

PROCUREMENT OF GOODS AND SERVICES FROM MSMEs

Posted On: 08 AUG 2024 5:03PM by PIB Delhi

With an objective to provide marketing support to Micro and Small Enterprises (MSEs), the Ministry of MSME notified the Public Procurement Policy for Micro and Small Enterprises Order, 2012 as amended in 2018, 2021 and 2022 under the Micro, Small and Medium Enterprises Development Act, 2006, which became effective from 1st April, 2012 and mandatory with effect from 1st April, 2015. The Policy mandates 25% annual procurement from MSEs by Central Ministries/ Departments/ Central Public Sector Enterprises, including 4% from MSEs owned by SC/ST and 3% from MSEs owned by Women entrepreneurs.

The details of volume of procurement made in accordance with the Public Procurement Policy for MSEs Order, 2018 since 2019-20, year-wise are given below:

F.Y	T o t a l Procurement (Rs. in Crore)	Procurement from MSEs (Rs. in Crore)	Procurement from MSEs owned by SC/ST (Rs. in Crore)	Procurement from MSEs owned by Women (Rs. in Crore)
2019-20	131,460.68	39,037.13	691.43	393.51
2020-21	139,419.81	40,717.67	768.53	749.20
2021-22	165,383.04	53,778.58	1,302.50	1,713.27
2022-23	174,315.85	64,721.33	1,546.86	2,318.98
2023-24	195,410.13	80,015.56	1,648.51	2,967.98

(Source MSME SAMBANDH Portal as on 02.08.2024)

To enhance the procurement of goods and services from MSEs, the Ministry of MSME organises various Vendor Development Programmes in association with CPSEs/ Government Departments.

The Ministry of MSME implements a Special Credit Linked Capital Subsidy Scheme (SCLCSS) under National SC-ST Hub (NSSH) to promote setting up of new enterprises by aspiring entrepreneurs and capacity building of existing MSEs for enhanced participation of SC/ST entrepreneurs in public procurement. All SC-ST owned MSEs of manufacturing as well as service sectors are eligible for 25% subsidy under SCLCSS component of NSSH for procurement of Plant & Machinery and equipment through institutional credit. The Ministry also implements other schemes for promotion and development of MSMEs, namely, Prime Minister's Employment Generation Programme, National SC/ST Hub Scheme, Micro and Small Enterprises Cluster Development Programme, Tool Rooms & Technology Centres, Procurement and Marketing Support Scheme, Entrepreneurship and Skill Development Programme, etc.

This information was given by the Minister of State for Micro, Small and Medium Enterprises, Sushri Shobha Karandlaje in a written reply in the Lok Sabha today.

(Release ID: 2043186)