



International MSMEs Day

Why in News

Every year, **Micro, Small and Medium-sized Enterprises (MSMEs) Day** is celebrated on **27th June** to recognise the **contribution of these industries** in the implementation of the [Sustainable Development Goals \(SDGs\)](#).

Key Points

▪ History:

- The [United Nations \(UN\)](#) designated **27th June** as **Micro, Small and Medium-sized Enterprises Day** through a **resolution** passed in the **UN General Assembly** in April 2017.
- In May 2017, a program titled '**Enhancing National Capacities for Unleashing Full Potentials of MSMEs in Achieving the SDGs in Developing Countries**' was launched.
- It has been funded by the 2030 Agenda for **Sustainable Development Sub-Fund of the United Nations Peace and Development Fund**.

▪ Significance:

- The **UN** wants **countries to recognise sustainable development goals** and **create awareness** about them.
 - An **International Trade Centre survey** on [Covid-19 impact](#) among businesses in 136 countries has shown that **nearly 62% of women-led small businesses** have been strongly affected by the crisis, compared to just over half of firms led by men, and **women-owned are 27% more likely not to survive** the pandemic.
- **Formal and informal MSMEs** make up over **90% of all firms and account**, on average, for **70% of total employment** and **50% of GDP**. As such, they are key actors in achieving a green recovery.

▪ 2021 Theme:

- **MSME 2021: Key to an inclusive and sustainable recovery.**

▪ Role of MSMEs in Indian Economy:

- They are the growth accelerators of the Indian economy, contributing about **30% of the country's gross domestic product (GDP)**.
- In terms of **exports**, they are an integral part of the **supply chain and contribute about 48% of the overall exports**.
- MSMEs also play an **important role in employment generation**, as they employ about **110 million people across the country**.
 - Interestingly, MSMEs are intertwined with the rural economy as well, as more than half of the MSMEs operate in rural India.

Revised Classification applicable w.e.f 1st July 2020			
Composite Criteria: Investment in Plant & Machinery/equipment and Annual Turnover			
Classification	Micro	Small	Medium
Manufacturing Enterprises and Enterprises rendering Services	Investment in Plant and Machinery or Equipment: Not more than Rs.1 crore and Annual Turnover ; not more than Rs. 5 crore	Investment in Plant and Machinery or Equipment: Not more than Rs.10 crore and Annual Turnover ; not more than Rs. 50 crore	Investment in Plant and Machinery or Equipment: Not more than Rs.50 crore and Annual Turnover ; not more than Rs. 250 crore

Initiatives to Promote MSME Sector

- The Ministry of Micro, Small & Medium Enterprises (M/o MSME) envisions a vibrant MSME sector by promoting growth and development of the MSME Sector, including Khadi, Village and Coir Industries.
- The **Micro; Small and Medium Enterprises Development (MSMED) Act was notified in 2006** to address policy issues affecting MSMEs as well as the coverage and investment ceiling of the sector.
- [Prime Minister's Employment Generation programme \(PMEGP\)](#): It is a **credit linked subsidy scheme**, for setting up of **new micro-enterprises** and to **generate employment** opportunities in **rural as well as urban areas of the country**.
- [Scheme of Fund for Regeneration of Traditional Industries \(SFURTI\)](#): It aims to properly organize the **artisans and the traditional industries** into clusters and thus provide **financial assistance** to make them competitive in today's market scenario.
- [A Scheme for Promoting Innovation, Rural Industry & Entrepreneurship \(ASPIRE\)](#): The scheme promotes innovation & rural entrepreneurship through rural Livelihood Business Incubator (LBI), Technology Business Incubator (TBI) and Fund of Funds for start-up creation in the agro-based industry.
- [Interest Subvention Scheme for Incremental Credit to MSMEs](#): It was introduced by the **Reserve Bank of India** wherein **relief is provided** upto **2% of interest** to all the **legal MSMEs on their outstanding fresh/incremental term loan/working capital** during the period of its validity.
- [Credit Guarantee Scheme for Micro and Small Enterprises](#): Launched to facilitate easy flow of credit, guarantee cover is provided for collateral free credit extended to MSMEs.
- **Micro and Small Enterprises Cluster Development Programme (MSE-CDP)**: It aims to enhance the productivity and competitiveness as well as capacity building of MSEs.
- **Credit Linked Capital Subsidy and Technology Upgradation Scheme (CLCS-TUS)**: CLCS aims at **facilitating technology upgradation of Micro and Small Enterprises (MSEs)** by providing **15% capital subsidy for purchase of plant & machinery**.
- [CHAMPIONS portal](#): It aims to assist **Indian MSMEs** march into the big league as **National and Global CHAMPIONS** by solving their grievances and encouraging, supporting, helping and hand holding them.
- **MSME Samadhan**: It enables them to directly register their cases about delayed payments by Central Ministries/Departments/CPSEs/State Governments.
- **Udyam Registrations Portal**: This new portal assists the government in **aggregating the data on the number of MSMEs in the country**.
- **MSME SAMBANDH**: It is a **Public Procurement Portal**. It was launched to monitor the implementation of the Public Procurement from MSEs by Central Public Sector Enterprises.

Source: HT

