

Problems and Government Measures to Improve MSME'S in India

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Abstract: *The Micro, Small and Medium Enterprises (MSMEs) sector is an important constituent of India's industrial sector. MSME's including village / rural enterprises. It contribute significantly to India's Gross Domestic Product and export earnings besides meeting the social objectives including that of generating employment opportunities to millions of people across the India. With the reform of LPG measures in India since 1991, the Govt. has introduced new policies to increase competitiveness of the sector. The Micro, Small and Medium Enterprises in India are acting as supreme and spirit of economic development in the present era. This paper analyzes the definition of MSMEs, the silent features, role and performance of MSMEs in Indian economy, Government policies towards MSMEs and problems of MSMEs.*

Keywords: Micro, Small and Medium Enterprises

VI. CONCLUSION

The overall performance and contribution of small scale industries to Indian economy is described in terms of its absolute growth in units, employment, production and exports. The MSMEs Development Act of 2006 perhaps is the most crucial of these recent policy changes. The formulation and implementation of policies and programmes/projects/schemes for MSME sector is undertaken by the Ministry with the assistance of its attached and autonomous organizations. The growth of small scale industries can be evaluated on the growth rates of units, employment, output and exports of Small scale industries in 2013 with that of 1990s. At the same time MSMEs sector faced key challenges like as Lack of availability of adequate and timely credit, High cost of credit, Collateral requirements, Limited access to equity capital, Procurement of raw material at a competitive cost. Problems of storage, designing, packaging and product display, Lack of access to global markets, inadequate infrastructure facilities, including power, water, roads, Low technology levels, lack of skilled manpower for manufacturing, services, marketing, etc. Despite the various challenges it has been facing the MSME sector has shown admirable innovation, adaptability and to survive the recent economic down turn and recession. The small scale sector has grown rapidly over the years. The period of liberalization and the development the MSME's sector constituted an important segment of our economy. MSME's are a very important segment in the Indian industrial sector /and would continue to play an important role in the Indian economy in the future. A rewarding feature of economic development in India is due to impressive growth of modern MSME's.