

## MSME DAY

**NEWS: World Micro-, Small- and Medium-sized Enterprises (MSMEs) Day** is celebrated annually on June 27th with the theme “**Enhancing the role of MSMEs as drivers of Sustainable Growth and Innovation.**”

### WHAT'S IN THE NEWS?

#### World MSMEs Day 2025

- **Date Celebrated:** Annually observed on **June 27th** across the globe.
- **Theme for 2025:** “*Enhancing the role of MSMEs as drivers of Sustainable Growth and Innovation.*”
- The day aims to recognize the vital contribution of Micro, Small, and Medium Enterprises (MSMEs) to economic development, employment, and innovation, especially in developing countries.

#### Global Significance of MSMEs

- **MSMEs represent about 90% of all enterprises** globally, making them the backbone of most economies.
- They provide **more than 50% of total global employment**, playing a key role in reducing poverty and boosting inclusive development.
- MSMEs are instrumental in **supporting innovation, regional economic integration**, and resilience in the face of economic shocks.

#### Role of MSMEs in the Indian Economy

- MSMEs contribute approximately **30% to India's Gross Domestic Product (GDP)** through manufacturing, trade, and services.
- They account for **over 45% of India's total exports**, reflecting their growing integration into global value chains.
- After agriculture, **MSMEs are the second-largest source of employment** in India, particularly for youth, women, and rural communities.
- Exports from Indian MSMEs grew significantly from **₹3.95 lakh crore in 2020–21 to ₹12.39 lakh crore in 2024–25**, highlighting their rising global competitiveness.

#### Challenges Faced by MSMEs in India

- **Limited Access to Credit:** Many MSMEs find it difficult to secure loans due to **lack of collateral**, informal operations, and absence of credit history.
- **Outdated Technology:** The use of obsolete and inefficient technology persists due to **high upgrade costs and limited awareness** of modern alternatives.
- **Regulatory Complexity:** MSMEs face **heavy compliance burdens** involving taxation, labour laws, and business licensing, especially for smaller enterprises.
- **Delayed Payments:** Prolonged delays in payments from **large corporates and government agencies** create working capital shortages and financial instability.
- **Low Productivity:** Due to informality and lack of modern work practices, many MSMEs operate at **sub-optimal productivity levels**.
- **Skilled Labour Shortage:** There is a lack of access to **trained manpower**, technical knowledge, and vocational education.
- **Limited Market Access:** MSMEs often lack branding, marketing channels, and distribution networks, making it difficult to reach **larger domestic and export markets**.
- **Informality and Lack of Data:** A significant portion of MSMEs remain **unregistered**, preventing them from availing formal credit and government schemes.
- **Vulnerability to External Shocks:** MSMEs are more exposed to economic disruptions such as **COVID-19, inflation, and global market volatility**, due to their small size and lower financial resilience.

## Key Government Initiatives Supporting MSMEs

### a. PM Vishwakarma (Launched 2023)

- A central sector scheme to **support traditional artisans and craftspeople** by enhancing skill development, quality, and marketing.
- Aims to link artisans to **formal markets** and integrate them into modern value chains.

### b. Udyam Registration Portal (Launched 2020)

- Offers **free, digital, paperless, and self-declared registration** for MSMEs.
- Helps generate a unique **Udyam Registration Number**, facilitating formal recognition and eligibility for schemes and loans.

### c. Prime Minister's Employment Generation Programme (PMEGP)

- A **credit-linked subsidy scheme** to promote micro-enterprises in the **non-farm sector**.
- Provides financial support to **first-generation entrepreneurs**, especially in rural and semi-urban areas.

#### **d. Scheme of Fund for Regeneration of Traditional Industries (SFURTI)**

- Launched in 2005–06 to **organize traditional artisans into clusters** to enhance competitiveness and product development.
- Focuses on sustainable income generation, training, and brand building.

#### **e. Public Procurement Policy for Micro and Small Enterprises (2012)**

- Mandates that **25% of annual purchases** by central ministries and PSUs be made from **MSEs**.
  - Out of this, **4% must be from SC/ST-owned MSEs** and **3% from MSEs owned by women**.
- Ensures **market access and revenue stability** for small enterprises.

#### **f. MSME Hackathon 4.0 (2024)**

- Supports **500 young entrepreneurs** with up to **Rs. 15 lakh each** in funding.
- Encourages **innovation and incubation** in manufacturing, services, and digital sectors.

#### **g. MSME-TEAM Scheme (2024)**

- Trade Enablement and Marketing initiative with an outlay of **Rs. 277.35 crore**.
- Aims to support **5 lakh MSEs**, including **2.5 lakh women-led enterprises**, by facilitating **digital onboarding, e-commerce cataloguing, logistics, and packaging**.

#### **h. Khadi and Village Industries (KVI) Promotion**

- Promoted under the **Khadi and Gramodyog Vikas Yojana (KGVY)**, a central sector scheme with no state share.
- Focuses on **rural employment, traditional industries**, and the **self-reliance of artisans**.

#### **i. International Cooperation Scheme**

- Provides support for MSMEs to participate in **international trade fairs, exhibitions**, and **business delegations**.
- Expenses are reimbursed to encourage **export promotion and global visibility**.

#### **Conclusion**

- MSMEs are playing a transformative role in **India's economic development**, serving as engines of **job creation, innovation, and regional growth**.

- With the right mix of **policy support, access to finance, digital enablement, and skill development**, MSMEs can further accelerate India's journey toward **inclusive and sustainable development**.
- Observing World MSMEs Day annually reinforces global commitment to **nurturing MSMEs** as key pillars of the Sustainable Development Goals (SDGs).

Source: <https://ddnews.gov.in/en/president-droupadi-murmu-to-lead-msme-day-2025-celebrations-in-new-delhi/>