



International MSMEs Day

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Why in News

Every year, **Micro, Small and Medium-sized Enterprises (MSMEs) Day** is celebrated on **27th June** to recognise the **contribution of these industries** in the implementation of the **Sustainable Development Goals (SDGs)**.

Key Points

- **History:**
 - The **United Nations (UN)** designated **27th June** as **Micro, Small and Medium-sized Enterprises Day** through a **resolution** passed in the **UN General Assembly** in April 2017.
 - In May 2017, a program titled '**Enhancing National Capacities for Unleashing Full Potentials of MSMEs in Achieving the SDGs in Developing Countries**' was launched.
 - It has been funded by the 2030 Agenda for **Sustainable Development Sub-Fund of the United Nations Peace and Development Fund**.
- **Significance:**
 - The **UN** wants **countries to recognise sustainable development goals** and **create awareness** about them.

An **International Trade Centre survey** on **Covid-19 impact** among businesses in 136 countries has shown that **nearly 62% of women-led small businesses** have been strongly affected by the crisis, compared to just over half of firms led by men, and **women-owned are 27% more likely not to survive** the pandemic.
 - **Formal and informal MSMEs** make up over **90% of all firms and account**, on average, for **70% of total employment** and **50% of GDP**. As such, they are key actors in achieving a green recovery.
- **2021 Theme:**

MSME 2021: Key to an inclusive and sustainable recovery.
- **Role of MSMEs in Indian Economy:**
 - They are the growth accelerators of the Indian economy, contributing about **30% of the country's gross domestic product (GDP)**.
 - In terms of **exports**, they are an integral part of the **supply chain and contribute about 48% of the overall exports**.
 - MSMEs also play an **important role in employment generation**, as they employ about **110 million people across the country**.

Interestingly, MSMEs are intertwined with the rural economy as well, as more than half of the MSMEs operate in rural India.

What's MSME

Revised Classification applicable w.e.f 1st July 2020			
Composite Criteria: Investment in Plant & Machinery/equipment and Annual Turnover			
Classification	Micro	Small	Medium
Manufacturing Enterprises and Enterprises rendering Services	Investment in Plant and Machinery or Equipment: Not more than Rs.1 crore and Annual Turnover ; not more than Rs. 5 crore	Investment in Plant and Machinery or Equipment: Not more than Rs.10 crore and Annual Turnover ; not more than Rs. 50 crore	Investment in Plant and Machinery or Equipment: Not more than Rs.50 crore and Annual Turnover ; not more than Rs. 250 crore

Initiatives to Promote MSME Sector

- The Ministry of Micro, Small & Medium Enterprises (M/o MSME) envisions a vibrant MSME sector by promoting growth and development of the MSME Sector, including Khadi, Village and Coir Industries.
- The **Micro; Small and Medium Enterprises Development (MSMED) Act was notified in 2006** to address policy issues affecting MSMEs as well as the coverage and investment ceiling of the sector.
- **Prime Minister's Employment Generation programme (PMEGP)**: It is a **credit linked subsidy scheme**, for setting up of **new micro-enterprises** and to **generate employment** opportunities in **rural as well as urban areas of the country**.
- **Scheme of Fund for Regeneration of Traditional Industries (SFURTI)**: It aims to properly organize the **artisans and the traditional industries** into clusters and thus provide **financial assistance** to make them competitive in today's market scenario.
- **A Scheme for Promoting Innovation, Rural Industry & Entrepreneurship (ASPIRE)**: The scheme promotes innovation & rural entrepreneurship through rural Livelihood Business Incubator (LBI), Technology Business Incubator (TBI) and Fund of Funds for start-up creation in the agro-based industry.
- **Interest Subvention Scheme for Incremental Credit to MSMEs**: It was introduced by the **Reserve Bank of India** wherein **relief is provided upto 2% of interest** to all the **legal MSMEs on their outstanding fresh/incremental term loan/working capital** during the period of its validity.
- **Credit Guarantee Scheme for Micro and Small Enterprises**: Launched to facilitate easy flow of credit, guarantee cover is provided for collateral free credit extended to MSMEs.
- **Micro and Small Enterprises Cluster Development Programme (MSE-CDP)**: It aims to enhance the productivity and competitiveness as well as capacity building of MSEs.
- **Credit Linked Capital Subsidy and Technology Upgradation Scheme (CLCS-TUS)**: CLCSS aims at **facilitating technology upgradation of Micro and Small Enterprises (MSEs)** by providing **15% capital subsidy for purchase of plant & machinery**.
- **CHAMPIONS portal**: It aims to assist **Indian MSMEs** march into the big league as **National and Global CHAMPIONS** by solving their grievances and encouraging, supporting, helping and hand holding them.
- **MSME Samadhan**: It enables them to directly register their cases about delayed payments by Central Ministries/Departments/CPSEs/State Governments.
- **Udyam Registrations Portal**: This new portal assists the government in **aggregating the data on the number of MSMEs in the country**.
- **MSME SAMBANDH**: It is a **Public Procurement Portal**. It was launched to monitor the implementation of the Public Procurement from MSEs by Central Public Sector Enterprises.

Source: HT