

# Growth and Future Prospects of MSMEs Industries in Indi

By globaljurix

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## 0 - Growth and Future Prospects of MSMEs Industries in Indi

Micro, Small, and Medium Enterprises (MSMEs) play a pivotal role in the growth of the Indian Economy. In the last five decades, MSMEs have grown enormously; according to the statistics, MSMEs have a vast network of around 30 million units, over 70 million people are getting employment through MSMEs, they manufacture over 8,000 products, contributing about 45% to manufacturing output and about 40% of exports directly and indirectly. Significantly, after agriculture, MSMEs are the second biggest employment provider in the country. After the independence of India, [MSMEs help to boost the economy of India](#). This post is an attempt to focus on the present status of the performance of MSMEs and their prospects in the country.

### Classification of MSMEs:

According to the recent amendment by the Ministry of Micro, Small and Medium Enterprises (MSME), now in India MSMEs are classified as below.

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[li]A Micro Enterprise, investment in Plant and Machinery or Equipment should not exceed one crore rupees and turnover should not exceed five crore rupees.[/li]

[li]A Small Enterprise, investment on Plant and Machinery or Equipment should not exceed ten crore rupees and turnover should not exceed fifty crore rupees.[/li]

[li]A Medium Enterprise, investment on Plant and Machinery or Equipment should not exceed fifty crore rupees and turnover should not exceed two hundred and fifty crore rupees.[/li]

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## Leading industries comes under MSMEs are:

Food processing, textiles and garments, agricultural inputs, leather and leather goods, chemicals & pharmaceuticals, bio-engineering, engineering, electricals, sports goods, electronics, plastics products, electro-medical equipment, and computer software industries, etc. are the leading industries which come under MSMEs in India.

According to the provision of the act in India, it is imperative for all MSMEs to file Entrepreneurs Memorandum (Part-I) at District Industries Centres (DICs). After the commencement of the project; it is imperative to file Entrepreneurs Memorandum (Part-II) [EM (Part-II)]. Before the MSME Act, 2006 there was a system of registration to small scale industrial units by the District Industries Centres. The above table is showing category wise entrepreneurs under Micro, Small and Medium from 2007-2012 those who filed their memorandum to District Industries Centres (DICs).

From the table-1, we can see that, with the average growth rate of 10.14%, the average growths of Micro, Small and Medium enterprises were (1,91,976), (24,765) and (1,358) respectively. Medium-scale enterprises had witnessed maximum growth of 43.03%.

## Prospects of MSMEs Industries in India:

### Employment Generation:

According to the Ministry of Statistics & Programme Implementation, the share of MSME in all India GDP during 2015-16, 2016-17 and 2017-18 were 29.5%, 29.3% and 29.7%, respectively. The Government of India is also adopting effective steps to create more employment opportunities in MSMEs. Prime Minister's Employment Generation Programme (PMEGP), Micro and Small Enterprises-Cluster Development Programme (MSE-CDP), Scheme for Promotion of MSMEs in North Eastern Region and Sikkim, etc. are some effective initiatives taken by the Government of India to promote and develop

MSMEs. Apart from that, there are ample of employment opportunities are producing in the field of manufacturing and service rendering of MSMEs.

### Focus on customer satisfaction:

Now MSMEs are also focusing on customer satisfaction. They are producing goods according to the needs or expectations of the customers. So, MSMEs can be more customer satisfaction oriented.

### Enhance of Global Export:

Due to the State and the Central Government's encouragement, MSMEs are performing better. And there is a great demand of Indian product like wooden items, other handmade articles etc. in the international market. Therefore, MSMEs have great prospects to improve export.

### Attract Foreign Investment:

The Indian MSMEs are flourishing. According to the Directorate General of Commercial Intelligence and Statistics (DGCIS), the share of MSME related products in total exports during 2016-17, 2017-18, 2018-19 and 2019-20 were 49.69%, 48.56%, 48.10% and 49.66%, respectively. From these statistics, it is clear that growth rate and return on investment is satisfactory; therefore, MSMEs have immense potential to attract [foreign investment in India](#).

### Conclusion:

Undoubtedly, the Government is putting significant effort to uplift the condition of MSMEs, and their status is also improving with time. According to the Indian Economy experts, The MSME sector can help for achieving the target of Nation Manufacturing Policy that manufacturing should contribute 25% in India's GDP by 2022.

To get expert and economical services for [MSME registration](#) under the desired category or any other kinds of legal services for MSMEs in India, please contact us at the following details:

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