

MSME sector contribution to Exports increases

MSME Contribution

The MSME sector contributes around 9% of GDP and accounts for around 45% of the manufacturing output and around 36% of total value of exports says MSME Minister

Shri K.H. Muniyappa, Minister of State (Independent Charge) for MSME on the eve of the main event of National Award Presentation while addressing the Media said, "The MSME Sector of India has been repeatedly mentioned as the growth engine of the Indian Economy, but the depth of its achievements are often not fully appreciated. The MSME sector contributes around 9% of GDP and accounts for around 45% of the manufacturing output and around 36% of total value of exports. Not only this is a sector of 3.6 crore thriving enterprises employing over 8 crore persons but the sector is continuously exhibiting a growth rate far above the large sector.

The MSMEs which have been issued Entrepreneurship Memorandum – II grew at more than 18% last year. The sector has been growing consistently above 10% for the last five years. Thus, we can see that compared to the other larger industries, MSMEs have been growing far better.

National Manufacturing Policy

The Government has announced the National Manufacturing Policy where industry sector should reach a level of 25% of GDP by the year 2025. MSME sector is the major hope, and, if I may say so, the only hope to attain this objective.

I am happy to inform you that the Government has been fully appreciative to the need to support the sector. They have, therefore, more than doubled our Plan allocation for the 12th Plan Period. In the 11th Plan Period it was about Rs.11000 crore and for the 12th Plan Period we have been allocated more than Rs.24000 crore. I thank Planning Commission and Finance Ministry for this Plan allocation.

I am also very thankful to Finance Minister who has announced very concrete measures for support of MSME. This includes setting up of 15 new Tool Rooms and Technology Development Centres, upscaling the Cluster Development Scheme for village industries to 800 in the next four years (for the last Plan Period, it was 101), recognizing the Ministry of MSME run incubators to be eligible under Corporate Social Responsibility Funding, increasing the re-financing for SIDBI from Rs.5000 crore to Rs.10000 crore, setting up a new fund of Rs.500 crore for supporting the Factoring Services and incentivizing growth of MSMEs by continuing to provide the non-tax benefits the same benefits that they enjoy for next three years after they have grown up.

I would urge the Finance Minister to also extend on a similar basis the tax benefits to such growth bound MSMEs.

I am very happy to share with you that we have decided to set up 100 new enterprises in every District of the country every year under the Prime Minister's Employment Generation Programme (PMEGP). My Ministry has allocated over Rs. 8000 crore in the 12th Plan under PMEGP to set up about 3.39 lakh enterprises which would create 27.12 lakhs employment opportunities".
