



MSME Sector Growth Declines in MP

Why in News?

The growth of the [MSME sector](#) in Madhya Pradesh has seen a decline over the past two years, with **fewer registrations and increased shutdowns**, highlighting challenges for the state's economic development.

Key Points

- **Decline in MSME Registrations:** According to the Union Government's data, MSME registrations in Madhya Pradesh under the [Udyam Registration Portal \(URP\)](#) decreased in 2024-25 compared to the previous year.
 - In 2024-25, a total of **231,164 MSMEs** were registered in MP, a decline from **249,009** registrations in 2023-24.
 - This reduction **marks a downward trend** in the growth of new MSMEs in the state.
- **Increased Shutdowns and De-registrations:** The number of MSMEs shutting down in MP has also risen sharply.
 - In 2024-25, **1,961 MSMEs** were de-registered due to shutdowns, compared to just **552** in 2023-24.
- **Sector-Wise Decline:** The widespread decline across manufacturing, services, and trading **indicates systemic challenges** impacting various industries in the state, necessitating targeted interventions.
- **Reasons:** The Union Government has cited reasons for the deregistration of MSMEs, including changes in ownership, business location, and other operational factors.
- **Government's Response and Initiatives:**
 - **Madhya Pradesh MSME Development Policy 2025:** This policy aims to bolster the growth of MSMEs by providing a conducive environment for business operations, with a focus on enhancing productivity and innovation.
 - **Chief Minister's Vision for MSMEs:** On [International MSME Day](#) (27 June), the Chief Minister highlighted MSMEs' vital role in shaping MP's socio-economic future, with a vision to provide self-employment or employment for **at least one family member** in every household.

Udyam Registration Portal (URP) and Udyam Assist Platform (UAP)

- To address registration challenges, the Ministry of MSME launched the **Udyam Registration Portal (URP)** on 1st July 2020, aimed at simplifying the process for MSMEs.
 - Facilitates ease of registration for MSMEs, making them eligible for government benefits, including participation in government procurement and access to schemes and subsidies.
- The **Udyam Assist Platform (UAP)** was introduced on 11th January 2023 to assist **informal micro-enterprises (IMEs)** in registering, especially those exempt from [GST](#) and lacking a PAN.
 - Supports IMEs by providing a platform for them to register and gain access to similar benefits, thus enhancing the **ease of doing business**.

