



SMEs have to be strengthened to play a bigger role in country's economic prosperity: Vice President Inaugurates 21st International Conference on Small and Medium Enterprises

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The Vice President of India, Shri M. Venkaiah Naidu has said that Small and Medium Enterprises (SMEs) have to be strengthened to play a bigger role in the country's economic prosperity. He was addressing the 21st International Conference on Small and Medium Enterprises, organized by the World Association for Small and Medium Enterprises (WASME), here today. The Union Minister for Commerce & Industry, Shri Suresh Prabhakar Prabhu, the Minister of Industry, Government of Bangladesh, Mr. Amir Hossain Amu, the Minister of Business, Enterprise and Co-operatives, Government of Mauritius, Mr. Soomilduth Bholah, the President of WASME, Mr. Alhaji Babale Umaru Girei and other dignitaries were present on the occasion.

The Vice President said that the SMEs contribute up to 45 per cent of India's GDP and employs nearly 46 crore people, which is the second largest workforce in the country after the agricultural sector, and is growing at 11.5 per cent annually. The theme of the conference - "Achieving inclusive and sustainable industrialization by promoting SMEs" was aptly chosen as climate change and global warming are stark realities affecting the people, fauna and flora all over the world, he added.

The Vice President said that in sustaining this planet and ensuring a greener future for posterity, the SMEs can play a crucial role by adopting practices that will not impact the environment and harm the present and future generations. Countries will have to strengthen their capabilities and explore new ways to solve development challenges, by involving various actors, processes and types of governance, source of finance and encouraging collaboration and cooperation across stakeholders, sectors and regions, he added.

The Vice President expressed his confidence that this global convention will serve as an important platform for various stakeholders to network, share their experiences and more importantly to highlight and emulate good practices. He further said that this conference in India has great significance for both India and other participating countries as India has achieved a remarkable improvement in "Ease of Doing Business" ranking from 130 to 100. India is also focusing on creating an ecosystem for promoting entrepreneurship SME sector, he added.

Following is the text of Vice President's address:

"I am delighted to be here to inaugurate the 21st International Conference on Small and Medium Enterprises (ICSME) organized by the World Association for Small and Medium Enterprises (WASME).

I must take this opportunity to appreciate the efforts of WASME in having successfully organized 20 such international conferences in different countries earlier.

I am happy that this year, the prestigious global conference has returned to India. It is indeed a great platform to discuss, exchange and deliberate many key initiatives taken for SME development across the world.

I also feel honored to have Mr. Soomilduth Bholah, Hon'ble Minister, Ministry of Business, Enterprise and Co-operatives, Government of Mauritius and Mr. Amir Hossain Amu, Hon'ble Minister, Ministry of Industry, Government of Bangladesh as Guests of Honour for this flagship annual event.

We know that formal SMEs contribute up to 60 per cent of total employment and up to 40 per cent of national income (GDP) in emerging economies. In India, they contribute up to 45 per cent of its GDP. The Indian SME sector employs nearly 46 crore people, which is the second largest workforce in the country after the agricultural sector, and is growing at 11.5 per cent annually.

According to estimates of the World Bank, 600 million jobs will be needed in the next 15 years to absorb the growing global workforce, mainly in Asia and Sub-Saharan Africa. In emerging markets, most formal jobs are generated by SMEs, which also create 4 out of 5 new positions. The SMEs represent the backbone of global economic activity and play a crucial role in alleviating poverty and ensuring inclusive economic growth. Apart from generating employment and wealth, SMEs play a critical role in equitable distribution of growth.

Undoubtedly, they face constraints in accessing finance and taxation issues. They are also handicapped by skill gaps, poor technology, regulatory complexities and trade barriers. The challenges faced by SMEs need to be addressed to enable them realize their full potential and play a bigger role in the country's economic prosperity.

The theme of the conference--"Achieving inclusive and sustainable industrialization by promoting SMEs" is very close to my heart. Today, climate change and global warming are stark realities affecting the people, fauna and flora all over the world. Till a few decades ago, discussions on these topics remained confined to scientific conferences as the general public either remained blissfully indifferent or were not fully aware about the disastrous consequences. But gradually people have started to realize the dangers of indiscriminate depletion of natural resources and that it cannot be business as usual. In sustaining this planet and ensuring a greener future for posterity, the SMEs can play a crucial role by adopting practices that will not impact the environment and harm the present and future generations.

I applaud WASME for this initiative as integrating the crucial agenda of SME development with Sustainable Development Goals (SDGs) is critical in addressing the challenges faced by planet earth and in chalking out a road map for the future. It is quite apparent that the policies relating to SME development will have to be centred around sustainability. No doubt, industrial growth and creating more jobs are important, but the future cannot be jeopardized for the present.

According to the United Nations, the global population is expected to cross 9 billion by 2050. Imagine the stress on natural resources and raw materials, which are being consumed faster than the rate at which they can be regenerated.

The United Nations had adopted the “2030 Agenda for Sustainable Development” in September 2015. This universal agenda has provided the base that the countries may adopt in economic, social and environmental spheres while formulating the national development strategies.

In the context of SDGs, inclusive and sustainable industrialization and SME development must be the primary development agenda of the national governments, so as to address the critical issues around economic growth, job creation, social stability, and environmental protection.

Among 17 Sustainable Development Goals and 169 targets, there are many goals that have a bearing on SME development, especially SDG 9 that is built on three pillars—infrastructure, industry and innovation—all of which are strongly connected among themselves and share the common goal of achieving socially inclusive and environmentally sustainable economic development.

Although, over the past decade, regions such as East and South Asia have made remarkable progress in achieving development goals in the areas of infrastructure, industrialization and innovation, achieving SDG9 by 2030 will require addressing a range of resource constraints, especially in the context of developing countries, vulnerable countries including the least developed countries (LDCs), Landlocked Developing Countries (LLDCs) and Small Island Developing States (SIDS).

Countries will have to strengthen their capabilities and explore new ways to solve development challenges, by involving various actors, processes and types of governance, source of finance and encouraging collaboration and cooperation across stakeholders, sectors and regions.

By adopting SDG9, in particular, the global community has committed to an industrial development paradigm that is inclusive and sustainable. It is also imperative to forge linkages with all other SDGs as regards job creation, sustainable livelihoods, SME development, better health, technology and skills development as well as food security, green technologies, environmental protection, building resilient cities and climate change mitigation.

I am sure that this global convention will serve as an important platform for various stakeholders to network, share their experiences and more importantly to highlight and emulate good practices.

I particularly feel that hosting this ICSME in India has great significance for both India and other participating countries as India has achieved a remarkable improvement in “Ease of Doing Business” ranking from 130 to 100. We are also focusing on creating an ecosystem for promoting entrepreneurship SME sector.

Once again, I appreciate WASME for this great initiative and for being at the forefront of SME development both nationally and internationally.

I wish WASME and ICSME all the success and I look forward to specific recommendations for pursuing an all inclusive, resource-efficient and sustainable development strategy.

I thank all the participants from different countries for traveling to India for ICSME and hope everyone enjoys the rich culture, heritage, food and comfortable stay during the conference.

Thank you for your kind attention.

JAI HIND!”

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