SMALL, MEDIUM ENTERPRISES SECTOR

Micro, Small and Medium Enterprises (MSME) sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. MSMEs not only play crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialization of rural & backward areas, thereby, reducing regional imbalances, assuring more equitable distribution of national income and wealth. MSMEs are complementary to large industries as ancillary units and this sector contributes enormously to the socioeconomic development of the country.

Ministry of Micro, Small & Medium Enterprises (M/o MSME) envision a vibrant MSME sector by promoting growth and development of the MSME Sector, including Khadi, Village and Coir Industries, in cooperation with concerned Ministries/Departments, State Governments and other Stakeholders, through providing support to existing enterprises and encouraging creation of new enterprises.

MSMED Act was notified in 2006 to address policy issues affecting MSMEs as well as the coverage and the investment ceiling of the sector. The salient features of the Act include:

- Setting up of a National Board for MSMEs
- Classification of enterprises
- Advisory Committees to support MSMEs
- Measures for promotion, development and enhancement of MSMEs
- Schemes to control delayed payments to MSMEs

- Enactment of rules by State Governments to implement the MSMED Act, 2006 in their respective States.

The Act seeks to facilitate the development of these enterprises as also enhance their competitiveness. It provides the first-ever legal framework for recognition of the concept of “enterprise” which comprises both manufacturing and service entities. It defines medium enterprises for the first time and seeks to integrate the three tiers of these enterprises, namely, micro, small and medium.

The primary responsibility of promotion and development of MSMEs is of the State Governments. However, the Government of India, supplements the efforts of the State Governments through various initiatives. The role of the Ministry of Micro, Small and Medium Enterprises (M/o MSME) and its organizations is to assist the States in their efforts to encourage entrepreneurship, employment and livelihood opportunities and enhance the competitiveness of MSMEs in the changed economic scenario. The schemes/programmes undertaken by the Ministry and its organizations seek to facilitate/provide:

- I. Adequate flow of credit from financial institutions/banks;
- II. Support for technology up gradation and modernization;
- III. Integrated infrastructural facilities;
- IV. Modern testing facilities and quality certification;
- V. Access to modern management practices;
- VI. Entrepreneurship development and skill up-gradation through appropriate training facilities;
- VII. Support for product development, design intervention and packaging;
- VIII. Assistance for better access to domestic and export markets and
- IX. Cluster-wise measures to promote capacity building and empowerment of the units.

Definition of Micro, Small and Medium Enterprises in India

Micro, small and medium enterprises as per MSMED Act, 2006 are defined based on their investment in plant and machinery (for manufacturing enterprise) and on equipment for enterprises providing or rendering services. The defined limit on

investment for enterprises to be classified as micro, small and medium enterprises is as follows:

Classification	Manufacturing Enterprises*	Service Enterprises**
Micro	Upto Rs 2.5 Million / Rs 25 lakh	Upto Rs 1 Million / Rs 10 lakh
Small	Upto Rs 50 Million / Rs 5 crore	Upto Rs 20 Million / Rs 2 crore
Medium	Upto Rs 100 Million / Rs 10 crore	Upto Rs 50 Million / Rs 5 crore

* Investment limit in Plant & Machinery ** Investment limit in equipment

Micro Small Medium Enterprises (MSME): MSME Sector consists of any enterprises, whether proprietorship, Hindu undivided family, association of persons, co-operative society, partnership or undertaking or any other legal entity, by whatever name called, engaged in production of goods pertaining to any industry specified in the first schedule of Industries Development and Regulation Act, 1951 & other enterprises engaged in production and rendering services, subject to limiting factor of investment in plant and machinery and equipment respectively as noted below:

1. For manufacturing sector, an enterprise is classified as:
 - a) Micro enterprise, if investment in plant and machinery does not exceed twenty five lakh rupees.
 - b) Small enterprise, if investment in plant and machinery is more than twenty five lakh rupees but does not exceed five crore rupees
 - c) Medium enterprise, if investment in plant and machinery is more than five crore rupees but does not exceed ten crore rupees;

2. In case, enterprise is engaged in providing or rendering of services, it is classified as:
 - a) Micro enterprise, if investment in equipment does not exceed ten lakh rupees

- b) Small enterprise, if investment in equipment is more than ten lakh rupees but does not exceed two crore rupees
- c) Medium enterprise, if investment in equipment is more than two crore rupees but does not exceed five crore rupees.

PERFORMANCE OF MSME

As per the results of Fourth All India Census of Micro, Small & Medium Enterprises (MSME), the sector contributes significantly to the number of enterprises, employment and output of the country. Based on the data sets of Third and Fourth All India Census of SSI/MSME, augmented with data sets of EC, 2005 and growth rate observed during Fourth (1998) and Fifth (2005) Economic Census, the performance of SSI/MSME Sector is summarized as below: It may be noted that for both the Third and Fourth All India Census of SSI/MSME, unregistered sector was assessed by conduct of sample survey of the sector.

Year	Total Working Enterprise (In lakh)	Employment (In lakh)	Market Value of Fixed Assets (In Crore)	Gross Output (In Crore)
2001-02	105.21	249.33	154349	282270
2002-03	109.49	260.21	162317	314850
2003-04	113.95	271.42	170219	364547
2004-05	118.59	282.57	178699	429796
2005-06	123.42	294.91	188113	497842
2006-07	361.76†	805.23†	868543.79*	1351383.45*
2007-08#	377.37	842.23	917437.46	1435179.26
2008-09#	393.7	881.14	971407.49	1524234.83
2009-10#	410.82	922.19	1029331.46	1619355.53
2010-11#	428.77	965.69	1094893.42	1721553.42
2011-12#	447.73	1012.59	1176939.36	1834332.05

† Including activities of wholesale/retail trade, legal, education & social services, hotel & restaurants, transports and storage & warehousing (except cold storage) for which data were extracted Economic Census 2005, Central Statistics Office, M/o SPI.

* Estimated on the basis of per enterprises value obtained from sample survey of unregistered sector for activities wholesale/retail trade, legal, education & social services, hotel & restaurants, transports and storage & warehousing(except cold

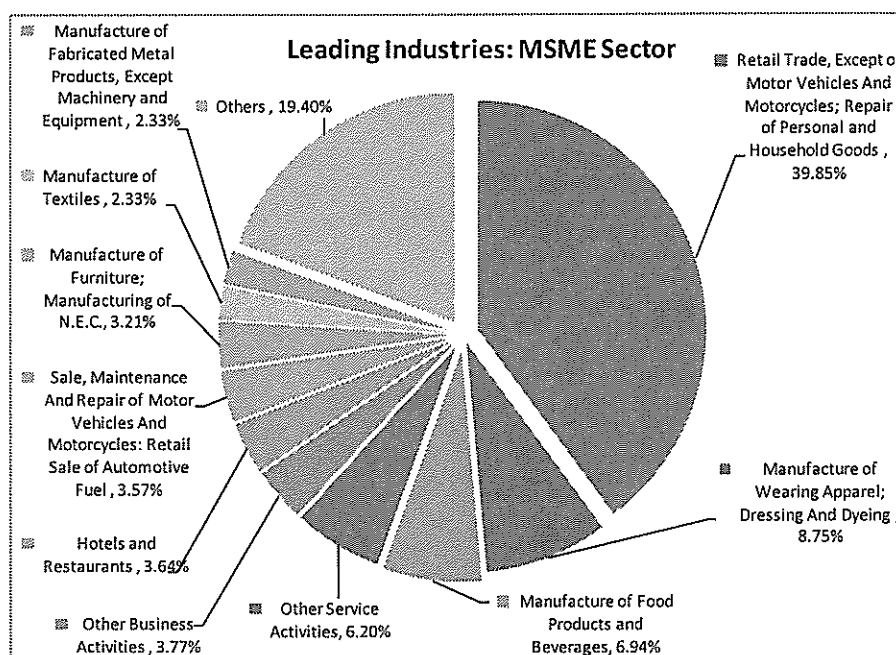
storage) which were excluded from Fourth All India Census of MSME, unregistered sector

Projected

Source: - MSME Annual Report 2012-13

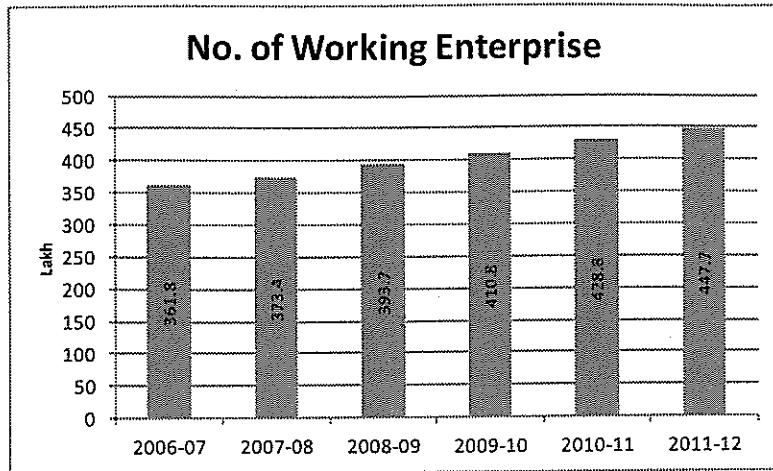
There are over 6000 products ranging from traditional to high-tech items, which are being manufactured by the MSME sector in addition to provide wide range of services. The leading industries with their respective shares are as depicted below:

Industry bifurcation of MSME



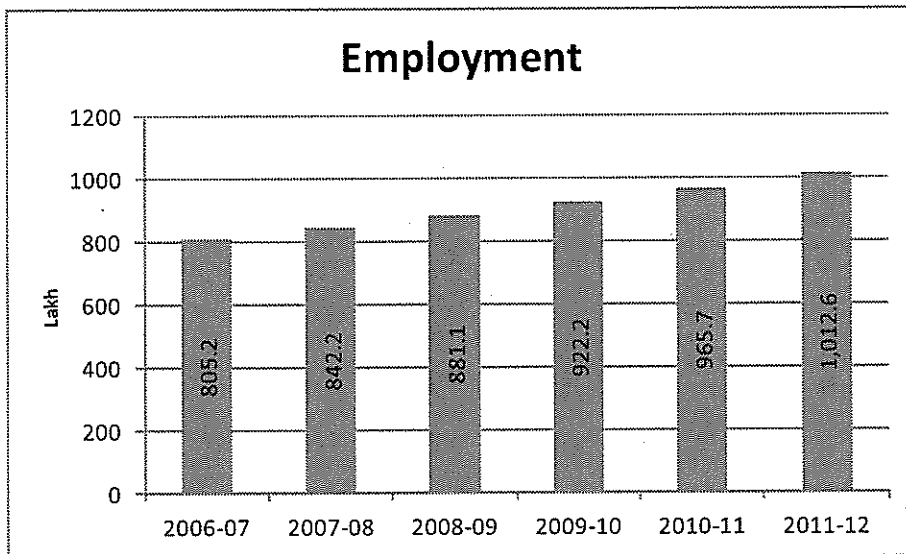
Statistics of MSME sector

No. of enterprises in working sector



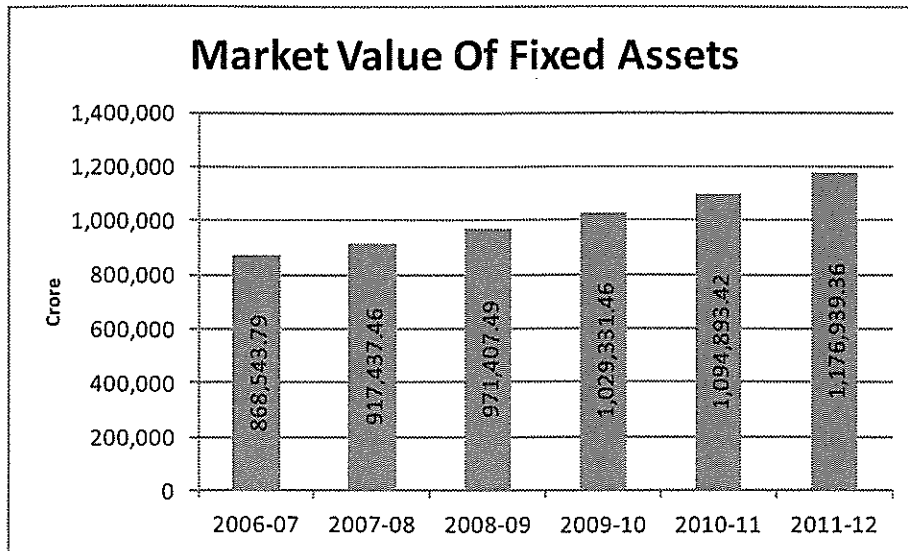
Projected data for the years 2007-08 to 2011-12

Employment statistics



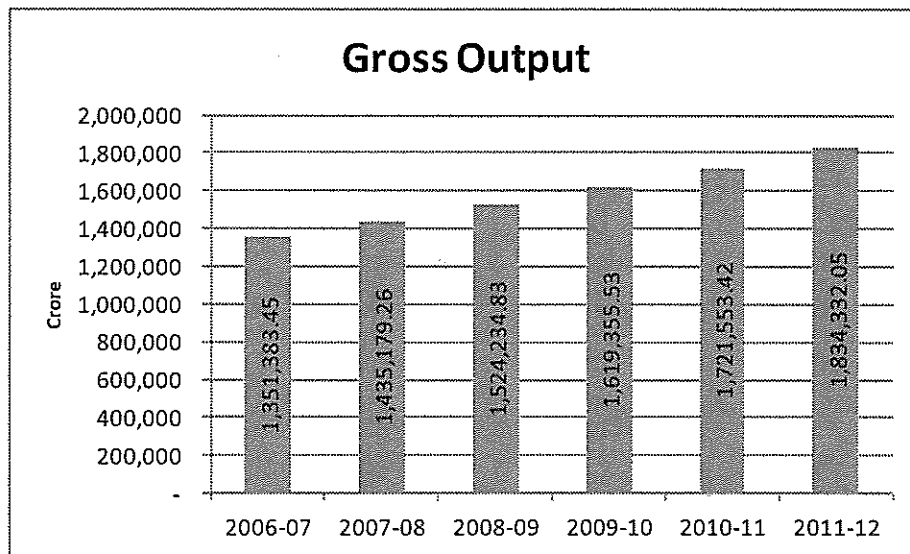
Projected data for the years 2007-08 to 2011-12

Market value of fixed assets



Projected data for the years 2007-08 to 2011-12

Gross output



Projected data for the years 2007-08 to 2011-12

Total number of enterprises in MSME Sector was estimated to be 361.76 lakh with total employment of 805.24 lakh. Summary results are as given below.

Characteristics	Registered Sector	Unregistered Sector	EC-2005*	Total
Size of Sector (lakh)	15.64	198.74	147.38	361.76
No. of rural units (lakh)	7.07(45.20%)	119.68(60.22%)	73.43(49.82%)	200.18(55.34%)
No. of Women Enterprises (lakh)	2.15(13.72%)	18.06(9.09%)	6.4(4.34%)	26.61(7.36%)
Total Employment (lakh)	93.09	408.84	303.31	805.24
Per Unit Employment	5.95	2.06	2.06	2.23
Total original value of Plant & Mac	10,502,461	9,463,960	-	19,966,421
Per unit original value of Plant & M	6.72	0.48	-	-
Total fixed investment (Rs in lakh)	44,913,840	24,081,646	-	68,995,486
Per Unit fixed investment (Rs in la	28.72	1.21	-	-
Total Gross Output (Rs in lakh)	70,751,027	36,970,259	-	107,721,286

*Economic Census 2005

The estimated numbers of enterprises and employment, as per Fourth All India Census of MSME, have increased at an annual compound growth rate of 28.02% and 26.42% respectively as compared to third All India Census of SSI, during the period 2001-02 to 2006-07.

The ten leading States, in terms of enterprises, are Uttar Pradesh (44.03 lakh), West Bengal (36.64 lakh), Tamil Nadu (33.13 lakh), Maharashtra (30.63 lakh), Andhra Pradesh (25.96 lakh), Kerala (22.13 lakh), Gujarat (21.78 lakh), Karnataka (20.19 lakh), Madhya Pradesh (19.33 lakh) and Rajasthan (16.64 lakh).

The ten leading States, in terms of employment, are Uttar Pradesh (92.36 lakh), West Bengal (85.78 lakh), Tamil Nadu (80.98 lakh), Andhra Pradesh (70.69 lakh), Maharashtra (70.04 lakh), Kerala (49.62 lakh), Gujarat (47.73 lakh), Karnataka (46.72 lakh), Madhya Pradesh (33.66 lakh) and Odisha (33.24 lakh).

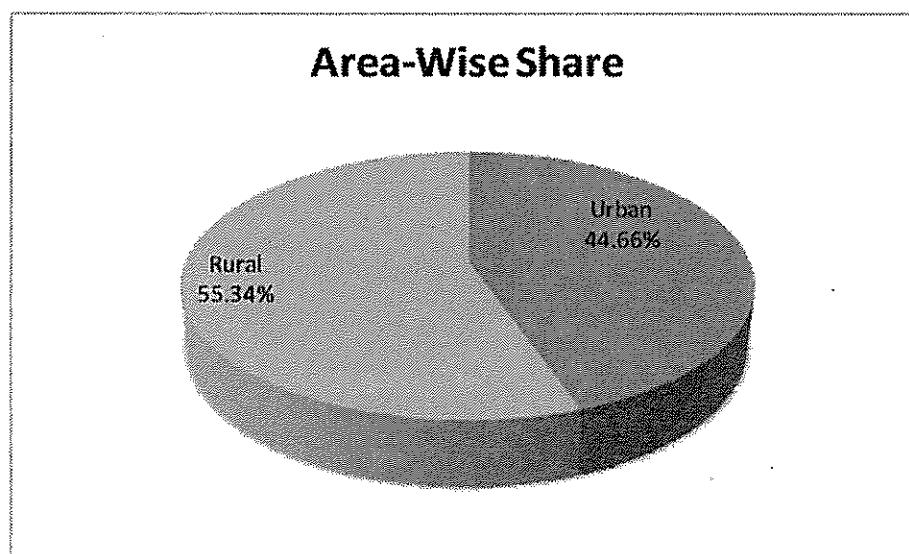
The ten leading industries, in terms of enterprises, (as per National Industry Classification 2004 -2 digit) are Retail Trade except of Motor Vehicles and Motorcycles; Repair of Personal and Household Goods (144.15 lakh), Manufacture of Wearing Apparel; Dressing and Dyeing of fur (31.65 lakh), Manufacture of Food Products and Beverages (25.12 lakh), Other Service Activities (22.43 lakh), Other Business Activities (13.64 lakh), Hotels and Restaurants(13.18 lakh), Sale, Maintenance and Repair of Motor Vehicles and Motorcycles; Retail Sale of Automotive Fuel(12.92 lakh), Manufacture of Furniture & Manufacturing not elsewhere classified (11.61 lakh), Manufacture of Fabricated Metal Products, except Machinery and Equipment (8.42 lakh), Manufacture of Textiles (8.42 lakh).

The ten leading industries, in terms of employment, (as per National Industry Classification 2004 -2 digit) are Retail Trade except of Motor Vehicles and Motorcycles; Repair of Personal and Household Goods (245.48 lakh), Manufacture of Food Products and Beverages (62.99 lakh), Manufacture of Wearing Apparel; Dressing and Dyeing (60.06 lakh), Other Service Activities (37.65 lakh), Manufacture of Textiles (35.91 lakh), Hotels and Restaurants(33.92 lakh), Sale, Maintenance and Repair of Motor Vehicles and Motorcycles; Retail Sale of Automotive Fuel(30.03 lakh), Manufacture of Furniture & Manufacturing not elsewhere classified (28.19 lakh), Other Business Activities(27.67 lakh), Education(27.26 lakh).

Distribution of Working Enterprises by Area:

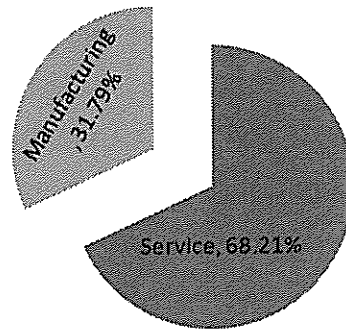
Rural area with 200.19 lakh of working enterprises accounted for 55.34% of the total working enterprises in MSME sector whereas urban area located 161.57 lakh working enterprises (i.e. 44.66% of the working enterprises in MSME sector).

Area-wise share

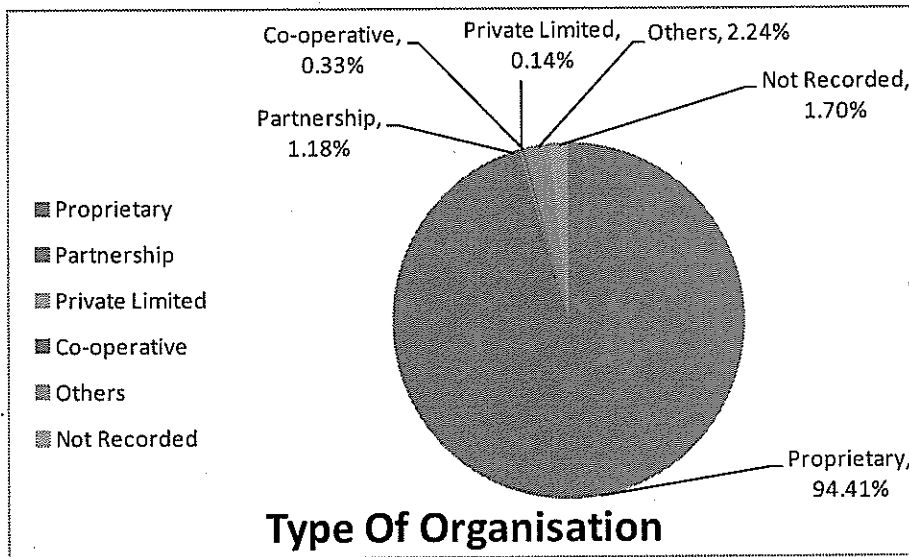


Nature of Activity

Activity-Wise MSME



Results shows that 94.41% of the enterprises in the MSME sector was proprietary enterprises. About 1.18% of the enterprises were run by partnerships and 0.14% of the enterprises were run by private companies. The rest were owned by co-operatives/trusts or others.



MSME: ISSUES AND WAY FORWARD

Planning Commission constituted the present Working Group on Micro, Small & Medium Enterprises (MSMEs) Growth for the 12th Five Year Plan (2012-17), under the chairmanship of Secretary (MSME) with 46 members representing various Ministries/Offices of Government of India, representatives of selected State Governments and Industry Associations, NGOs in May, 2011.

Issues relating to growth of MSME sector may be classified under six important verticals of:

- i) Credit & Finance
- ii) Technology
- iii) Infrastructure
- iv) Marketing & Procurement
- v) Skill Development & Training
- vi) Institutional Structure

The summary of the recommendations of the Working Group on Micro, Small & Medium Enterprises (MSMEs) Growth for 12th Five Year Plan (2012-2017) under major verticals and sectors are given below:

Credit & Finance

Credit is a crucial input for promoting growth of MSME sector, particularly the MSE sector, in view of its limited access to alternative sources of finance. Various estimates on the credit availability to the MSME sector however indicate a serious credit gap. Though the heterogeneous and unorganized nature of the sector poses inherent challenges for a credible estimate, the fact remains that there is considerable credit gap, which is a matter of serious concern and needs to be bridged if the sector has to foray into the next level of growth trajectory. While acknowledging the efforts of the Government, RBI and Financial Institutions in providing adequate, timely and affordable credit to the sector which has resulted in substantial increase in the number of accounts and total credit flow, the Working Group felt the need for serious policy prescriptions that goes beyond traditional ways of fixing targets alone.

Building an eco-system for facilitating credit flow to MSMEs is important. Government needs to strengthen credit flow to the MSE sector, particularly micro sector by strict

implementation of guidelines for year-on year growth of MSE credit and its prescribed flow to the micro-sector. The reach of the MSEs to the banking net work has to be substantially enhanced through setting up of branches near clusters. In fact, a cluster-centric approach is the best bet for addressing the credit needs of the MSME sector, because of reasons of operational convenience and trust building. Information flow and transparency, through use of IT, would contribute greatly to the process of adequate, timely and affordable credit to the MSME sector.

To address the risk perception of banks, particularly for lending to MSEs, the Credit Guarantee Scheme needs to be strengthened with enhanced budgetary support. The corpus of CGTMSE should be enhanced by an additional provisioning of Rs. 10,750 crore during 12th Plan period to enable CGTMSE to increase its guarantee coverage of MSE loans to 1,80,000 crore by the end of the plan. Also, there should be substantial increase in the number of MSEs covered under the Performance and Credit Rating Scheme which is a facilitating factor for easy access to credit with liberal terms. The group recommends enhancing the allocation for Performance and Credit Rating Scheme to Rs.600 crore during 12th Plan.

Lack of equity support for the MSME sector inhibits their growth. Equity support provides the leveraging capacity for raising additional debt to support capital expansion. In order to fill equity gap, the Working Group recommends introduction of a new scheme to supplement Promoter's Contribution by way of equity support with an allocation of Rs. 5000 crore.

Access to finance needs to be enlarged through alternative sources of capital such as private equity, venture capital and angel funds. This is crucial for facilitating the growth of knowledge based enterprises which have high potential in Indian context. Further, prospective enterprises in emerging areas such as nano-technology, bio-technology, aero-space, defence-applications and homeland security would also require such alternative sources of finance since traditional channels are unable to meet their needs. Apart from fiscal incentives for promoting such alternative sources of capital (such as tax concessions), there has to be aggressive market intervention, such as promoting companies for market making and ensuring scaling up of operation of SME exchange by providing appropriate incentives. The Plan has to provide resources for such market interventions as well as for spreading awareness. Accordingly, the Group

proposes allocation of Rs. 500 crore for promoting Venture Capital and Rs.100 crore for market making & spreading awareness under Scheme for SME Exchange.

Delayed payments or delayed realization of receivables has all along been a growth constraint of MSME sector by impinging on their liquidity. Factoring services by banks/ NBFCs would help in addressing the issue in a great way. In order to upscale the factoring services for augmenting the flow of finance to MSME sector, it is suggested to enable setting up of a number of factoring companies which requires support by way of equity capital contribution to the new and existing factoring companies to enhance their net worth and enable them to leverage higher credit from the institutional channels. Hence, it is suggested to introduce a scheme called "Support for Factoring services" with budgetary support of Rs 2,500 crore during the 12th plan, under which assistance would be provided for equity / margin money support for factoring companies, Publicity & Popularization of the scheme and training for Associations on the benefits & support under factoring services. The Working Group recommends a total allocation of Rs.19450 crore for various schemes under Credit vertical during 12th Five Year Plan.

Credit and Finance: Schemes/Proposals for 12th Five Year Plan (Rs. Crore)

Scheme/Proposal	New /Existing	Projected BE for XII Plan	Projected Deliverables	Outcome/
Enhancing corpus of CGTMSE	Existing	Additional corpus of 10,750	To provide guarantee coverage to the tune of Rs.180,000 crore	credit
Equity Financing	New	5000	To supplement promoter's contribution	
Performance and Credit Rating Scheme	Existing	600	Enhancing	credit worthiness
Venture Capital Fund	New	500	To encourage start ups	
SME Exchange	New	100	Facilitate equity access and spread awareness	

Factoring services	New	2500	To address the issue of delayed payment and support factoring services
i. Equity/ margin money support for factors			
ii. Publicity & Popularization			
iii. Training of Associations			
Total		19450	

Technology

Technology will be the foremost factor for enhancing the global competitiveness of Indian MSME Sector. Without infusion of appropriate technology, survival in the global market place would be a question mark for a large majority of micro & small enterprises and even the medium enterprises. The Prime Minister's Task Force on MSMEs has identified low technology, generally used by the MSME sector, as a major cause for poor competitiveness of the sector.

The immediate challenge is development of appropriate technologies for various manufacturing processes which will lead to substantial reduction in cost of manufacturing by enhancing labour productivity, reducing material wastage and minimising energy consumption. Such technologies could be developed by close interaction of R&D institutions with industries and through innovative projects of techno-preneurs. Accordingly, a multi-tier support system may be required for inducing technology based competitiveness of the sector with the collaboration of government, industry clusters, industry associations and private R&D institutions. There is a need to support innovative ideas to develop them to marketable products, facilitate linkage of MSME Clusters/Mini Clusters to public and private R&D institutions and finally subsidise the cost of technology available in the international market. Liberal Government policies and assistance are pre-requisites for nurturing innovative ideas both by academic institutions and techno-preneurs.

The issue may be addressed by developing collaborations of Public / Private R&D institutions with the cluster/industry associations to take up R&D in focused areas of manufacturing with clear objectives, deliverables, and time line and project budget. This will ensure industry acceptability of the technology developed and delivery of the

technology within the specified time frame. The Government assistance may vary depending upon the level of the technology & the transaction cost involved and may be kept at an attractive level, especially for the projects taken up for technology development for nanotechnology, aerospace, defence sector etc. to incentivize these sectors. Competitive manufacturing technologies are available in the international market for various industries. To facilitate absorption of such globally competitive technologies, government may subsidise the industry. Extent of support may again vary with the type of industry and the level of technology being adopted.

The Group recommends a scheme for Technology Acquisition and Support with adequate allocation to assist both development of indigenous technology and acquisition of global technology by the Indian MSMEs. Setting up of a fund for Technology Acquisition and Support was also recommended by the Prime Minister's Task Force on MSME sector and without such support the MSME sector cannot come out of its technological obsolescence and move up the value chain.

The Group recommends that separate schemes of the Ministry for installation of plants and equipments with advanced technologies, viz., CLCSS & NMCP components be merged into the aforesaid scheme for Technology Acquisition and Development. Adoption of renewable energy based technologies may also be provided adequate incentive to overcome higher transaction cost for adoption of such technologies by the MSMEs. The Group also recommends that the ceiling on eligible project cost under the existing Credit Linked Capital Subsidy Scheme (CLCSS) be raised to Rs. 5 crore with a built in mechanism in the scheme for indexing of the limit on project cost with the rate of inflation.

The Group also recommends that technology oriented initiatives under NMCP be clubbed as the modified NMCP Scheme and offered to MSME Clusters/Mini-Clusters as a package on a Cafeteria mode and they can develop their own projects as per the requirements. This will obviate offering separate doses of various techniques for process and productivity improvement. However, the present scheme on support for Information and Communication Technology may be continued as a separate scheme under the umbrella scheme to wide spread adoption of ICT by the MSME sector with adequate government funding.

Following interventions are proposed to provide support to the start-ups in the Hi tech and Emerging Sectors—

- a) Modular industrial estates/laboratories near premier technical institutions with the required plug & play facilities.
- b) Linkage to angel/venture capital for sourcing the initial capital requirement.

The Group recommends that during the 12th Plan period, at least 20 modular industrial estates with plug and play facilities in the respective areas may be launched in collaboration with IITs, IISc and other premier institutions. Towards providing starting capital, globally angel/venture funds are the prime source of funds to the Start Ups. While these funds finance a project on the basis of their own risk analysis and valuation, the Groups opines that Government can provide some comfort to these funds towards reducing the risk. This could be in the form of a guarantee or by co-investment through a Government promoted venture fund. The venture capital fund launched by SIDBI can play major role in this regard.

In the opinion of the Group, instead of launching a separate scheme for the start-ups, it may be appropriate to address the above issues under the respective verticals. Accordingly, setting up of modular estates has been taken up under the Infrastructure vertical and financing mechanism under the Credit & Finance vertical. As mentioned above, IPR related issues are to taken up by the IP facilitation centres which may be appropriately funded under NMCP.

The Working Group recommends a total allocation of Rs.9500 crore for various schemes under Technology vertical during 12th Five Year Plan, of which Rs.5000 crore is proposed for Modified NMCP, Rs.4000 crore for Scheme for Technology Acquisition and Development including CLCSS and Rs.500 crore for Scheme for Promoting ICT Application.

**Technology Up- gradation & Support for Emerging Sectors:
Schemes/Proposals for 12th Five Year Plan
(Rs. Crore)**

Scheme/proposal	New /existing	Projected	Projected outcome/deliverables
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		BE for the XII Plan	
Scheme for Technology Acquisition and Development including CLCSS	New	4,000	Introduce globally competitive technology in at least 50,00 enterprises
Modified NMCP	Existing/modified	5,000	Introduce effective production systems, new designs, quality standards, in at least 20000 enterprises
Application of ICT	Existing/modified	500	Use of ICT Applications by up to 90 % registered MSMEs,
Total		9,500	

Infrastructure

Cluster based intervention has been acknowledged as one of the key strategies for comprehensive development of Indian industries, particularly the Micro and Small Enterprises (MSEs). The Ministry of MSME has adopted the cluster approach as a key strategy for enhancing the technical and physical infrastructure as well as capacity building of micro & small enterprises and their collectives in the country. It launched a special scheme known as 'Integrated Technology Up gradation and Management Programme' (UPTECH) in 1998. In August 2003, the Scheme was renamed as Small Industry Clusters Development Programme (SICDP) and made broad-based by adopting holistic development encompassing soft interventions (viz. technology, marketing, exports & skill development) and hard interventions (viz. setting up of Common Facility Centre (CFC), etc.). The SICDP guidelines were comprehensively revised in March 2006. The scheme was renamed as Micro & Small Enterprises – Cluster Development Programme (MSE-CDP) and its guidelines were further modified in February 2010 with enhanced funding support. Since 1994, Ministry had also been

supporting creation and up gradation of industrial infrastructure in the States under Integrated Infrastructural Development (IID) Scheme. In accordance with decisions of the Package for Promotion of MSEs, this scheme was subsumed under MSECDP in October 2007, with the existing funding pattern.

To strengthen and expand existing IID component of MSE-CDP Scheme of M/o MSME, the Group recommends that the eligible project cost for infrastructure development (excluding cost of land) for Government of India assistance should be enhanced from present limit of Rs 10 crore to Rs 15 crore. To complement the efforts of State and Central Government, private sector (companies and SPVs) should also be allowed for development of infrastructure, with Government of India assistance. Assistance for up gradation of existing industrial estates may be made more attractive in order to get proposals from State Governments for up gradation of existing industrial estates. Demand based additional IID projects may be permitted in districts, subject to 90% allotment and 50% setting up of units in approved IID projects. The Group recommends continuation of the infrastructure development scheme with increased allocation.

Land and infrastructure constraints are major problem areas, particularly in bigger and metro cities. As production processes of majority of MSEs can be accomplished in Flatted Factories, such Complexes may be encouraged by providing financial support under the IID scheme. Likewise, accommodation problem of industrial workers may be addressed to a great extent by supporting dormitories (in or around industrial estates/ areas). SPVs may run the dormitories on sustainable basis. The Group recommends establishing flatted factory complexes during the 12th Plan period.

Maintenance of Industrial Estates (mainly maintenance of roads, drainage, sewage, power distribution and captive power generation, water supply, dormitories for workers, common effluent treatment plants, common facilities, security, etc.) is a critical component for successful functioning of the industrial enterprises in any industrial estate/ industrial area. Industrial estates are generally developed by state industrial development bodies (e.g. HSIDC in Haryana, RIICO in Rajasthan). It may be appropriate to handover maintenance of Industrial Estates to industries associations, local bodies, state government agencies, SPVs on self sustaining basis.

32. World over, hi-tech and innovative enterprises start in Modular Industrial Estates.

To encourage such ventures, Modular Industrial Estates having Raw material Bank, Technology Resource Centre, Design Centre, Business Centre, Tool Room, Testing Centre, Incubation Centre, Training Centre, Mini Trade Fair Centre etc. are proposed to be set up near Centres of Excellence like IITs. It is proposed that during 12th Plan, modular Estates be launched for start-ups in emerging sectors under the IID Scheme.

The Cluster Development Programme of the Ministry of MSME (MSECDP) is focused towards up scaling the MSME Clusters of India and to enable them to be globally competitive through soft and hard interventions. The Group recommends that the programme be continued for the 12th Plan period with scaled-up interventions, both hard and soft, in MSME clusters.

In order to provide integrated marketing support to MSMEs, the Group recommends for introduction of a new 'Scheme for development of Marketing Infrastructure for MSMEs' during 12th Plan Period. The projects/infrastructure to be funded under the proposed scheme would inter-alia include Establishment of Display-cum-sale/Exhibition Centres and Establishment of Information Dissemination Centres.

Presently, there are many testing laboratories in the country which are providing testing facilities to the industrial sector including micro units. Specialized testing facilities for certain high end products specially leather items are not available in the country. The exporting MSME units are availing these facilities from the overseas testing labs. As such, there is need for creation of additional testing facilities in the country. The Group recommends setting up of at least 100 nos. quality testing laboratories for MSMEs in cluster/industry concentration, district/major industrial area. This activity can be undertaken under Public Private Partnership mode. There is also need for up gradation of existing Test Laboratories under the Ministry.

The 18 Tool Rooms / TDCs/CFTIs functioning under the Ministry are Centres of Excellence for up scaling the skill base of the respective industries as well as providing common facility services in state of the art machines. Keeping in view the enormous growth potential of the sectors like engineering, auto component, leather etc. and need for skilled workers in these sectors, it is recommended that 100 such facilities be set up in important clusters / industrial districts during the 12th Plan period. Further, up gradation of existing Tool Rooms / TDCs/CFTIs should also be focused upon.

The Working Group recommends a total allocation of Rs.11360 crore for various schemes under Infrastructure vertical during 12th Plan period, of which Rs.7500 crore is proposed for Establishing new & modifying existing Tool Rooms/ TDCs/CFTIs, Rs.1560 crore for Industrial Infrastructure Development Project Rs.1000 crore for Setting up new & up scaling existing Testing Centres / Testing Stations, Rs. 800 crore for MSE-Cluster Development Programme and Rs.500 crore for establishing Marketing Infrastructure for MSMEs under PPP mode.

Infrastructure Development: Schemes/Proposals for 12th Five Year Plan

(Rs. Crore)

Scheme/proposal	New/ existing	Projected BE for the XII Plan	Projected outcomes/deliverables
Industrial Infrastructure Development Project	Existing/ New	1560	(i) Model Industrial Estates with appropriate utilities (ii) Modular Estates with Plug & Play Infrastructure for high-tech and Innovative Start-ups. (iii) Flatted factory complexes with ready-to-move infrastructure for the light and service oriented MSMEs in tier- 1 and tier-2 cities.
Micro-Small Enterprises-Cluster Development Programme (MSECDP)	Existing	800	Development of 60 potential clusters through a holistic package and Common Facility Centers
Setting up of 100 Testing Centers and up scaling of the existing Testing Centers / Testing Stations	New	1,000	Doorstep testing facilities to MSMEs in important export oriented clusters.

Marketing Infrastructure for MSMEs under PPP mode	New	500	Providing infrastructure for display and sale of products and display of information in 10 growth oriented clusters
100 Tool Rooms/TDCs/CFTIs in high growth Industrial Districts/Clusters and modernization of the existing ones	New/ Existing	7500	Professional skill development training to at least 15 lakh youth in state of-the-art skills during the 12th Plan period
Total		11,360	

Marketing & Procurement

Marketing is the most important tool in business development that leads a product from creation to customer through different channels. In this era of globalization, market for a product sans frontiers. Marketing is one area where MSMEs face more challenges than opportunities. The challenges range from procurement of raw materials to lack of market information. Marketing is a dynamic activity that requires constant update on the marketing intelligence and new tools of marketing. It includes a whole gamut of activities such as packaging, labelling, trade mark, bar coding, brand building, advertisement, domestic & international exhibitions, buyer-seller meet, marketing intelligence, e-marketing and customer service to name a few. Compared to large industries, MSMEs face several constraints in the marketing & procurement front due to their limited manoeuvrability in such wide ranging activities either on account of lack of finance or on account of lack of awareness.

With the increasing global economic integration, international market has become much wider than the domestic market for MSMEs. Over the years, the share of MSMEs in total manufacturing export has risen to a healthy level of over 40 percent. However, this rosy figure comes with a caution that hardly one percent of MSMEs are exporting units. This calls for widening and deepening of international markets by MSMEs.

Globalization and WTO norms make profound impact on the existence as well as market of MSMEs. On the other side, there is a rising domestic market due to rising income, especially the rising rural income. MSMEs need to tap these potential markets by way of aggressive marketing, improved technology and better competitiveness. MSMEs should also devise strategies to counter increasing market invasion by branded products of big corporates, a threat which is looming large on MSMEs.

While marketing of products of MSMEs mostly depends upon the market forces and individual efforts of the enterprises, Government and its organizations can play the role of a facilitator to help MSME sector in these endeavors. Ministry of MSME and its attached organizations have been assisting the sector through certain schemes and programmes. However, emerging marketing challenges call for scaling up of these programmes and introduction of certain innovative policies/ programmes for the Sector during the 12th Five Year Plan.

There are multiplicity of market development assistance programmes to support MSMEs for participation in domestic and international trade fairs, bar coding, packaging and standardization within the Ministry. There is need for rationalization and consolidation of such programmes under different broad heads. There is also need for up scaling such programmes with higher financial allocations during the 12th Five Year Plan to cater to the vast requirement of the MSME sector. The Group recommends an allocation of Rs.550 crore for Modified Market Development Assistance (MDA) Scheme and Rs.200 crore for the Scheme on Bar-coding & Packaging during 12th Plan.

The Working Group recommends new schemes in 12th Five Year Plan especially in areas of use of ICT for creating cluster-level, state-level and national level B2B portals with connectivity to international markets and marketing infrastructure such as setting up of testing facilities and establishment of information dissemination centres and display-cum exhibition centres. The plan allocation for such schemes can be made under Infrastructure vertical and Technology vertical (ICT Scheme) respectively. The vacant land available in the premises of MSME DIs and DICs can be put to use for construction of display cum exhibition centres and establishment of information dissemination centres.

The Working Group also recommends setting up of marketing organizations in clusters in PPP mode through formation of SPVs, which would form the focal point at the cluster level for all marketing related activities such as e-marketing, branding, advertising, bar-coding, participation in domestic and international trade fairs etc. Accordingly, an allocation of Rs. 360 crore is proposed for above initiatives during 12th Plan.

Today, India is among the fastest growing economies in the world. Besides the large enterprises, a significant section of Indian MSMEs have acquired global competitiveness, particularly in sectors like Auto components, Leather Goods, Garments, Engineering items, Gems and Jewellery etc. In the services sector education, health care, grooming and beauty therapies have enormous export potentials. Direct export from these enterprises particularly to countries in developing world like Africa could be multi folded through enabling services like information on new markets /products, offshore warehousing, product promotion etc. As individual enterprises do not have sufficient resources to take up such initiatives, Government can provide necessary facilitation by cluster / consortia based initiatives through PPP mode. Besides focusing on global markets for product exports, time is also ripe for Indian MSMEs to shift their manufacturing bases. The interventions may include assisting Indian SMEs to acquire firms abroad to expand offshore manufacturing, especially in Africa & Latin America , country specific and product specific market studies, research, market forecasting , business practices & regulations in potential international markets , aggressive market promotion activities, especially through permanent marketing windows in Indian Diplomatic Missions abroad, developing brand equity of Indian MSMEs, particularly for niche products like herbal medicines, health care, education etc., developing market intelligence on enterprises available for take over etc. The Group recommends that a dedicated scheme with a corpus of Rs.1000 crore under Marketing vertical may be kept aside for enabling global footprints of Indian MSMEs.

The Government has recently approved a Public Procurement Policy for MSME sector. The implementation of the policy needs to be hastened. Further, there is also need for gradual inclusion of private sector in the procurement policy for the MSME sector. Offsets under defence purchases have vast potential for MSME sector. There is need for setting up a mechanism in the M/o Defence to ensure that the offsets under

defence purchases are suitably focused to support SMEs in upgrading their capacities. There is also need for setting aside certain percentage of raw material by bulk producers for MSME Sector. The Working Group recommends a total allocation of Rs.2110 crore for various interventions under Marketing vertical during 12th Five Year Plan.

Marketing and Procurement: Schemes/Proposals for 12th Five Year Plan (Rs. Crore)

Scheme/Proposal	New /existing	Projected BE for the XII Plan	Projected outcome/deliverables
Marketing Development	Existing	550	To cover 50,000 Micro & Small
Assistance Scheme (MDA)			Enterprises under the scheme, convergence of scheme, provision of upfront payment, removal of geographical barriers for participation by MSMEs.
Bar Code & Packaging	Existing	200	i. To cover larger number of MSMEs by merger of MDA and NMCP components and inclusion of medium enterprises under the scheme, placing of funds with GSI for direct reimbursement to MSMEs ii. Thrust on packaging & designing to increase marketability of products
Marketing Organizations in Clusters (SPVs) in PPP mode for common brand building, advertising, e-marketing, participation in trade fairs etc.	New	360	Establishment of 36 nos. Special Purpose Vehicles (SPVs) in clusters for branding of products of MSMEs.
Enabling Global Footprints of MSMEs	New	1000	Conduct Research on i) New markets for identified products of MSMEs and ii) Acquiring SMEs in other countries. Creation of 10 nos. International MSMEs Forum.
TOTAL		2110	

Skill Development & Training

Lack of skilled manpower and information as well as lack of reach to modern technology are key issues affecting the growth of MSME sector. It is often said that India enjoys a “demographic dividend” compared to rest of the world due to its huge population in productive age group. Most of the other developed as well as developing countries face the threat of an aging population. If this comparative advantage can be augmented with adequate skill development, India can become the global supplier of quality manpower. In this backdrop, Ministry of MSME has decided to accord top priority to skill development. The Ministry conducts a large number of short term as well as long term courses to train unemployed youth for self employment, to provide necessary skill to the youth to make them eligible for wage employment and also to upgrade the skill level of existing workers and entrepreneurs of MSME sector. Prime Minister’s Task Force has identified lack of skilled manpower as a road block for the growth of the MSME Sector. The Ministry of MSME has been mandated to provide skill to 42 lakh persons during the 12th Plan period. The challenges before the Ministry are:

- i. To upscale the training capacities from the present capacity of training 4 lakh persons per year to more than 8 lakh persons per year during the 12th Five year Plan.
- ii. Spreading skill development activities throughout the country, particularly in the backward areas & the areas infected by extremism and reach the weaker sections of the society.
- iii. Developing an eco-system for the success rate of training in self employment or job employment through the process of Train – Loan - Link – Support.
- iv. Developing a pool of certified trainers with adequate technical competency.
- v. Developing a self-sustainable mode for conducting the training programmes with reduction in budgetary allocation over the period.
- vi. Standardising the curricula for the training programmes to be implemented uniformly all over India.

- vii. Developing a transparent system for conduct of the programmes, registration of participants etc. and putting it in the public domain.

The Working Group recommends up-scaling of the training capacity of the Ministry through public private partnership mode. Group also recommends that besides existing programmes for entry level/new entrepreneurs, training programmes be also conducted for skill up-gradation of Chief Executives/Owners of the MSMEs with some element of subsidy from the government. To ensure quality of training programmes conducted and transparency in the entire process of selection-registration-administration handholding of the trainees, it is recommended that a web-based management information system be launched. The respective portal should also host the details of the training curricula, trainer/faculty and process of training. Further, training may be provided for MSME Associations also. To coordinate the entire process of conducting skill development programmes setting up of a virtual SME University has also been recommended. The proposed University will standardise the training curricula, certify the trainers and certify the trainees on completion of the programme. Ultimately, the University will be a repository of the details of the persons trained under various programmes of the Ministry as well as other Ministries and function as a virtual Employment Exchange.

Towards enhancing skill level of workers of MSME Sector, setting up of 100 Tool Rooms/ Technology Development Centres(TDCs)/ Central Footwear Technology Institutes (CFTIs) is recommended which will provide specialised training to the existing and prospective workers of the manufacturing sector. These Institutions set up in Industrial Districts / Clusters with state of the art machines shall provide training to the youth to make them readily employable in high growth sectors like auto components, engineering, leather, garments etc. Necessary Budgetary allocation has been proposed under Infrastructure vertical.

For ensuring sustainability of programmes, it is proposed that programmes be gradually taken to self-financing level, which will also ensure quality as demonstrated by training programmes conducted by Tool Rooms on self-sustainable basis.

To ensure a high success rate of trainees, involvement of industry associations in training programmes has been recommended for identification of the skill gap, developing appropriate training curricula and handholding of trainees in self/wage employment. To ensure institutional credit to the trainees for self employment, it has been proposed that 50% of the targets under PMEGP may be set aside for the trainees of the various skill development programmes undertaken in the Ministry.

The Working Group recommends a total allocation of Rs.3600 crore for various schemes under Skill Development & Training vertical during 12th Five Year Plan under which a provision of Rs.2500 crore is kept for the umbrella scheme on Skill Development, Rs.900 crore for setting up / strengthening of EDIs, Rs.100 crore for proposed Virtual SME University and Rs.100 crore for ongoing TREAD scheme.

Skill Development: Schemes/Proposals for 12th Five Year Plan

(Rs. Crore)

Scheme/proposal	New/existing	Projected BE for the XII Plan	Projected outcome/deliverables
Skill Development Programme including capacity building of MSME Associations.	Existing, modified	2500	Providing employable skill to 8 lakh youth per year in line with the targets of PM's National Council for Skill Development
Setting up of / strengthening of EDIs	New/Existing	900	To set up EDIs/training centers in NER, special category states and LWE affected district
Virtual SME University		100	Establishing an apex body to coordinate and standardize curricula and training modules
TREAD Scheme	Existing	100	Development of SHGs for women
Total		3600	

Institutional Structure

The Institutional and legal framework for promotion and development of Micro, Small & Medium Enterprise (MSME) sector of India is spread both at the National & State

level. The primary responsibility for the development of MSMEs lies with the State Governments. Government of India supplements their efforts through a range of initiatives. The employment intensive MSME sector has suffered extensively due to plethora of laws, rules and regulations that have accumulated during the years of control regime. Ensuring compliance with so many regulations coupled with Inspector Raj has stifled growth of the sector considerably. Prime Minister's Task Force, in its report, have made significant recommendations on liberalising the policy regime for the MSME sector, viz., introduction of Insolvency Act, liberalisation of labour laws, liberalisation of Apprenticeship Act, strengthening of District Industries Centres etc.

The Group has identified the following issues to be immediately addressed to unshackle the growth of the MSME sector –

- i. Environmental issues
- ii. Labour issues
- iii. Exit policy
- iv. Amendment of MSMED Act
- v. Restructuring of the DICs and MSME-Dis

On the environmental issues, it is recommended that the relevant policies be made uniform all over India with appropriate relaxation of the controls for MSMEs. Regarding labour issues, the immediate need is to consolidate plethora of labour laws into one user friendly law. The enactment of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is a harbinger for the growth of MSME Sector. However, there is an urgent need to strengthen various provisions of the Act along with enactment of the rules under various sections.

The District Industries Centres under State Governments and MSME Development Institutes of Ministry of MSME provide facilitation to the new and existing entrepreneurs in developing their enterprises. With the implementation of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, two new sectors were classified in the country i.e. medium sector and service sector, which required special

attention for promotion and growth as these sectors were identified for the first time in any statute. The total number of small and micro units tremendously increased from 3.3 million in 2000-01 to 26.1 million in 2007. The number of entrepreneurs trained in 2002-03 was 10,739 which has increased 8.2 times to 99,635 in 2010-11. Contrary to that the trainers and technological force of officers in MSMEDIs has gone down by 30%. Office of DC, MSME and MSMEDIs need to be strengthened both in terms of facilities and manpower to take additional charge of medium enterprises, formulate and implement promotional measures for them to make India a land of sunrise and technologically advanced enterprises. To provide support at the grass root level to the MSMEs, there is an immediate need for the resurgence of both the agencies. To provide support at the grass root level to the MSMEs, there is an immediate need for the resurgence of both the agencies. While an elaborate proposal for the restructuring of the DICs is already under the consideration of the Government, re-engineering of the MSME Development Institutes and the office of the Development Commissioner, MSME may be taken up during the 12th Plan Period. The Group recommends an elaborate programme during the 12th Plan Period for re-engineering of the office of DC, MSME as well as the network of field offices and retraining of the officers with a proposed outlay of Rs. 1000 crore. Similarly, creation and maintenance of a comprehensive database of MSME sector, including unorganized sector, is a pre requisite for sound policy formulation. The database should also include data on Govt./ PSU procurement from MSEs and sectoral data. The group recommends immediate attention to these requirements and proposes a scheme with an allocation of Rs.2000 crore for this during 12th Plan Period. Introduction of filing of Entrepreneurs Memorandum under the MSMED Act was an important initiative towards liberalisation of the MSME sector. This provision liberated the entrepreneurs from the hurdles of registration of enterprises required under previous policy regime, for availing institutional finance and infrastructural support. However, implementation of the process of filing of Entrepreneurs Memorandum is still very tidy and full of road blocks. The Group recommends for application of e-governance for streamlining of procedures and for that purpose setting up of an information and data base network among the DICs, MSME-DIs and the Ministry.

Provision of the delayed payment under the MSMED Act was another facilitator for ensuring regular cash flow to Micro & Small Enterprises against the supplies made.

Micro & Small Enterprises Facilitation Councils (MSEFC) stipulated under the Act to be set up at the State level were foreseen as facilitators to the MSEs. However, most of these MSEFCs are not operating efficiently. In fact, in some states they are yet to be constituted. The Group recommends immediate action for up scaling the activities of these MSEFCs and introduction of an information and communication network for operation and monitoring of these MSEFCs. Further, the Group recommends an allocation Rs. 100 crore during 12th Plan for promoting online filing of EM and capacity building of MSMEFCs.

The Working Group recommends a total allocation of Rs.3100 crore for various interventions under Institutional Structure vertical during 12th Five Year Plan.

Institutional Structure: Schemes/Proposals for 12th Five Year Plan

(Rs. Crore)

Scheme/proposal	New/ existing	Projected BE for the XII Plan	Projected outcome/deliverables
Online filing of EM & capacity building of MSMEFCs	New	100	Online filling of EMs in all State / UTs and MSME-DIs
Re-engineering and strengthening of DC MSME & its field offices	New	1000	Enable 72 Offices under DC – MSME to provide demand driven services to the MSME sector.
Creation of comprehensive database		2000	i. Real time data on MSME sector for facilitating sound policy formulation ii. Compilation of data on Govt./PSU procurement from MSEs iii. Sectoral data research
Total		3100	

Game Changers

While all the above recommendations of the Working Group are considered to be important to facilitate growth of the MSME sector during the 12th Five Year Plan period, the Group would like to mention the following Game Changers in the

recommendations, implementation of which will be crucial for the ski-jumping of MSME Sector in the global market place.

Finance: Operationalization of SME exchanges for enabling access to Equity Finance

Technology: Scheme for acquisition and up-gradation of technology

Infrastructure: Developing clusters of excellence and Setting up of 100 Tool Rooms and PPDCs

Marketing

- Procurement policy for Goods/services from MSEs by the Government Deptts. and Central PSUs.
- B2B International portal.
- Enabling global footprints of MSMEs
- Leveraging Defense Offset Policies in favor of MSMEs

Skill Development

- Revamped Skill Development & Capacity Building Programme.
- Encouraging young/ first generation entrepreneurs by up scaling PMEGP and other programmes.

Institutional Structure

- Strengthening of Institutions – MSME-DIs, EDIs and KVI Institutions
- Application of E-tools in promotional and regulatory matters for facilitating easy entry.
- Real time Statistical & Policy Analysis through strengthening of Database.

The Working Group recommends focused efforts for time-bound implementation of the Game Changers.

The vertical wise proposed plan allocation for 12th Five Year Plan is as follows:

Sl No.	Vertical	Projected BE for 12th Plan (Rs in cr.)
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1	Credit & Finance	19450
2	Technology Up gradation	9500
3	Infrastructure Development	11360
4	Marketing & Procurement	2110
5	Skill Development & Training	3600
6	Institutional Structure	3100
Total		49120

POLICIES AND SCHEMES OFFERED BY THE GOVERNMENT

POLICY INITIATIVES

Implementation of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

The MSME Development Act 2006 came into effect on 2nd October 2006. Subsequently both the Central and State Governments have taken effective steps towards implementation of the Act. While the Central Government has framed a number of Rules and issued Notifications in respect of the Act; different State Governments have also issued notifications under the Act as detailed below:-

- **Notification of Authority for receiving Memoranda for Micro and Small Enterprises (MSEs):** All States & UTs except Mizoram have issued the necessary Notifications nominating the authority for receiving Entrepreneurs Memorandum for MSEs.
- **Notification of Rules of MSE-Facilitation Council (MSEFC):** All States & UTs with the exception of Arunachal Pradesh, Assam, Manipur, Mizoram, Nagaland

and Chandigarh have issued the Notifications providing for Rules of Micro and Small Enterprises Facilitation Council (MSEFC).

- **Notification of Constitution of Micro and Small Enterprises Facilitation Council (MSEFC):** All States & UTs except Manipur, Nagaland and Sikkim have issued the Notifications for constitution of Micro and Small Enterprises Facilitation Council (MSEFC).

Reservation/De-Reservation of Products for Manufacture In The Micro and Small Enterprise Sector

The Policy of Reservation of Products for Exclusive Manufacture in SSI (now MSEs) was initiated in 1967 with the objective of achieving socio-economic development, through development and promotion of small units all over the country. This was expected to result in countering the challenges of regional industrial imbalances, employment generation through self-employment ventures, increased productivity, etc. However, with the gradual opening up of the economy, de-reservation had to be resorted to for providing opportunities to MSEs for technological upgradation; promotion of exports and achieving economies of scale. Accordingly, the MSEs are being encouraged to modernize and enhance their competitiveness for facing the challenges arising out of liberalization and globalisation of the economy.

The items are reserved/de-reserved in accordance with Section 29(B) of the Industries (Development & Regulation) Act, 1951, which, *inter-alia*, provides for the constitution of an Advisory Committee headed by the Union Secretary (MSME). The Advisory Committee makes its recommendations for reservation/dereservation in light of the factors like economies of scale; level of employment; possibility of encouraging and diffusing entrepreneurship in industry; prevention of concentration of economic power to the detriment of the common interest and any other factor which the Committee may think appropriate. At present only 20 items are reserved for exclusive manufacture in micro and small enterprise sector.

National Manufacturing Competitiveness Programme (NMCP)

Providing competitive edge to the units in the MSME Sector in the global environment has been one of the important cornerstones of the policies being pursued by the Government for sustenance of the sector.

With a view to build the capacity of the Indian micro, small and medium manufacturing enterprises for overcoming competition in the global markets and facing challenges being posed by the entry of the multinationals in the domestic markets, the Ministry of MSME is implementing the National Manufacturing Competitiveness Programme (NMCP).

The objective of NMCP is to ensure healthy growth of the MSME Manufacturing Sector. The 10 components of the Programme dealing with the firm level competitiveness are being implemented in the Public-Private-Partnership (PPP) mode. The 10 components of NMCP address the entire gamut of manufacturing in the sector. The details of the components of the Programme are shown in the following Table: -

Components of NMCP

Sl. No.	Component with Short Name
1.	Marketing Support / Assistance to MSMEs (BAR CODE)
2.	Support for Entrepreneurial and Managerial Development of SMEs through incubator (INCUBATOR)
3.	Setting up Mini Tool Room & Training Centers (MTR)
4.	Building Awareness on Intellectual Property Rights (IPR)
5.	National Programme for Application of Lean Manufacturing (LEAN)
6.	Enabling Manufacturing Sector to be Competitive through Quality Management Standards and Quality Technology Tools (QMS/QTT)
7.	Technology Up gradation and Quality Certification Support to SMEs (TEQUP)
8.	Marketing Assistance for SMEs and Technology Up gradation Activities (MARKETING)

9.	Design Clinic Scheme to bring Design expertise to the Manufacturing sector (DESIGN)
10.	Promotion of ICT in Indian Manufacturing Sector (ICT)

Prime Minister's Task Force on Micro, Small and Medium Enterprises (PM's Task Force on MSMEs)

The Prime Minister had announced setting up of the Task Force in August, 2009 when representatives of prominent MSME associations had met him to highlight their issues and concerns. Accordingly, the Task Force under Shri T.K.A. Nair, then Principal Secretary to Prime Minister was constituted on 2nd September 2009 to reflect on the issues raised by the associations and formulate an agenda for action after discussions with all stakeholders. Its members included Member, Planning Commission, Secretaries of concerned Government Departments, Deputy Governor, RBI, Chairman and Managing Director, SIDBI and representatives of MSME associations.

The detailed recommendations cover 6 major thematic areas including credit, marketing, labour, rehabilitation & exit policy, infrastructure, technology & skill development and taxation. A separate section covers the development of MSMEs in the North-East and Jammu & Kashmir. The implementation of these recommendations is being monitored periodically by the Steering Group constituted under the Chairmanship of Principal Secretary to the Prime Minister. Action has been completed on a substantial number of recommendations. Further, a Council on Micro, Small and Medium Enterprises (MSMEs) under the chairmanship of Hon'ble Prime Minister has been set up in the Prime Minister's Office to lay down broad policy guidelines and review the development of the MSME sector.

Rajiv Gandhi Udyami Mitra Yojana

The objective of Rajiv Gandhi Udyami Mitra Yojana (RGUMY) is to provide handholding support and assistance to the potential first generation entrepreneurs, who have already successfully completed Entrepreneurship Development Training Programme (EDP) / Skill Development Training Programme (SDP) / Entrepreneurship-cum-Skill Development Training Programme (ESDP) / Vocational Training

Programmes (VT), through the selected lead agencies i.e. 'Udyami Mitras', in the establishment and management of the new enterprise, in dealing with various procedural and legal hurdles and incompleteness of various formalities required for setting up and running of the enterprise. An 'Udyami Helpline' (a Call Centre for MSMEs) with a toll free No. 1800-180-6763 is functioning under the Scheme which provides information, support, guidance and assistance to first generation entrepreneurs as well as other existing entrepreneurs. The Udyami Helpline provides information about various promotional schemes of the Government procedural formalities required for setting up and running the enterprise and how to access credit from Banks etc.

Public Procurement Policy for goods produced and services rendered by Micro & Small Enterprises (MSEs)

In exercise of the powers conferred in section 11 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, the Government of India has notified [No.S.O.581(E)] Public Procurement Policy for goods produced and services rendered by Micro & Small Enterprises (MSEs) Order, 2012 which is applicable for every Central Ministries/ Departments and PSUs for effective implementation. The policy mandates for achieving an overall procurement of minimum 20 per cent of total annual purchases of products produced/services rendered by MSEs within a period of three years. With effect from 1.4.2015, overall procurement goal of minimum 20% are to be made mandatory by every Central Ministry /Departments / PSU. Policy has also earmarked a sub target 4% procurement of goods & services, out of the 20% from MSEs owned by SC/ST Enterprise.

Every Central Ministry/ Department/PSU have to report the goals set with respect to procurement to be met from MSEs and the achievement made thereto in their respective Annual Reports. They have also to prepare Annual Procurement Plan for purchases and upload the same on their official website so that Micro and Small Enterprises may get advance information about requirement of procurement agencies. The policy will held to promote MSEs by improving their market access and competitiveness through increased participation by MSEs in Government purchases and encouraging linkages between MSEs and large enterprises.

SCHEMES

Credit Linked Capital Subsidy Scheme (CLCSS)

The Ministry of Micro, Small and Medium Enterprises (MSME) is operating a Scheme namely Credit Linked Capital Subsidy Scheme (CLCSS) for Technology Upgradation of Micro and Small Enterprises. The Scheme aims at facilitating Technology Upgradation of Micro and Small Enterprises (earlier known as Small Scale Industries). The Scheme was launched in October, 2000 and revised from 29.9.2005. The revised scheme aims at facilitating Technology Upgradation of Micro and Small Enterprises by providing 15% Capital Subsidy (limited to maximum 15.00 lakh) for purchase of Plant & Machinery. Maximum limit of eligible loan for calculation of subsidy under the scheme is Rs.100 lakh. Presently, 884 technologies under 48 products/ sub-sectors have been approved under the scheme. Since inception of the scheme, 19,985 units have availed subsidy of Rs. 1,074 crores till 31.10.2012.

Credit Guarantee Fund Scheme for Micro and Small Enterprises

The Government launched the Credit Guarantee Fund Scheme for Small Industries (now renamed as Credit Guarantee Fund Scheme for Micro and Small Enterprises) in August, 2000 with the objective of making available credit to MSEs, particularly Micro Enterprises, for loans up to Rs. 100 lakh without collateral/ third party guarantees. The scheme is being operated by the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) set up jointly by the Government of India and SIDBI.

The Scheme covers collateral free credit facility (term loan and/ or working capital) extended by eligible member lending institutions to new and existing micro and small enterprises up to Rs. 100 lakh per borrowing unit. The guarantee cover provided is up to 75% of the credit facility up to Rs.50 lakh with an incremental guarantee of 50% of the credit facility above Rs.50 lakh and up to Rs.100 lakh (85% for loans up to Rs. 5 lakh provided to micro enterprises, 80% for MSEs owned/ operated by women and all loans to NER). One time guarantee fee of 1.5% of the credit facility sanctioned (0.75% for NER including Sikkim) and Annual Service Fee of 0.75% is collected from the MLIs. The scheme is being operated by the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) set up jointly by the Government of India and SIDBI. The

corpus of CGTMSE is contributed by the Government of India and SIDBI in the ratio of 4:1. The corpus of CGTMSE has been enhanced to Rs. 2201.56 crore with the contribution of Rs.1761.25 crore from the Gol and Rs. 440.31 crore from SIDBI. This includes Rs. 35.00 crore released as Government of India contribution during 2012-13.

As on 31st December 2012, there were 131 eligible lending institutions registered as MLIs of the Trust comprising of 27 Public Sector banks, 19 Private Sector Banks, 73 Regional Rural Banks (RRBs), 4 foreign banks and 8 other Institutions viz National Small Industries Corporation (NSIC), North Eastern Development Finance Corporation Ltd. (NEDFi), Delhi Financial Corporation, Kerala Financial Corporation, Tamilnadu Industrial Investment Corporation Ltd., Jammu & Kashmir Development Finance Corporation Ltd. (JKDFC), Export Import Bank of India (EXIM Bank) and Small Industries Development Bank of India (SIDBI).

As on 31st December 2012, cumulatively 9,85,122 proposals have been approved for guarantee cover for a total sanctioned loan amount of Rs 47622.13 crore.

Credit Support to MSMEs

The Corporation is providing Credit Facilitation to MSMEs through its various schemes. During 2011-12, total credit facilitation of Rs.3824 crore was provided & upto 31st December, 2012 credit facilitation of Rs. 2842 crore was provided as against Rs. 2191 crore for the corresponding period. The various schemes providing Credit Support to MSMEs are as under:

a) Meeting credit needs of MSMEs through tie-up arrangements with Banks:

One of the major challenges faced by MSMEs is inadequate access to finance due to lack of financial information and non-formal business practices. To overcome these problems, NSIC has entered into tie-up arrangements with various Banks for providing Credit Facilitation to the MSME sector. During the year 2012 so far Agreements have been signed with 6 more Banks i.e. Corporation Bank, State Bank of Travancore, Allahabad Bank, Indian Bank, Punjab & Sind Bank and Indian Overseas Bank for credit facilitation to this

sector, making the total number of banks 21 with whom these arrangements have been entered.

b) Financing Procurement of Raw Materials & Marketing Activities (Short term): NSIC facilitates raw material requirement of the MSMEs by making arrangements with bulk manufacturers for procuring the materials and supplying the same to MSMEs. In case they need any credit support, NSIC provides financial assistance for raw material procurement by making the payment to suppliers. NSIC facilitates financing for marketing activities such as Internal Marketing, Exports and Bill Discounting to MSMEs.

c) Performance & Credit Rating Scheme for Small Enterprises: On behalf of the M/o MSME, NSIC is implementing "Performance & Credit Rating Scheme" for Micro and Small Enterprises (MSEs). The scheme is being operated through accredited rating agencies i.e. CARE, CRISIL, India Rating (Formerly known as FITCH), ICRA, ONICRA, SMERA and Brickwork Rating. The fee to be paid by the MSEs for the rating, is subsidized by the Government to the extent of 75% of the rating fee up to a maximum of Rs.40,000/-. The scheme is very popular among MSMEs and getting good response from them. The rating serves as a trusted third party opinion on the unit's capabilities and credit worthiness. A good rating enhances the acceptability of the rated unit in the market and also makes it access to quicker and cheaper credit and thus helps in economizing the cost of credit. Under the Performance & Credit Rating Scheme, 13,547 units were rated in 2011-12 as against 10,327 in 2010-11 posting an increase of 31% over previous year. In 2012-13, the units rated upto 31st December, 2012 are 13734 as against 8495 for the corresponding period of previous year.

Scheme of Micro Finance Programme

The Ministry has been operating a Scheme of Micro Finance Programme since 2003-04 which has been tied up with the existing Micro Credit Scheme of SIDBI. Under the Scheme, the Government of India provide funds to SIDBI under 'Portfolio Risk Fund' (PRF) which is utilized for security deposit requirements of loan from the MFIs/NGOs. At present SIDBI takes fixed deposit equal to 10% of the loan amount. Under the PRF,

the share of MFIs/NGOs is 2.5% of the loan amount (i.e. 25% of security deposit) and balance 7.5% (i.e. 75% of security deposit) is adjusted from the funds provided by the Government under the scheme. The funds under PRF are to be utilized for extending loans in the underserved States like North Eastern States including Sikkim, Bihar, Jharkhand, West Bengal, Orissa, Madhya Pradesh, Chhattisgarh, Uttar Pradesh, Jammu & Kashmir, Rajasthan and Uttarakhand and underserved pockets/ districts of other States.

During 2011-12, the Government has released an amount of Rs.16.10 crore towards 'Portfolio Risk Fund' (PRF). As on 31st December 2012, cumulative loan amount provided to MFIs/NGOs under the Scheme stood at Rs 1637.72 crore covering approximately 23.47 lakh persons. Of this, it has been estimated that the share of women beneficiaries under the Scheme is more than 80%.

Micro & Small Enterprises Cluster Development Programme (MSE-CDP)

The Micro and Small Enterprises – Cluster Development Programme (MSE-CDP) is being implemented for holistic and integrated development of micro and small enterprises in clusters through Soft Interventions (such as diagnostic study, capacity building, market development, export promotion, skill development, technology up gradation, organizing workshops, seminars, training, study visits, exposure visits, etc.), Hard Interventions (setting up of Common Facility Centers) and Infrastructure Up gradation (create/upgrade infrastructural facilities in the new/existing industrial areas/ clusters of MSEs). Assistance is provided for the following activities under the scheme –

- Preparation of Diagnostic Study Report with Government of India (Gol) grant of maximum Rs 2.50 lakh
- Soft Interventions with Gol grant of 75% of the sanctioned amount of the maximum project cost of Rs 25.00 lakh per cluster. For NE & Hill States, Clusters with more than 50% (a) micro/ village (b) women owned (c) SC/ST units, the Gol grant will be 90%.

- Detailed Project Report (DPR) with Gol grant of maximum Rs 5.00 lakh for preparation of a technical feasibility and financial viability project report.
- Hard Interventions in the form of tangible assets like Common Facility Centre having machinery and equipment for critical processes, research and development, testing, etc. with Gol grant upto 70% of the cost of project of maximum Rs 15.00 crore. For NE & Hill States, Clusters with more than 50% (a) micro/ village (b) women owned (c) SC/ST units, the Gol grant will be 90%.
- Infrastructure Development with Gol grant of upto 60% of the cost of project of Rs 10.00 crore, excluding cost of land. Gol grant will be 80% for projects in NE & Hill States, industrial areas/ estates with more than 50% (a) micro (b) women owned (c) SC/ST units.
- The Gol assistance shall also be available to Associations of Women Entrepreneurs for establishing exhibition centers at central places for display and sale of products of women owned micro and small enterprises @ 40% of the project cost.

National Manufacturing Competitiveness Programme (NMCP)

Providing competitive edge to the units in the MSME Sector in the global environment has been one of the important cornerstones of the policies being pursued by the Government for sustenance of the sector. With a view to build the capacity of the Indian micro, small and medium manufacturing enterprises for overcoming competition in the global markets and facing challenges being posed by the entry of the multi-nationals in the domestic markets, the M/o MSME is implementing the National Manufacturing Competitiveness Programme (NMCP). The objective of NMCP is to ensure healthy growth of the MSME Manufacturing Sector. The 10 components of the Programme dealing with the firm level competitiveness are being implemented in the Public-Private-Partnership (PPP) mode. The 10 components of NMCP address the entire gamut of manufacturing in the sector. The details of the components of the Programme and the status of their implementation are given below: -

- Marketing Support/ Assistance to MSME (Bar Code) Under NMCP scheme
- Scheme for Providing Support for “Entrepreneurial and Managerial Development of SMEs through Incubators”
- Mini Tool Rooms under the Public Private Partnership (PPP) mode
- Scheme for “Building Awareness on Intellectual Property Rights” (IPR) for the Micro, Small & Medium Enterprises (MSME)
- Lean Manufacturing Competitiveness Scheme for MSMEs
- Enabling Manufacturing Sector to be Competitive through Quality Management Standards (QMS) and Quality Technology Tools (QTT)
- Technology and Quality Up gradation Support to MSMEs
- Marketing Assistance and Technology Up gradation Scheme for MSMEs
- Design Clinics scheme for MSMEs
- Promotion of Information & Communication Tools (ICT) in MSME Sector

ISO-9000/ISO-14001/HACCP Certification Reimbursement Scheme

The scheme envisages one time reimbursement of charges for acquiring ISO 9000/14001/HACCP certification in MSEs to the extent of 75% of the cost subject to a maximum of Rs.75000/-in total. Total 22,936 units amounting to Rs.118.12 crore have been reimbursed since inception till 31st March, 2012. During 2011-12, about 1047 units amounting to Rs.5.95 crore have been reimbursed up to 31st December, 2012.

Export Promotion (Training programme on Packaging for Exports):

To educate MSE Entrepreneurs about the scientific packaging techniques, latest design of packaging technology and improve their packaging standards and to highlight the importance of packaging in marketing, this office has been organising specialized training programmes on packaging for exports for MSE units through

field offices i.e. MSME-DIs in collaboration with Indian Institute of Packaging (IIP), Mumbai and other such Institutes since the year 1979. The Training Programme is being organised for one, two and three days duration as per the need and concentration of MSMEs. 4.13.4 During the year 2011-12, 32 such programmes were organised benefiting 1118 MSE entrepreneurs. A budget of Rs.15.00 lakh has been provided during 2012-13 and it is planned to organise 23 one-day training programmes on packaging for exports through MSME-DIs. Women, SC&ST and Physically Handicapped participants are exempted from payment of participation fee for attending these training programmes on packaging for exports. All existing and potential entrepreneurs from Micro Small & Medium Enterprises are eligible for training under this scheme. Besides, one training programme on Export Procedures & Documentation for the MSME-DO officers at NIESBUD, Noida and another similar programme for SMEs at NITIE, Mumbai are proposed to be organised during current financial year.

SSI-MDA Scheme: Participation in Overseas International Trade Fairs/Exhibitions

- **Participation in International Exhibition/Fair:** The scheme envisages participation by manufacturing Small & Micro Enterprises in International Trade Fairs/Exhibitions under MSME, India stall including sector specific market studies by Industry Associations/ Export Promotion Councils/Federation of Indian Export Organisation.
- **Financial Assistance on Bar code scheme:** The Micro Enterprises are eligible for reimbursement of 75% of one time registration fees (recurring) (w.e.f. 1st January 2002) and 75% of Annual recurring fee (w.e.f. 1st June 2007) paid to GS1, India under the scheme.

BAR CODE SCHEME

SSI-MDA Scheme has the provision for 75% reimbursement of one-time registration fees and annual recurring fees (for first three years) paid by Micro and Small Enterprises (MSEs) to GS1 India for use of Bar Code. However, the funding towards reimbursement of one time registration fee only is provided under SSIMDA Scheme

.This scheme aims to enhance marketing competitiveness of MSEs. Financial assistance of Rs.12.11 lakhs has been provided to 106 MSEs upto 31st December, 2012 for reimbursement of one-time registration fees.

SENET (SMALL ENTERPRISE NETWORK)

The objective of the project was to set up an Electronic (computer) Information and Resource Center Network to meet the information resource requirements of the small enterprises sector including small industries & industry related service & business activities. This objective will be achieved by setting up an information Network on small enterprises to be called Small Enterprise Network-SENET. The following main activities will be broadly covered under the SENET during XI Plan: -

- Maintenance AMC of computers, Servers, Printers, UPS, Networking Equipment, Facility Management, lease line/broad band connection etc, up gradation/ replacement of Computers of the Hardware available in the HQrs and it's 30(thirty) field MSMEDIs.
- The maintenance of the website of O/o DC (MSME), the website of 30 MSME development institutes formerly called SISIs) providing connectivity through leased lines/broadband in Nirman Bhawan, AGCR building and the MSME development institutes etc.
- There, of course are certain add-ons for facilitation of MSMEs in these establishments. Furthermore, e- Governance guidelines issued by DAREG, guidelines of CVC for placement of tenders on the website, guidelines of RTI Act 2005 etc. and basic transparency requirement are other services provided by SENET. The SENET Schemes also provides for marinating a communication link between the Associations; State Govt. and other Stakeholders.

SME SECTOR IN THE GLOBAL ECONOMY

Overview:

The SME sector is the backbone of the economy in high-income countries, but is less developed in low-income countries. The Organization for Economic Co-operation and

Development (OECD) reports that more than 95% of enterprises in the OECD area are SMEs. These enterprises account for almost 60% of private sector employment, make a large contribution to innovation, and support regional development and social cohesion. Also in low-income countries, the SME sector makes a critical contribution to GDP and employment.

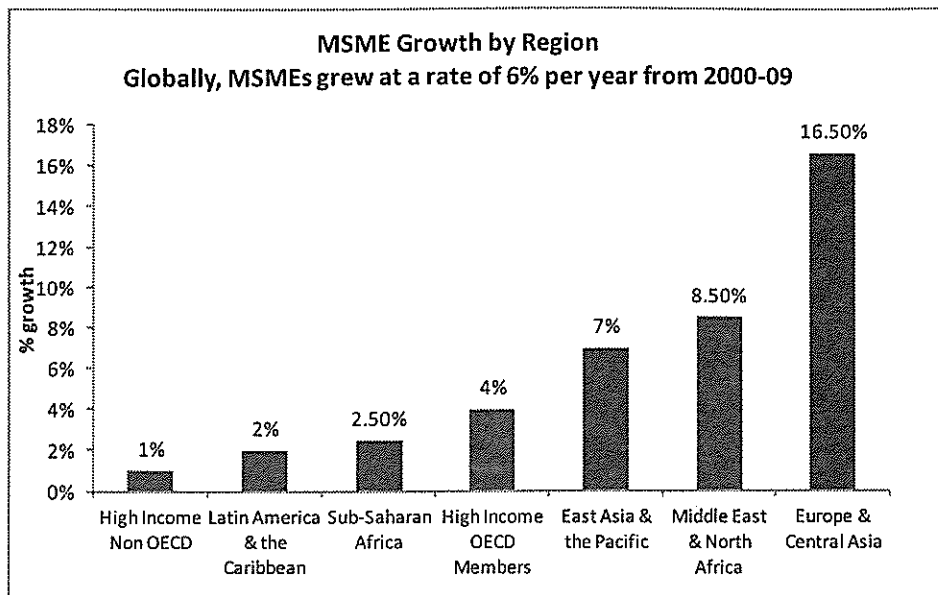
SMEs include a wide range of businesses, which differ in their dynamism, technical advancement and risk attitude. Many are relatively stable in their technology, market and scale, while others are more technically advanced, filling crucial product or service niches. Others can be dynamic but high-risk, high-tech “start-ups”. Researchers and practitioners agree that SMEs are crucial contributors to job creation and economic growth in both high and low-income countries.

Globally it is difficult to find a common definition for MSMEs. According to a report published by International Finance Corporation (a World Bank Group) based on a survey conducted in 132 countries on registered MSMEs the most common way MSMEs are defined is: Micro Enterprises: 1-9 employees, Small Enterprises: 10-49 employees, and Medium Enterprises: 50-249 employees. Out of the 132 countries included in the study, 46 countries followed the above definition for the MSME sector. Out of the other definitions a few of the common ones were based on the number of employees differentiated by industry, annual turnover, and investment.

Indicator	Micro Enterprise	Small Enterprise	Medium Enterprise
Employees	<10	10<50	50<300
Total Assets	<\$100,000	\$100,000<\$3 million	\$3 million < \$15 million
Total Annual Sales	<\$100 000	\$100,000<\$3 million	\$3 million < \$15 million

Source: IFC

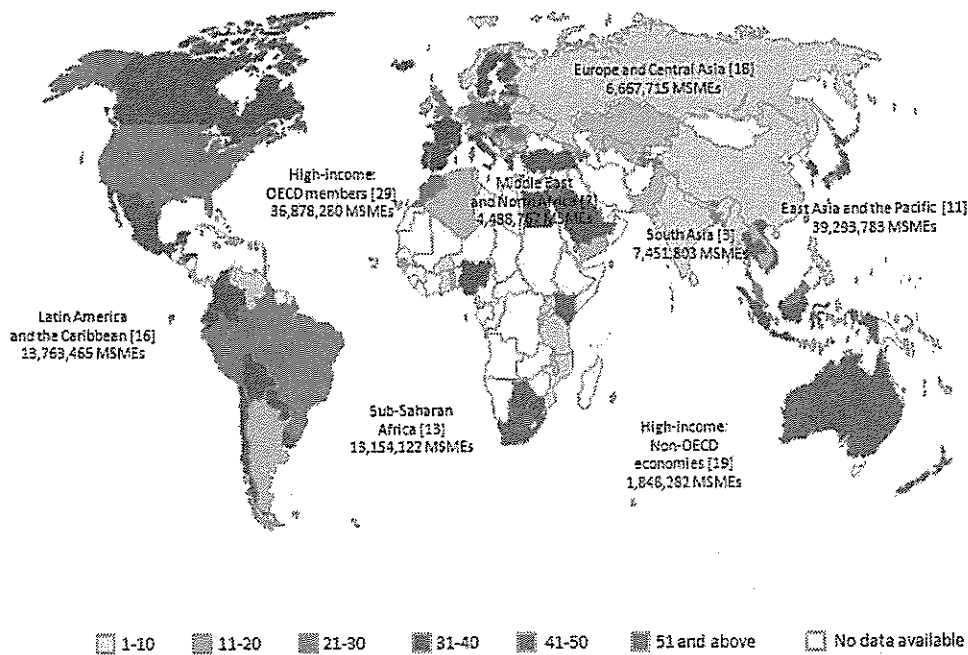
MSME growth by region



Global MSME scenario

MSMEs play a significant role in the global economy as well, with maximum Revenue and Employment generation growth coming from them, particularly in emerging economies. According to a report by International Finance Corporation (IFC) that conducted a study of 132 countries, there is an estimated number of 125 million MSMEs with an estimated 85 million in emerging economies. A depiction of MSME density across the world has been provided below. On an average there tend to be about 31 MSMEs per 1000 people across the world, with 5 countries having maximum density, Brunei Darussalam (122), Indonesia (100), Paraguay (95), the Czech Republic (85), and Ecuador (84). The regional density of MSMEs is in line with income level distribution, with Sub-Saharan African and OECD countries being on the opposite ends of the spectrum; however Latin America and the Caribbean have a higher density than OECD countries. Globally MSMEs had grown by 6% from the year 2000-2009, with Europe and Central Asia experiencing a growth of 15%.

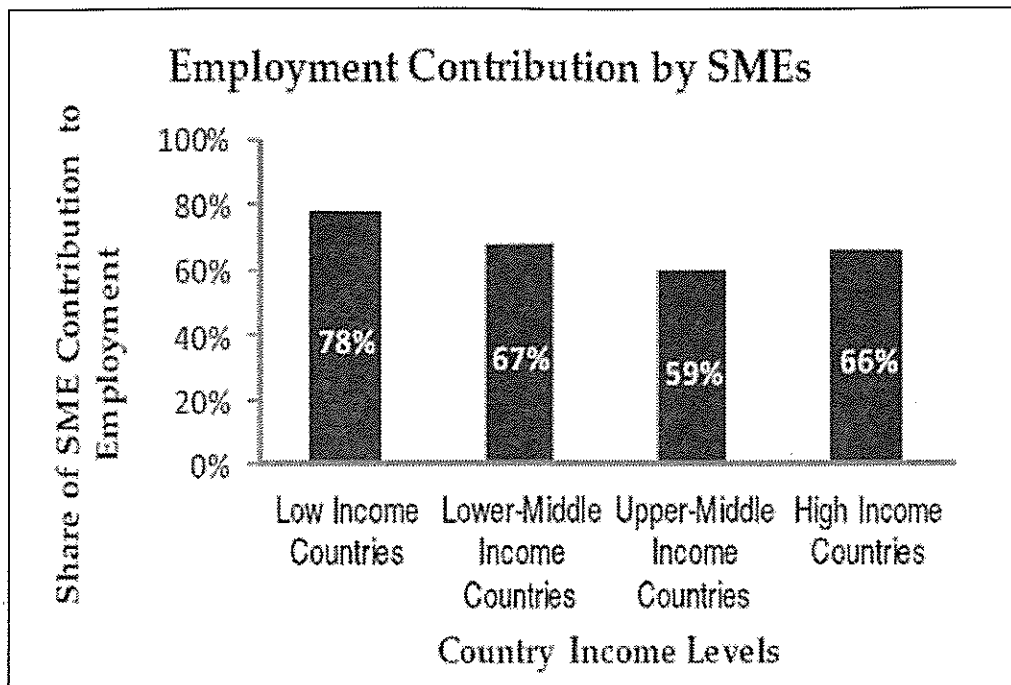
MSME density across the world



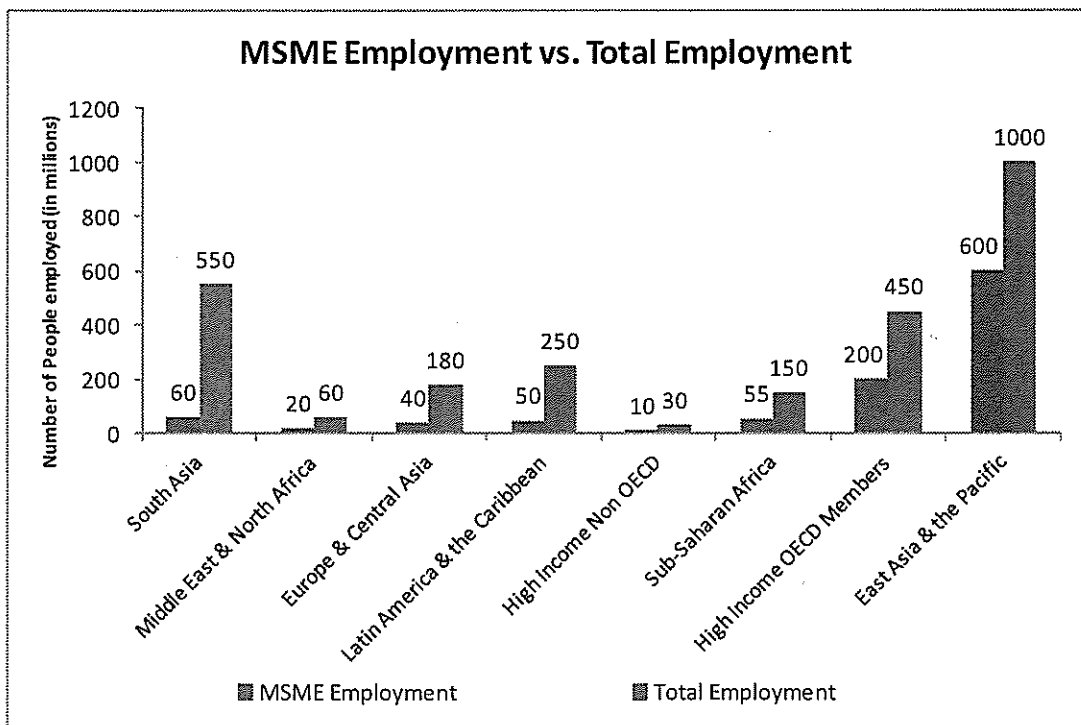
Source: IFC, MSME country indicators

Employment generation is another key aspect of MSMEs globally, which is in line with the Indian scenario. MSMEs are the largest employment generators globally, with MSMEs in higher income economies employing a higher percentage of the workforce in a country. In half of the high income economies, formal MSMEs employed at least 45% of the workforce, compared to only 27% in lower-income economies, this further highlights the importance of MSMEs to economic development and job creation. Globally MSMEs employ one-third of the working population. East Asia and the Pacific have the highest ratio of MSME employment to total employment with percentage in China being as high as 80%, therefore, highlighting the importance of MSMEs to the global economy and their importance in terms of the role they play in the GVC.

Figure 4 - Employment contribution



MSME Employment

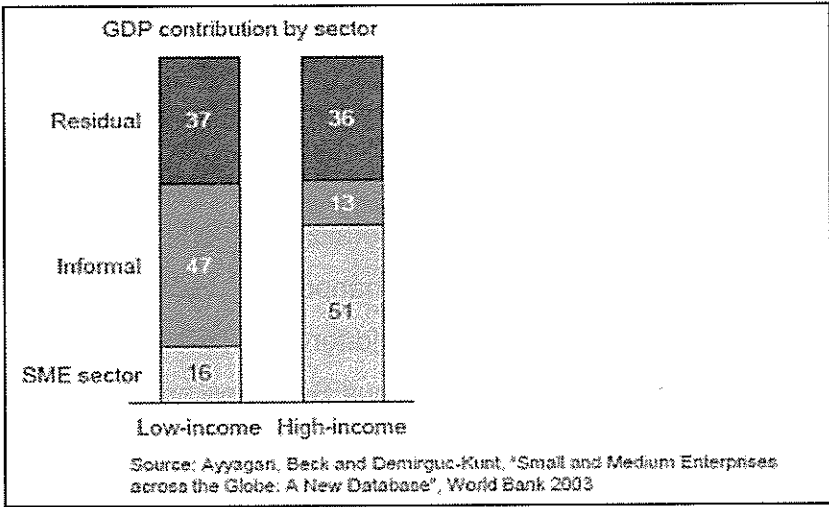


IMPLICATIONS OF SME GROWTH FOR DOMESTIC ECONOMIC DEVELOPMENT

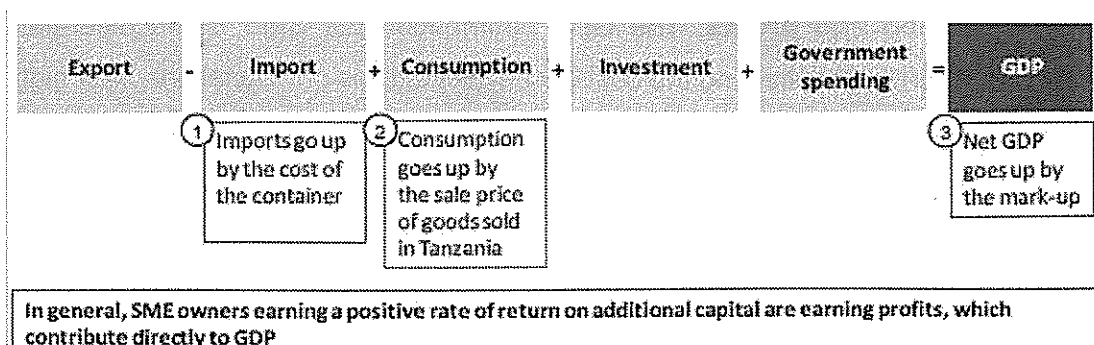
Increased SME growth has a direct effect on GDP growth due to increased output, value add and profits. The GDP contribution per SME is the difference between the return on capital and the cost of capital. Returns on capital are often high, with different datasets showing ranges up to 20-30% a month (for the most capital-strained firms), which is considerably higher than typical interest rates.

SME growth also impacts GDP indirectly, through increased innovation and macro-economic resilience of the overall economy. Every year new SMEs enter the market, representing 5 to 20% of the existing number of firms. Smaller firms are often the most dynamic and innovative, and can be a test ground for new business ideas. Although nearly half of all start-ups will fail within 5 years, a few of them will grow to become large firms, and replace incumbents. This process yields positive structural changes to the economy, can lead to large productivity gains, and is shown to be linked to GDP growth.

Finally, a stronger SME sector can bolster a country’s resilience by broadening and diversifying the domestic economy, thereby reducing the vulnerability to sector-specific shocks and fluctuations in international private capital flows.



SME contribution to GDP growth



INTERNATIONAL COOPERATION

Worldwide, the MSMEs have been accepted as the engine of economic growth for promoting equitable development. As per the available statistics (4th Census of MSME sector), this sector employs an estimated 59.7 million persons spread over 26.1 million enterprises in the country. It is estimated that in terms of value, MSME sector accounts for about 45% of the manufacturing output and around 40% of the total exports of the country. MSMEs play an important role in export promotion of the country. To maintain its niche in the international and global market, MSMEs are required to remain globally competitive. They have to continuously update themselves to meet the challenges emerging out of changes in technology, changes in demands, emergence of new markets, etc. In recent years, the MSME sector has consistently registered higher growth rate compared to the overall industrial sector. With its agility and dynamism, the sector has shown admirable innovativeness and adaptability to survive the recent economic downturn and recession. However, MSMEs have been facing great challenge in the era of globalization and liberalization. With its consistent growth performance and abundant high skilled manpower, India provides enormous opportunities for investment, both domestic and foreign. To exploit this potential, M/o MSME and its organisations, through its various Schemes and Programmes, are providing support to the Indian MSME sector, by giving them exposure of the international market; foreign technology; sharing of experiences and

best management practices in the international arena. In continuation of this endeavour, M/o MSME has entered into long term agreements (Memorandum of

Understanding/Joint Action Plan) with 15 countries viz., Tunisia, Romania, Rwanda, Mexico, Uzbekistan, Lesotho, Sri Lanka, Algeria, Sudan, Cote d'Ivoire, Egypt, Republic of South Korea, Mozambique, Botswana and Indonesia. In addition to this, the various organisations under this Ministry have also been maintaining close interaction with their counterparts in the foreign countries for the development of Indian MSMEs. The National Small Industries Corporation (NSIC) Ltd., a public sector enterprise under this Ministry has entered into long term agreement with partner institutions/ organisations in 24 different countries. In view of M/o MSME's long experience of over half a decade in the policy, programme and implementation of the schemes in the MSME sector, many of the developing economies of Asia and Africa seek guidance from it and /or its organisations. The organisations of the M/o MSME have provided consultancy services and also assisted in setting up of different projects, in the Afro-Asian countries.

INTERNATIONAL COOPERATION SCHEME: International Cooperation (IC) Scheme, being implemented by M/o MSME, is an ongoing Scheme of the Ninth Plan (under implementation since 1996), which was continued in the Eleventh Plan (2007-2012), with an outlay of Rs. 1000.00 lakh for the year 2011-12. During the Twelfth Plan (2012-13 to 2016-17) an outlay of Rs. 54.00 crore has been proposed. For the Annual Plan 2012-13, a provision of Rs. 4.00 crore has been earmarked. Technology infusion and/or upgradation of Indian micro, small and medium enterprises (MSMEs), their modernisation and promotion of their exports are the principal objectives of assistance under the Scheme.

The Scheme encompasses the following activities:

- 1) Deputation of MSME business delegations to other countries for exploring new areas of technology infusion/upgradation, facilitating joint ventures, improving the market of MSMEs products, foreign collaborations, etc.
- 2) Participation by Indian MSMEs in international exhibitions, trade fairs and buyer-seller meets in foreign countries as well as in India, in which there is international participation.
- 3) Holding international conferences and seminars on topics and themes of interest to the MSMEs.

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- 4) World Economic Forum (2012)
- 5) Dalberg SME briefing paper
- 6) General review study of SME clusters in India done by United Nations Industrial Development Organization
- 7) ICRA Limited & CII Avantha Centre for Competitiveness

* * * * *



10th Edition of
GLOBAL INDIA MSME SUMMIT
Building Innovative, Knowledge-Led Global MSMEs in Engineering & Manufacturing Sectors
9-10 October 2013: Eros Hilton Hotel, Nehru Place, New Delhi

CII Initiatives for development of the MSME Sector

CII – Transforming MSME Landscape

Confederation of Indian Industry (CII) is the most definitive voice of Indian micro, small and medium enterprises (MSME) sector. CII through its National MSME Council monitors the emerging needs of Indian MSMEs cutting across industries, and represents the sector in discussions and dialogue with Central and State Governments on key policy matters.

CII works closely with the Ministry of Micro, Small & Medium Enterprises, Government of India, and various Central and State Government Ministries / Departments in formulating schemes and programmes that help Indian MSMEs move up the value chain and become globally competitive in their respective industries. CII also plays a key part in the implementation of such schemes and programmes.

In the wake of economic liberalization and globalization, CII took the lead in building institutions, systems and processes that help the MSMEs become more innovative, market-oriented, and customer-focused. In preparing these enterprises for the future, CII also plays a key role in globalizing Indian MSMEs. Today, Indian MSMEs are foraying into new and emerging markets, and establishing their footprint in different geographies through collaborative arrangements. At the same time, global investors are taking keen interest in promising areas within the Indian MSME domain.

The focus areas of CII National MSME Council are:

- **Policy advocacy:** The Council monitors the needs and aspirations of MSMEs through its national, zonal, regional and sub-regional offices, holds periodic meetings with the member enterprises, and represents the sector's interests with Central and State Governments. These efforts are directed giving MSMEs easy access to (i) timely credit and finance, (ii) new technologies, and (iii) domestic and international markets. In addition, CII is in the forefront to boost MSME manufacturing growth and engineering exports.

- **Capacity Building:** The Council partners various international, national and state level organizations in conducting capacity building programmes that benefit Indian MSMEs. CII is working with National Manufacturing Competitiveness Council (NMCC) and Japan International Cooperation Agency (JICA) to execute the “1000 VSME Programme”. The CII Avantha Centre of Excellence for Competitiveness provides consultancy and advisory services to enhance competitiveness of Indian SMEs.
- **Global Partnerships:** CII plays a key part in strengthening Indian MSMEs’ global thrust. CII organizes MSME delegate visits to different countries, mounts MSME missions, holds international MSME delegations, and conducts conferences, seminars and workshops that attract high level participation from different countries. The annual India Global Summit on MSMEs, organized by CII, is the most powerful platforms for Indian and overseas MSMEs to discuss and identify cross-border partnerships.
- **Skill Development:** CII is deeply engaged with apex bodies like the National Skill Development Corporation in building a large skill base for Indian manufacturing sector. MSME manufacturing firms benefit immensely from these initiatives.
- **Information & Communication:** CII keeps members abreast of the latest developments in the business arena. MSME members can access up-to-date business information from CII’s knowledge portal mycii.in. CII also publishes MSME-focused reports, white papers and a bi-monthly journal titled ‘MSME Business’.

CII has led many cluster development initiatives in the country, and is a key advocate of lean manufacturing.

Today, as Indian MSMEs look to become world leaders in their respective areas, CII has introduced the CII GTC-100 Programme that is helping micro, small and medium enterprises grow out of their respective categories.

* * * * *



Confederation of Indian Industry



Ministry of Micro, Small & Medium Enterprises
Government of India



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1st Floor, 132 Dr Annie Besant Road
Worli, Mumbai - 400 018
Tel : 022-24931790 / 24964792
Fax : 022-24945831 / 24939463
Email : umesh.chande@cii.in

ZONAL / DISTRICT OFFICES**EASTERN REGION**

Balasure (Orissa)
Sahadevkhunta (Near Hotel Suraj)
Balasure - 756 001
Telefax: 06782-267689
Mobile : 07381304185
Email : srikant.viswanath@cii.in

Haldia (West Bengal)

D 3/8 Swati Housing Complex
Hatiberia, Purba Midnapore
Haldia - 721 607
Tel : 03224-263656
Fax : 03224-263642
Email : p.ghosh@cii.in

Jamshedpur (Jharkhand)

Room No. 7 & 8,
Centre for Excellence
Jubilee Road, Jamshedpur - 831 001
Tel : 0657-2225213 / 2232637
Fax : 0657-2225213

Siliguri

Malhotra Tower, 5th Floor
Pradhan Nagar - Hill Cart Road
Siliguri - 734 403
Telefax: 0353-2511766
Email : laxmi.kaushal@cii.in

NORTHERN REGION

Amritsar (Punjab)
SCO No 32, Pal Plaza
District Shopping Centre Ranjit Avenue
Amritsar - 143 001 (Punjab)
Tel : 0183-5061607
Email : cii.punjab@cii.in

Ludhiana (Punjab)

C/o Majestic Auto Ltd
C-48, Focal Point, Phase IV,
Ludhiana - 141 010 (Punjab)
Tel : 0161- 5029834 / 2676241
Fax : 0161-2676241
Email : cii.punjab@cii.in

Noida (Uttar Pradesh)

CMA Tower, A-2-E,
Mezzanine Floor, Sector 24,
Noida - 201 301 (Uttar Pradesh)
Tel : 0120-4345972-4
Fax : 0120-4345970
Email : cii.noida@cii.in

Shimla (Himachal Pradesh)

Room No 105, Directorate of Industries,
Udyog Bhawan, Bemloe
Shimla - 171 002 (Himachal Pradesh)
Telefax: 0177-2654323
Email : cii.hp@cii.in

Srinagar (Jammu & Kashmir)

House No 318, MIG Colony
SDA, Bemina
Srinagar
Jammu & Kashmir
Tel : 09906746669
Email : cii.jk@cii.in

SOUTHERN REGION

Chennai (Tamil Nadu)
98/1, Velacherry Main Road
Guindy, Chennai - 600 032
Tel : 044-42444516
Fax : 044-42444510
Email : cii.chennaizone@cii.in

Coimbatore (Tamil Nadu)

Unit No: B - 3A - 1, "Elysium Central"
Opposite to Indian Bank,
Near Carmel Garden School
Puliakulam Main Road
Coimbatore - 641045
Tel : 0422 4044555 (30 Lines)
Email : cii.coimbatore@cii.in
ciiibe@airtelmail.in

Erode (Tamil Nadu)

79, State Bank Road,
Erode - 638 001
Tel : 0424-4272460
Email : cii.eroode@airtelmail.in

Madurai (Tamil Nadu)

Plot No 518, 1st Floor
4th Main Road, K K Nagar
Madurai - 625 020
Tel : 0452-4391434 / 2522 743
Telefax: 0452-2521705
Email : cii.mdu@airtelmail.in
ciiamadurai@cii.in

Mysore (Karnataka)

113 Ground Floor,
Ground Floor, 8th Main,
Jayalakshimpuram,
Mysore - 570 012
Tel : 0821-2516319 / 2517003
Fax : 0821-2515513
Email : cii.mys@airtelmail.in

Salem (Tamil Nadu)

"Royal Towers", II Floor
185/2 New Bus Stand Road
Meyyanoor
Salem 636004
Email : cii.salem@cii.in

Thiruvananthapuram (Kerala)

No. 2 Golf Links Road,
Kowdiar
Thiruvananthapuram 695 003
Tel : 0471-3003995
Fax : 0471-2438922
Email : solomon@cii.in

Thoothukudi (Tamil Nadu)

106 J / 30, First Street,
Millerpuram
Thoothukudi - 628 008
Tel/Fax: 0461-2312177
Email : ciithoothukudi@cii.in

Trichy (Tamil Nadu)

6A Lawsons Road
3rd Floor, GVR Complex,
Cantonment,
Trichy - 620 001
Tel : 0431-2410641 / 4000641
Fax : 0431-2410655
Email : ciitry@airtelmail.in

Vijayawada (Andhra Pradesh)

IV-Floor, D.No.40-15-9/3,
Nandamuri Road, Brindavan Colony,
Lane Beside Grand Chandana,
Labbipet, Vijayawada - 520 010
Email : cii.vijaywada@cii.in

Visakhapatnam (Andhra Pradesh)

Flat No. 3A, 4th Floor,
Rednam Alcazar
10-12-01, Rednam Gardens
Opp. SBI Main Branch
Visakhapatnam - 530 002
Tel/Fax: 0891-255 5535
Email : cii.vizag@cii.in

WESTERN REGION

Aurangabad (Maharashtra)
C/o Endress + Hauser Flowtec
(India) Pvt. Ltd.
M-171/176 MIDC, Waluj
Aurangabad 431 136
Tel : 0240-2563 600
Email : amol.mohite@cii.in

Bhavnagar (Gujarat)

C/o Steelcast Ltd.
Ruvapari Road,
Bhavnagar - 364 005
Tel : 0278-2519062
Fax : 0278-2420589
Email : manish.naiya@cii.in

Chhindwara (Madhya Pradesh)

CII Skills Training Centre
Betul Road, Imlikheda Crossing,
Chhindwara - 480 001
Tel : 07162 - 321 577 / 321 977
Email : info.stc@cii.in

Gwalior (Madhya Pradesh)

C/o SRF Ltd
Industrial Area,
Malanpur - 477 116
Tel : 07539-409228
Fax : 07539-283059
Email : sudhanshu.johri@cii.in

Indore (Madhya Pradesh)
402, Sapphire Twins
Scheme No. 54, 16, A B Road
Indore - 452 010
Tel : 0731-4009061 / 4041694
Fax : 0731-4040390
Email : ciimalwa@cii.in

Nashik (Maharashtra)
Sahakar Sampada
MICO Employees Co-op.
Credit Society Building
G-32, MIDC,
Trimbak Road,
Satpur,
Nashik - 422 007
Telefax: 0253-2360226
Email : keith.roberts@cii.in

Pune (Maharashtra)
Office D, 10th Floor,
Godrej Eternia-C, 'B' Wing
3, Off Mumbai Pune Highway
Wakdewadi, Shivajinagar
Pune - 411 005
Tel : 020-66075800-01
Fax : 020-66075822
Email : ciipune@cii.in

Rajkot (Gujarat)
C/o Hem Engineering & Marine Services
217, Panchanath Commercial Center
Dr Rajendra Prasad Road
Harihar Chowk,
Rajkot - 360 001
Tel : 0281-3053357
Email : jayesh.parekh@cii.in

Surat (Gujarat)
C/o Sanghavi Exports
International Pvt .Ltd.
Light House, Near Sanghavi Diamond,
Ved Road, Surat - 395 002
Tel : 0261-3939516
Email : ciisurat@cii.in

Vadodara (Gujarat)
201-203, Abhishek Complex
Akshar Chowk, Old Padra Road
Vadodara - 390 020
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Email : ciivadodara@cii.in

OVERSEAS OFFICES

Australia (CII Representative Office)
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China
Room No 11-A 47/49, Shanghai Mart
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5, Aziz Abaza Street, Zamlek
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C/o Confederation of British Industry (CBI)
Centre Point,
103 New Oxford Street
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附件五

照片集



經濟部中小企業處林副處長美雪(左一)於高峰會發表專題演講



經濟部中小企業處林副處長美雪於高峰會發表專題演講