



‘Udyami Bharat – MSME Day 2024’

Over 4.63 Crore Enterprises Registered, Udyam Portal Transforms MSME Landscape

(Ministry of Micro, Small & Medium Enterprises)

June 26, 2024

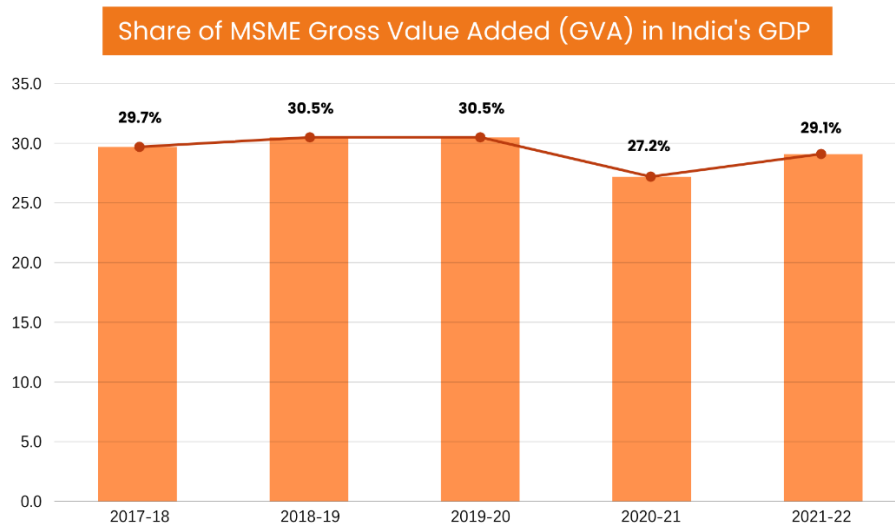
Introduction

Micro, Small, and Medium Enterprises (MSMEs) play a crucial role in the global economy, accounting for 90% of businesses, 60 to 70% of employment, and 50% of GDP worldwide, according to the United Nations. These enterprises are the backbone of societies everywhere, contributing significantly to local and national economies and sustaining livelihoods, particularly among the working poor, women, youth, and vulnerable groups. Recognizing their importance, the Ministry of MSME in India will celebrate 'Udyami Bharat – MSME Day' on June 27, 2024.

In India, the MSME sector is a vibrant and dynamic part of the economy, fostering entrepreneurship and generating self-employment opportunities at a comparatively lower capital cost, second only to agriculture. The Ministry of MSME, Government of India, promotes the growth and development of this sector through various schemes and programs. These initiatives encompass credit support, technological assistance, infrastructure development, skill development and training, enhancing competitiveness, and market assistance.

Achievements of MSMEs

The MSME sector in India has demonstrated remarkable resilience and adaptability, contributing significantly to the country's GDP over the years. The share of MSME Gross Value Added (GVA) in India's GDP stood at 29.7% in 2017-18, increasing to 30.5% in both 2018-19 and 2019-20. Despite the challenges posed by the pandemic, MSMEs managed to sustain a contribution of 27.2% in 2020-21, which rose again to 29.1% in 2021-22. These figures underscore the sector's crucial role in driving economic growth and stability.



Government Initiatives for MSMEs

The Government of India has implemented a robust array of initiatives aimed at bolstering the Micro, Small, and Medium Enterprises (MSME) sector, recognizing its pivotal role in the economy. These efforts range from financial support and procurement policies to capacity building and market integration. Key initiatives include the Udyam Registration Portal, PM Vishwakarma scheme, PMEGP, SFURTI, and the Public Procurement Policy for MSEs, all aimed at fostering entrepreneurship, enhancing employment, and integrating informal sectors into the formal economy. These initiatives reflect the government's commitment to supporting MSMEs and driving inclusive economic growth nationwide.

PM Vishwakarma

The 'PM Vishwakarma' scheme, launched by the Government of India, aims to enhance the quality and reach of products and services by artisans and craftspeople, integrating them into domestic and global value chains. Announced in the 2023-24 Budget and launched on September 17, 2023, this scheme seeks to provide comprehensive support to Vishwakarmas, improving their socio-economic status and quality of life.

PM Vishwakarma is fully funded by the Government of India with an initial outlay of Rs. 13,000 crores for 2023-24 to 2027-28.

As of June 25, 2023, the PM Vishwakarma scheme has achieved significant milestones, with over 2.22 crore applications submitted and 13.15 lakh applications successfully registered. Registered applicants will undergo a 5-day 'Basic Training' program, and those opting for credit support will receive collateral-free credit. These accomplishments highlight the scheme's early success in empowering artisans and craftspeople nationwide.

Udyam Registration Portal

The Udyam Registration Portal was launched on July 1, 2020 to facilitate registration for existing enterprises across the country. Enterprises previously registered under the erstwhile Udyog Aadhaar Memorandum and Entrepreneurship Memorandum-II are also encouraged to migrate to the new Udyam Registration system. This online portal is free of cost, paperless, and based on self-declaration, eliminating the need for document uploads.

Moreover, on November 11, 2023, the Government introduced the Udyam Assist Platform to integrate informal micro-enterprises into the formal sector. This initiative aims to enable these enterprises to access benefits under Priority Sector Lending, thereby enhancing their growth and sustainability.

Moreover, the total number of registered MSMEs on Udyam Portal is an impressive 4,63,36,385, with the vast majority being classified as micro-enterprises. The sector's classification is detailed in the table below:

Udyam Registration Portal - At A Glance



Total Registration
4.63 Crore

Total Classified
4.62 Crore


Micro
4.55 Crore


Small
7.07 Lakh


Medium
67.4 K

*As of June 25, 2024

Total Employment Generated - 20.01 Crore

Source: <https://udyamregistration.gov.in/Government-India/Ministry-MSME-registration.htm>

In addition to their economic contributions, MSMEs have generated substantial employment opportunities, providing jobs for over 20 crore individuals. This extensive employment generation highlights the sector's role in not only fostering economic development but also in enhancing social stability by offering livelihoods to millions across the country.

Prime Minister's Employment Generation Programme (PMEGP)

Prime Minister's Employment Generation Programme (PMEGP) is a credit linked subsidy scheme for providing employment opportunities through establishment of micro-enterprises in the non-farm sector. Under the Scheme, Margin Money (Subsidy) is provided to beneficiaries availing loan from banks for setting up new enterprises. The maximum project cost admissible for setting up of new project is Rs. 50 lakhs in manufacturing sector and Rs. 20 lakhs in Service Sector

Subsidies under PMEGP vary by category:

- ❖ Special Categories, including SC, ST, OBC, Minorities, Women, Ex-Servicemen, Transgenders, Differently-abled individuals, NER, Aspirational Districts, and Hill and Border areas, are eligible for a subsidy of 25% in urban areas and 35% in rural areas
- ❖ General Category applicants are eligible for a subsidy of 15% in urban areas and 25% in rural areas.

In a notable development, units in Aspirational Districts and Transgenders have been included in the Special Category. Additionally, geo-tagging of PMEGP units has been initiated to capture details of the products and services offered by these units and to create market linkages

for them. Furthermore, prospective entrepreneurs receive free 2-day Entrepreneurship Development Programme (EDP) training to equip them with the necessary skills and knowledge to succeed.

In the year 2023-24 alone, PMEGP facilitated the establishment of 22,050 projects. The total subsidy extended amounted to Rs. 900.23 crores, creating employment opportunities for 1,76,400 individuals. These achievements highlight the scheme's significant impact on fostering entrepreneurship and generating employment across the country.

Scheme of Fund for Regeneration of Traditional Industries (SFURTI)

The Scheme was launched in 2005-06 and aims towards organizing traditional artisans into collectives/clusters for product development and diversification through value addition and to promote traditional sectors and increase income of artisans in a sustainable manner. The scheme was revamped in 2014-15.

The main objective of the scheme is to organize the artisans and traditional industries into clusters for better competitiveness, for enhancing employment opportunities and to increase marketability of products of such clusters.

Achievements:

- ❖ Since 2014-15, the Scheme of Fund for Regeneration of Traditional Industries (SFURTI) has approved 513 clusters.
- ❖ A grant of Rs 1336.10 crore has been extended.
- ❖ The scheme has benefitted 2,98,580 artisans through employment opportunities.

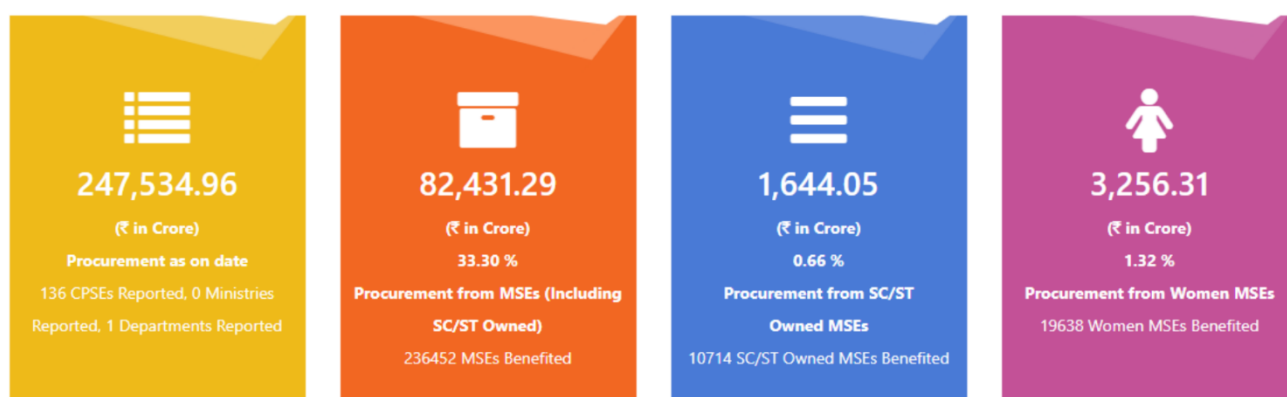
Public Procurement Policy for Micro and Small Enterprises

The Ministry of MSME, Government of India notified the Public Procurement Policy for Micro and Small Enterprises (MSEs), Order, 2012, which mandates 25%, including 4% from MSEs owned by SC/ST and 3% from MSEs owned by Women entrepreneurs. A total of 358 items are reserved for exclusive procurement from MSEs.

Achievements:

- ❖ In 2023-24, Central Ministries/Departments/Central Public Sector Enterprises (CPSEs) and departments procured a total of Rs. 82,431 crore (33.30%) from MSEs.
- ❖ A total of 2,36,452 MSEs benefitted from this procurement.

Annual Procurement from MSEs by CPSEs



Year: 2023-24

India International Trade Fair (IITF), 2023

Hon'ble Minister of MSME inaugurated "MSME pavilion" under the theme "PM Vishwakarma" at 42nd India International Trade Fair (IITF), 2023 held during 14th to 27th, November, 2023. 195 stalls were allocated to Micro and Small Enterprises (MSEs), with participation from 29 States/UTs. More than 85% of stalls were allocated to first time participants. Stalls were allocated free of cost to women, SC/ST, NER, Aspirational District beneficiaries.

Representation of Women entrepreneurs, SC/ST entrepreneurs and enterprises from Aspirational districts in the event was as below:

Category	Representation in terms of number	Representation in terms of percentage
Women entrepreneurs	132	67%
Enterprises from SC/ST category	110	56%
Enterprises from Aspirational districts	64	33%

Other Notable Initiatives

- ❖ Collateral free loans up to Rs. 500 lakhs (from April 1, 2023) with guarantee coverage up to 85% through CGTMSE.
- ❖ Rs. 50,000 crore equity infusion through Self Reliant India Fund, including a Rs. 10,000 crore corpus from the Government of India.
- ❖ Exemption from global tenders for procurement up to Rs. 200 crores.
- ❖ Roll out of Raising and Accelerating MSME Performance (RAMP) programme with a Rs. 6,000 crores outlay over 5 years.
- ❖ Integration of Udyam Portal with the National Career Service (NCS) to enable registered MSMEs to search for jobseekers.
- ❖ Relief under Vivad se Vishwas – I, including a refund of 95% of performance security, bid security, and liquidated damages for MSMEs, and relief for debarred MSMEs due to contract execution defaults.
- ❖ Samadhaan Portal introduced from October 30, 2017 for monitoring outstanding dues to MSEs from buyers of goods and services.

Conclusion

As India prepares to celebrate 'Udyami Bharat – MSME Day' on June 27, 2024, the achievements and initiatives outlined underscore the pivotal role of Micro, Small, and Medium Enterprises (MSMEs) in the nation's economic landscape. From nurturing entrepreneurship and generating employment to integrating traditional artisans and micro-enterprises into the formal economy, the government's initiatives such as PM Vishwakarma, PMEGP, SFURTI, and the Udyam Registration Portal have been instrumental. The significant strides in procurement policies, equity infusion, and relief measures further exemplify India's commitment to nurturing a vibrant and inclusive MSME sector. As we commemorate MSME Day, it is evident that these efforts not only support economic growth but also empower diverse segments of society, ensuring sustainable livelihoods and bolstering India's journey towards self-reliance and prosperity.

References:

- ❖ <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1992842>
- ❖ <https://sansad.in/getFile/loksabhaquestions/annex/1715/AU971.pdf?source=pqals>
- ❖ <https://msme.gov.in/>
- ❖ https://sambandh.msme.gov.in/PPP_Index.aspx
- ❖ https://sambandh.msme.gov.in/PPP_Index.aspx
- ❖ <https://pmvishwakarma.gov.in/>

- ❖ <https://dashboard.msme.gov.in/sfurti.aspx>
- ❖ <https://dashboard.msme.gov.in/pmegp.aspx>
- ❖ <https://www.india.gov.in/spotlight/pradhan-mantri-vishwakarma-scheme>
- ❖ <https://www.un.org/en/observances/micro-small-medium-businesses-day>

Santosh Kumar/ Sarla Meena/ Ritu Kataria/ Saurabh Kalia