Exclusive Interview of Shri Dinsha Patel

Focus on MSMEs in Gujarat

Building Awareness on IPR

Feature on National Awards
Shri Dinsha Patel, Minister of State (Independent Charge) of MSME inaugurating an awareness programme on Lean Manufacturing Competitiveness Scheme in New Delhi.
The material for publication should be sent, in triplicate, neatly typed in double space. The reports on functions or events should be sent immediately after its conclusion. Articles/Reports should be accompanied by photographs with captions pasted upon reverse. The photographs should be placed in between the thick paper, gem clipped and attached to the forwarding letter. Photographs should be focussed more on the events or products than personalities.

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कैसे लगायें अपना उद्देश्य?

लघु उद्योग समाचार : सितंबर, 2009 : विशेषांक
सभी पाठकों, लेखकों, उद्योगमन उद्योगियों और एम.एस.एमई. (सूक्ष्म, लघु एवं मध्यम उद्योग) क्षेत्र से जुड़े लोगों को सूचित किया जाता है कि भारत सरकार के सूक्ष्म, लघु एवं मध्यम उद्यम मंत्रालय के अंतर्गत विकास आयुक्त (एम.एस.एमई.) के कार्यालय से प्रकाशित लोकप्रिय हिंदी पत्रिका लघु उद्योग समाचार जुलाई, 2009 से मासिक रूप में प्रकाशित हो रही है। सितंबर, 2009 का यह अंक विशेषांक है, जिसमें केंद्रीय सूक्ष्म, लघु एवं मध्यम उद्यम राज्य मंत्री (स्वतंत्र प्रभार) का विशेष साक्षात्कार, गुजरात में एमएसएमई तथा आईपीआर से जुड़े विषय विशेषांक के प्रमुख आकर्षण हैं। अन्य सामान्य एवं संभ यथार्थता है।

‘लघु उद्योग समाचार’ के सामान्य अंक की एक प्रति का मूल्य 15 रूपए और विशेषांक का मूल्य 20 रूपए है, जबकि वार्षिक मूल्य 200 रूपए है। वार्षिक शुल्क बैंक ड्राफ्ट के रूप में सीधे प्रकाशन निर्यातक, भारत सरकार, प्रकाशन विभाग, सिबिल लाइंस, नई दिल्ली-110054 को भेजा जा सकता है। पत्रिका नकद भुगतान पर प्रकाशन निर्यातक कार्यालय के विभाग बिक्री केंद्रों से भी खरीदी जा सकती है।

पाठकों-लेखकों से अनुरोध है कि इस मासिक को सफल बनाने में सक्रिय रूप से भागीदारी निभाएं और इसे लक्ष्य समूह के लिए अधिक से अधिक उपयोगी बनाने के लिए अपने बहुमुख सुझाव इस पते पर भेजें :-

• वरिष्ठ संपादक/संपादक,
• लघु उद्योग समाचार,
• विकास आयुक्त (एम.एस.एमई.) कार्यालय,
• भूतल (प्रवेश द्वार 4 व 5 के बीच ),
• निर्माण भवन, नई दिल्ली-110 108
• दूरभाष संख्या : 011-23062219 फेक्स संख्या : 011-23062219

September, 2009
The Ministry of Micro, Small and Medium Enterprises (MSME) through the Office of Development Commissioner (MSME) conducted an Inaugural Awareness Programme on Lean Manufacturing Competitiveness Scheme recently in Vigyan Bhavan, New Delhi.

Dinsha Patel Inaugurates an Awareness Programme on Lean Manufacturing Competitiveness Scheme

The Lean Manufacturing Scheme is one of the ten components of the Ministry’s National Competitiveness Programme and is very important from the productivity perspective. Micro, Small and Medium Enterprises are a vital part of the Indian economy contributing over 45% of industrial production and around 40% of the total exports. There are about thirteen million MSMEs in India employing around 31 million people.

The Minister of State (Independent Charge) of Micro, Small and Medium Enterprises, Shri Dinsha Patel releasing a brochure at the inaugural Awareness Programme on Lean Manufacturing Scheme for MSME Sector, organised by the Office of Development Commissioner (MSME) in association with National Productivity Council (NPC), in New Delhi on July 29, 2009. The Secretary, Ministry of Micro, Small & Medium Enterprises, Shri Dinesh Rai (extreme left) and Additional Secretary & Development Commissioner (MSME), Shri Madhav Lal (extreme right) are also seen.

The Ministry of Micro, Small and Medium Enterprises (MSME) through the Office of Development Commissioner (MSME) conducted an Inaugural Awareness Programme on Lean Manufacturing Competitiveness Scheme for MSME sector recently in Vigyan Bhavan, New Delhi.

While addressing the Inaugural Awareness
Programme the Minister of State (Independent Charge) for MSME, Shri Dinsha Patel emphasized on the benefits of different schemes being implemented by the Ministry for Micro, Small and Medium Enterprises to enable these industries become more competitive in the local as well as international market. The Minister urged all the industries and the associations to derive maximum advantages from these schemes in the period of recession.

Shri Dinsha Patel said that for these 10 schemes, the Ministry has made a provision of Rs. 605 crore during 11th Five Year Plan. Out of the 10 schemes recommended by NMCC, one of the most important scheme is Lean Manufacturing Competitiveness Scheme. He further added that the scheme will be implemented initially in 100 clusters on pilot basis in one year. The Minister expressed confidence that MSME units will enhance their competitiveness and productivity with the help of various schemes being implemented under the Ministry and demonstrate significant impact in the international market thereby contributing in the growth of country’s economy.

Shri Dinesh Rai, Secretary (MSME), while delivering the Keynote address highlighted the economic scenario in the MSME sector and the need for manufacturing competitiveness.

Shri Madhav Lal, Additional Secretary and Development Commissioner (MSME) welcomed all the participants and described about the implementation approach for the scheme.

The Lean Manufacturing Scheme is one of the ten components of the Ministry’s National Competitiveness Programme and is very important from the productivity perspective. Micro, Small and Medium Enterprises are a vital part of the Indian economy contributing over 45% of industrial production and around 40% of the total exports. There are about thirteen million MSMEs in India employing around 31 million people.

The Scheme is being implemented on a cluster based approach in different parts of the country. Initially the Scheme will be implemented in 100 mini clusters (a Group of 10 units) for one year at a total cost of Rs. 30 crore. The objective of Lean interventions will be to assist MSME units in reducing their manufacturing costs through improved process flows, reduced engineering time, proper personnel management, better space utilization, scientific inventory management, and so on. Under this Scheme, Lean Manufacturing Counsellors will be deployed in selected clusters who will identify and implement appropriate lean manufacturing techniques. The broad techniques envisaged under the scheme include Total Productive Maintenance (TPM), 5S, Visual control, Standard Operation Procedures, Just in Time (JIT), Kanban System, Cellular Layout, Poka Yoke, etc. Lean Manufacturing Programme brings improvement in the quality of products at lowers costs, which will enable MSMEs to compete in the national and international markets. National Productivity Council, New Delhi has been assigned the role of National Monitoring and Implementing Units (NMIU) for the pilot project.

In order to publicize the benefits of lean interventions and to generate awareness, Office of Development Commissioner (MSME) has planned to conduct 100 Awareness Programmes in the targeted clusters. These programmes will be an opportunity for the potential MSME units to appreciate the advantages out of the scheme.

On this occasion, the Minister also released a small Handbook titled ‘A Guide to Lean Manufacturing Competitiveness Scheme under National Manufacturing Competitiveness Programme’. The Inaugural Session was followed by a Technical Session on Lean Manufacturing which was attended by a large number of representatives from Industries including Consultants.
Building Awareness on Intellectual Property Rights (IPR) for the Micro, Small & Medium Enterprises (MSMEs)

To enable the MSME sector to face the present challenges of liberalization, various activities on IPR are proposed under this scheme which is being implemented by Office of DC (MSME). These initiatives will provide MSME sector more information, orientation and facilities for protecting their intellectual powers.

Introduction

In a fast changing business environment it has become essential for an enterprise to manage their knowledge resources, especially new ideas as concept to change, adapt, and seize new opportunities. No improved technology can be available without the same being adequately protected in the country by the appropriate IPR laws. Intellectual Property is a management expression describing collection of legal rights, operating throughout the world, which protects and provide ownership for innovation and reputation achieved by commercial enterprise.

Developing and nurturing of Micro, Small & Medium Enterprises (MSMEs) have always being on the top of the Governments agenda. To encourage MSMEs to take up new technologies and support innovations/creativity the Government has instituted a number of schemes. In addition, the Government has initiated a National Manufacturing Competitiveness Programme (NMCP) to enhance the competitiveness of the MSME Sector. One of the scheme under NMCP is "Building Awareness on Intellectual Property Rights (IPR) for the Micro, Small & Medium Enterprises", to enable the MSME Sector to face the present challenges of liberalization and to empower them in using effectively the tools of Intellectual Property Rights.

Accordingly, to enable the MSME sector to face the present challenges of liberalization, various activities on IPR are proposed under this scheme which is being implemented by office of DC (MSME). These initiatives will provide MSME sector more information, orientation and facilities for protecting their intellectual powers.

Intellectual property, very broadly, means the legal rights that result from intellectual activity in the industrial, scientific, literary and artistic fields. Intellectual property (IP) laws safeguard creators and other producers of intellectual goods & services by granting them certain time-limited rights to control their use. IP, protected through law, like any other
form of property can be a matter of trade, that is, it can be owned, bequeathed, sold or bought. The major features that distinguish it from other forms are their intangibility and non-exhaustion by consumption. IP could be in the form of patents; Trademarks; Geographical Indications; Industrial Designs; Layout Designs of Integrated circuits; Plant Variety Protection and Copyright.

**Patents:** Statutory monopoly right granted for an invention.

**Copyrights and Related Rights:** Protects original literary, dramatic, artistic and musical works.

**Trade Marks:** Distinctive sign which identify and distinguish the source of goods.

**Industrial Design:** Protects the features of shape, configuration, pattern etc.

**Trade Secret:** Confidential business information.

**Geographical Indications:** Location, specific names - Historic Association between Name and Product : Dargeeling Tea, Kulu Shawl etc.

**Protection of New Plant Variety:** Protect the new plant variety.

**Layouts Design of Integrated Circuits (IC):** Protection for layout designs for semiconductor IC.

**Objectives**

The objective of the scheme is to enhance awareness of MSME about Intellectual Property Rights (IPRs) to take measures for protecting their ideas and business strategies. Effective utilization of IPR tools by MSMEs would also assist them in technology upgradation and enhancing competitiveness.

**Salient Features**

The main activities and maximum Government of India grant under this scheme cover the following broad areas of interventions:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Activity</th>
<th>Maximum Grant Per Application/Proposal (Rs. in lakh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>Awareness/Sensitization Programmes on IPR</td>
<td>1.00</td>
</tr>
<tr>
<td>b.</td>
<td>Pilot Studies for Selected Cluster/Groups of Industries</td>
<td>2.50</td>
</tr>
<tr>
<td>c.</td>
<td>Interactive Seminars/Workshops</td>
<td>2.00</td>
</tr>
<tr>
<td>d.</td>
<td>Specialized Training: (i) Short term (ST) (ii) Long term (LT)</td>
<td>ST-6.00 LT-45.00</td>
</tr>
<tr>
<td>e.</td>
<td>Assistance for Grant on Patent/GI Registration: (i) Domestic Patent (ii) Foreign Patent (iii) GI Registration</td>
<td>0.25 2.00 1.00</td>
</tr>
<tr>
<td>f.</td>
<td>Setting up of 'IP Facilitation Centre for MSME'</td>
<td>65.00</td>
</tr>
<tr>
<td>g.</td>
<td>Interaction with International Agencies: (i) Domestic Intervention (ii) International Exchange Programme</td>
<td>5.00 7.50</td>
</tr>
</tbody>
</table>

These initiatives are proposed to be developed through **Public-Private Partnership (PPP)** mode to encourage economically sustainable models for overall development of MSMEs.
SPECIAL ARTICLE

Under this programme financial assistance is being provided for taking up the identified initiatives.

Eligible applicants/beneficiaries will have to contribute Minimum 10% of the Govt. of India financial support for availing assistance under the scheme.

Procedure for Availing Assistance

The detailed guidelines, eligibility criteria, funding pattern and prescribed format etc. are available on this office web site www.dcmsme.gov.in and the same can also be obtained on request from the office of Development Commissioner (MSME), New Delhi or from its field institutions i.e. Micro, Small & Medium Enterprises – Development Institutes.

The entitled applicants/beneficiaries are required to submit their application form duly filled up (with enclosures) to the Office of the DC (MSME), New Delhi. The eligible proposals are placed before the Project Implementation Committee for consideration.

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Progress: This Scheme has been operational from 12.08.2008. Till date an amount of Rs. 142.5 lakh has been sanctioned as Govt. assistance to different organisations/implementing agencies for setting up of 7 IP Facilitation Centres (for MSMEs), 49 Awareness Programmes, 1 Pilot Study, 9 interacted workshops and 1 Short Term Training Programme.

Shri Dinesh Rai, Secretary, Ministry of MSME, Govt. of India inaugurating the programme.
Ministry of Micro, Small and Medium Enterprises has established its first Intellectual Property Facilitation Centre (IPFC) for the Biotechnology sector at Biotech Consortium India Limited (BCIL), New Delhi. The IP facilitation centre at BCIL was inaugurated on March 06, 2009 by Shri Dinesh Rai, IAS, and Secretary to the Government of India, Ministry of Micro, Small and Medium Enterprises, New Delhi.

BCIL is a company promoted by the Department of Biotechnology, Ministry of Science and Technology, Government of India and is a nodal agency for facilitating accelerated commercialization of biotechnology. The comprehensive range of services that BCIL offers include--Technology transfer, Consultancy, Biosafety, Certification Services for tissue culture raised plants, Human Resource Development, Information Services and Project Management largely aimed at assisting the MSMEs. BCIL is the management agency of two prestigious schemes of the Department of Biotechnology, Government of India for MSMEs, namely, Small Business Innovation Research Initiative (SBIRI) and Biotechnology Industry Partnership Programme (BIPP). The aim of these schemes is to encourage, financially support and mentor small and medium scale industries to take up high risk innovative R&D in biotech sector. Since the inception of SBIRI, more than 300 proposals from small and medium enterprises have been received and funding is being provided to eligible proposals.

The setting up of IPFC has now enabled BCIL to extend services to Biotech MSMEs for protection of Intellectual Property Rights (IPR). This is of great relevance considering the importance of timely protection of IP in Biotechnology which is knowledge intensive area. BCIL has now extended its services to MSMEs in Biotechnology sector for protection of Intellectual Property Rights (IPR). The IP facilitation centre leverages extensive experience and expertise at BCIL in multiple disciplines of biotechnology to provide single window services for IP facilitation. The centre has tied up with a panel of eminent IP experts/Legal attorneys to extend the scope of techno-legal services to the Micro, Small and Medium Enterprises (MSMEs). The IP facilitation centre at BCIL has been also recognized as a centre for conducting IP due-diligence of the proposals submitted by the industries (majority MSME) under the Biotechnology Industry Partnership Programme (BIPP) of the Department of Biotechnology (DBT), Government of India. Under this scheme, proposals received from Biotech enterprises for support for conducting innovative research are development leading to commercialization. The IPFC at BCIL is extending valuable services towards IP due diligence of the proposals which is one of the important criteria for considering the proposals and at the same time assist MSMEs to strengthen their IP strategies and improve their innovation capacities.

The prime services offered by the IP facilitation centre for Biotechnology at BCIL include Prior-art search, Patent landscaping, Freedom to operate search & analysis, Drafting and filing patent applications (Indian and PCT), Technology evaluation and packaging, Technology transfer, IP registration and Advisory on maintenance of IP.

Thus Biotech specific IPFC is expected to create awareness about the importance of protection of IP among MSMEs and also facilitate the same.
National Awards in Micro, Small and Medium Enterprises

The Ministry of Micro, Small and Medium Enterprises with a view to recognizing the efforts and contribution of MSMEs gives away National Awards annually to selected entrepreneurs and enterprises under the scheme of National Awards. The awards are given for various categories in Research & Development Efforts, Entrepreneurship & Quality Products.

Introduction

The MSMEs have shown considerable progress in terms of quality production, exports, innovation, product development and import substitution. Entrepreneurial efforts have made it possible to produce number of items, which hitherto were imported. In a number of the cases new variants so produced have additional attributes over their original versions and are capable of solving a multitude of user problems. These achievements became possible owing to the ambitions and visionary spirit of MSMEs entrepreneurs.

The Ministry of Micro, Small and Medium Enterprises with a view to recognizing the efforts and contribution of MSMEs gives away National Awards annually to selected entrepreneurs and enterprises under the scheme of National Awards. The awards are given for various categories in Research & Development Efforts, Entrepreneurship & Quality Products. The First, Second and Third National Awards carry a cash prize of Rs. 1,00,000/-, Rs. 75,000/- and Rs. 50,000/- respectively, a certificate, and a trophy.

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Prime Minister Dr. Manmohan Singh inaugurating the National Awards Function in New Delhi.

Laghu Udyog Samachar
Prime Minister Dr. Manmohan Singh presenting National Award to a Woman Entrepreneur in New Delhi.

September, 2009
As a Special Recognition to those MSMEs scoring marks above 80% and 50% (in case of North-Eastern Region including Sikkim) an award is given in the form of a cash prize of Rs. 20,000/-, a certificate, and a trophy. These awards are given at State level functions organized by Micro, Small and Medium Enterprises-Development Institutes of respective states.

Selection for the awards is made on the basis of a set criteria exclusively designed to evaluate Research and Development Efforts/performance of the MSMEs. The applications for the awards are invited through advertisements. These applications are scrutinized at the State level by a Committee under the chairmanship of Secretary, Industries of the respective States. The short listed applications are further scrutinized by the Technical Divisions of Development Commissioner (MSME). Based on the two sets of marks, the National Level Selection Committee under the chairmanship of AS&DC assesses each applicant to make the final selection.

**Research & Development Efforts in MSMEs:**

This category includes two awards (First and Second) for Micro and Small Enterprises and two awards (First and Second) for Medium Enterprises.

Selection for the awards is made on the basis of a clearly laid down criteria which includes Nature of R&D achievements, infrastructure evolved for in-house R&D efforts, economic potential of the R&D project realized, import substitution, energy conservation, details of patent, social impact, growth trends etc.

For the year 2008, the First and Second Awards for R&D Efforts have been awarded to Entrepreneurs from Gujarat State. No application was received from Medium enterprises. Special Recognition Awards have been given to 19 Entrepreneurs/Enterprises.
Outstanding Efforts in Entrepreneurship: This category includes three National Awards (First, Second and Third), Special Awards, at par with the First National Award, to honour an outstanding women entrepreneur, an outstanding entrepreneur from SC/ST and are entrepreneurs from North-Eastern Region, two (First and Second) awards for Medium Enterprises engaged in manufacturing and two (First and Second) awards for MSEs rendering services. Selection for the awards is made on the basis of a set criteria exclusively designed to evaluate Outstanding Efforts in Entrepreneurship/performance of the MSMEs includes use and choice of technology, export, innovation/diversification, in-house testing facility, pollution and control measures, quality control standards, welfare measures etc.

The First, Second and Third National Awards for Micro and Small Enterprises for 2008 have been awreded to entrepreneurs from Maharashtra, West Bengal and Gujarat respectively. A woman entrepreneur from Andhra Pradesh has won the Special Award under the category of women entrepreneurs and special award for SC/ST entrepreneur has gone to Gujarat. A women entrepreneur from Sikkim has won the Special Award from North Eastern Region. The First and Second National Awards for Medium Enterprise have been won by entrepreneurs from Kamataka and Rajasth respectively. An entrepreneur from Haryana has won first National Award and entrepreneur from Kerala has won second award for the Micro & Small Enterprises rendering Services.

Quality Products: This category includes certain product groups selected each year. One National Award is given for each category of the selected products. Selection for the awards is made on the basis of a set criteria exclusively designed to evaluate Outstanding Efforts in Entrepreneurship/performance of the MSMEs includes testing of raw materials, manufacturing practices, quality control standards, export performance, growth trends, pollutin control, use and choice of technology services offered to consumer etc.


Special Recognition awards have been given to 14 entrepreneurs/enterprises.
Incentives for Export-Import

The Government has set up an Export – Import bank (EXIM Bank) to finance, promote and develop the export and import trade in India. The bank is also to act as a principal Institution for coordinating the working of agencies engaged in financing export and import of goods and services.

Export Finance

Our country is exporting a large number of items ranging from simple nails and rivets to sophisticated machinery and softwares. We are also undertaking responsibilities for setting up industrial projects in other countries for manufacturing of textile, cement, paper electronics etc, on turnkey basis. Our government is encouraging exporters by giving them numerous incentives and benefits such as tax concessions, cash assistance, refund of duties like custom and excise, exchange for foreign travel, import of basic raw materials and capital equipment etc. Exporters are also getting priority on movement of their goods by railways, shipping companies; airways and even concessions in freight for some of the export items. The Government has also recognized the importance of the role that banks and financial institutions can play in developing export-oriented industries in the country. These institutions have been advised to provide financial assistance to the exporter at concessional rate of interest and on liberal terms and conditions. The Government has set up an Export – Import bank (EXIM Bank) to finance, promote and develop the export and import trade in India. The bank is also to act as a principal Institution for coordinating the working of agencies engaged in financing exports and import of goods and services.

Type of Credit Available to Exporting Units

The commercial banks provide financial assistance to export unit in the form of : (i) Pre-shipment Finance or Packing Credit, and (ii) Post-shipment Finance. The Pre-shipment finance is sanctioned for meeting various costs which an exporter require to incur for manufacturing, trading, processing and packing goods before shipment. Post-shipment finance is provided after shipment of the goods against receivables. Both of these terms are commonly used and are explained in detail as under.

Pre-shipment Credit, or Packing Credit

Pre-shipment Credit, or Packing Credit is the advance granted to the exporter, to procure, process,
manufacture, pack and prepare the goods for export. In other words, it is the facility extended to the exporter before and till the goods are shipped for export. The preshipment credit is granted to bonafide exporters on the strength of letter of credit established by the banks of standing abroad in favour of exporter or against a firm export order. While applying for this loan the bank ensures that the letter of credit or the confirm order is attached with the loan proposal/application. In case the exporter is not able to lodge letter of credit of confirmed order, immediately the packing credit may be granted on the strength of cable, letters etc. exchanged between the buyer and the exporter. In such cases it is ensured that the letter of credit or the confirm order is shown to the bank within a reasonable time period. The packing credit is disbursed only in the form of a loan. Individual loan accounts are maintained for each packing credit, except few items for which Reserve Bank of India has waived the requirement of letter of credit or confirm order for sanctioning the loan amount, and for these items (Tea, Cashew, Tobacco etc), running account in the form of cash credit accounts are allowed. The exporter can borrow on many contracts through the cash credit account.

The amount is sanctioned as per the requirement of exporter and is disbursed in stages on the requirement basis or as lump sum. The pre-shipment credit is a clean advance or it may be secured by hypothecation or pledge of goods purchased. It is subject to supervision and follow-up by the bank as in case of any other bank advance. A banker ensures that the materials required for meeting an export order are kept separate from the goods being manufactured against local orders since the rate of interest being charged on export finance is lower than that of charged on working capital needed for domestic supply. The stores are properly insured with the bank clause.

**Period of Loan and Rate of Interest**

The period for which a packing credit or pre-shipment loan is granted to an exporter, depends upon the circumstances of the individual case, considering the time required for procurement, manufacturing, processing and shipping the ordered goods to the importer/buyer, but as a general guideline, it is not more than 180 days. Interest charged on the loan amount by the bank is ranging from 6.5% to 8.5% per annum. If the exporter needs any extension of period of advance, the bank may grant it taking into account the circumstances of the case and provided the permission of Reserve Bank of India is obtained for extension for repayment, and in such case 2% more rate of interest per annum is charged from the exporter on the pre-shipment advance upto 270 days period and interest over 270 days is charged @ 13.5% being the maximum rate of interest chargeable on the export advances.

**Quantum of Advance**

The amount of advance does not exceed the cost of the export product and also its FOB value, subject to maximum of its domestic market cost. The export production finance of the Export Credit Guarantee Corporation (ECGC) provides that packing credit or say pre-shipment credit may be granted up to 75% of the FOB value, provided the value of the import content in the export product is not less than 40% of the FOB value of shipment and the rate of import duty paid on the content of the export product is not less than 100 per cent. The packing credit advance is adjusted out of the proceeds of the export bills. In case the goods are not exported; regular rate of interest is charged from the exporter against the subsidized rate of interest for exporters.

**Repayment of Loan**

The pre-shipment loan is repaid out of the proceeds of foreign bills of exchange drawn under the export contract. It may also be paid out of Govt. incentives like duty drawback etc. If the proposed export does not take place and the banker is satisfied about the reasons, the amount of loan may be adjusted out of the local funds, but interest at the domestic financing rate will be charged on the amount from the date of disbursement of credit amount.

**Refinance and Subsidies**

Government provides subsidies and refinance to the banks against the amount of advances sanctioned and disbursed to the exporters. The refinance is done 100% and the interest subsidy is provided @ 3% under the Export credit interest subsidy scheme.

**Post-shipment Credit**

These are finances made available to the exporters against the value of goods shipped to the importer, till the export proceed/payment is realised.
The exporter therefore does not need to wait till realisation of the export proceeds from the foreign buyer. Against this facility, funds are made available to the exporter immediately after shipment of the goods. An exporter, after shipping the goods, secures either a bill of lading from the shipping company, or an airway bill from the Airlines, or a post parcel receipt from the post office. These documents represent the title of the goods and are an acknowledgment on behalf of the shippers that the goods will be delivered to the consignee. The exporter also draws a bill of exchange either on documents against acceptance, which is termed as D/A, or on documents against payment basis, which is termed as D/P, depending upon the terms of agreement between exporter and importer.

Thereafter the exporter entrusts the bill of exchange, bill of lading (Or airways bill or post parcel receipt) and other supporting documents like Invoice, Packing list, Inspection certificate, Bill of origin etc. to his banker for realizing payment. The banker provides post-shipment finances to the exporter by purchasing or discounting the bill. The demand bills, where payment is to be made on demand are purchased by the bank, and on the other hand usance bill i.e. bills with a maturity period are discounted by the bank. In cases where pre-shipment advances have already been granted to the exporters, these are now adjusted out of the post-shipment advances.

**Deferred Payment Export, Turnkey Project and Joint Venture Abroad**

The term supplier's creditor seller credit and buyer's credit are commonly used in transactions involving export capital and engineering goods. In the case of consumer goods, export, financial requirement are mostly short term, which are met by commercial banks. The long term financial requirement of exporters of capital goods are not fully met by commercial banks, there are special financial institutions for this purpose, which have devised schemes-both seller's credit and buyer's credit to encourage exports. Under seller's credit the exporter extends credit directly to the overseas buyer by an authorized dealer and/or a financial institution and the exporter realizes the export value from the institutions concerned straight away.

**Seller's Credit (Supplier's Credit)**

In this procedure, exporter avails the credit himself from the bank or uses his own funds and allows the importer to pay at a later date. The transaction is financed by the exporter or by his borrowing and therefore it is known as supplier's or seller's credit. The exporter may avail pre-shipment finance from his bank, which enables him to procure the raw material required, manufacture the products for export, and ship it to the importer. At the post-shipment stage, exporter may allow the importer to pay the amount in instalments. Exporter then avail pre-shipment finance for a similar term from his bank. In addition to granting pre-shipment and post-shipment finance, the export's bank may execute performance guarantee on behalf of the exporter guaranteeing his performance of his obligations under the sale contract with buyer. The seller gives an undertaking to his bank to repay the loan, he has borrowed. This undertaking is independent of the payment of the contract amount by the importer. Therefore the seller bears the risk in case no payment received from importer, further as the borrowing from the bank will be in local currency, and the contract will be in foreign currency, in this condition the exporter faces the risk of fluctuation of exchange rate when the payment is actually made and received by the exporter from the importer. ECGC Exchange risk credit policy protects the exporter against this exchange risk.

**Buyer's Credit**

Under this scheme, the exporter's bank directly finances the importer or the importer’s bank. The exporter gets the payment immediately. At the shipment stage, it is the importer opening a red clause letter of credit, authorizing the exporter’s bank to provide pre-shipment finance to the exporter. Therefore at the post-shipment stage, the exporter’s bank will make immediate payment to the exporter by extending loan to the importer or his bank.

The exporter receives the amount due under the contract immediately and is not responsible for the delay in payment by the importer, therefore in a buyer's credit scheme the credit risk is borne by the bank. If the loan is granted in foreign currency the bank will receive payment in that currency and therefore the bank bears the exchange risk also. For this facility the bank obtain Reserve Bank of India approval before agreeing to extend the buyer's credit to the importers abroad.
Development of MSMEs in Gujarat

Industrial Scenario

Gujarat has registered an impressive industrial development since its formation as a separate state in 1960. The industrial sector at present comprises over 1,200 large industries and over 3,45,000 micro, small and medium industries. As per the results of the Annual Survey of Industry (ASI), 2005-06 carried out by the Central Statistical Organization (CSO), under Ministry of Statistics and Program Implementation, Government of India, Gujarat accounts for 19.69% of fixed capital investment, 16.13% of gross output and 15.35% of net value added in industrial sector in India. This survey further reinforced the position of Gujarat as the most industrially developed state in India in respect of first ranking in industrial investment and second in terms of value of production and value addition in industrial sector.

Over the years, Gujarat has diversified its industrial base substantially. In the year 1960-61, textiles and auxiliaries were the major contributors to industrial economy of the state. In the span of over 49 years, the industrial spectrum has completely transformed and today 12 major industry groups together account for 86% of factories, 96% of fixed capital investment, 94% of value of output and 95% of value addition in the state’s industrial economy. In the recent years, refined petroleum products has emerged as one of the largest industrial groups having 33% share, followed by chemicals having 21% share. Other important groups include agro and food products (8.5%), textiles and apparel (6.9%), basic metals (6.2%), machinery and equipment (2.7%), non-metallic mineral based products (2.5%), plastic and rubber products (1.8%), furniture industry (1.4%), fabricated metal products (1.4%), electrical machinery (1.2%) and paper and paper products (1.1%). The industries in Gujarat produce a wide variety of products. The products which have substantial contribution in terms of production in India include: Soda Ash having 94% share, Salt (80%), Processed Diamond (80%), Polyester Filament Yarn (63%), Caustic Soda (42%), Phosphatic Fertilizers (37%), Sponge iron (35%), Textile Fabrics (34%), Refined Petroleum Products (33%), Nitrogenous Fertilizers (19.5%), Cement (10%) and so on.

Over a period of time, Gujarat has also succeeded in widening its industrial base. At the time of inception in 1960, the industrial development was confined only to four major cities namely Ahmedabad, Vadodra, Surat and Rajkot and some isolated locations such as Mithapur and Valsad. Today, almost all the districts of the state have witnessed industrial development in varying degree. Such a massive scale of industrial development has been possible on account of judicious exploitation of natural resources, such as minerals, oil and gas, marine, agriculture and animal wealth. The discovery of oil and gas in Gujarat in the decade of 60s has played an important role in setting up of petroleum refineries, fertilizer plants and petrochemical complexes. During the same period, the state government has also established a strong institutional network. Gujarat Industrial Development Corporation (GIDC), established industrial estates providing developed plots and ready built-up sheds to industries all across the state. Institutions were also set up to provide term finance, assistance for purchase of raw materials, plant and equipment and marketing of products. Later, District Industries Centers (DICs) were set up in all the districts to provide assistance in setting up industrial units in the form of support services. The state also developed infrastructure facilities required for industries, such as power, roads, ports, water supply and technical education institutions. The Government also introduced incentive schemes, from time to time, to promote industries mainly in the under developed areas of the state to correct regional imbalances. All these initiatives have made Gujarat to emerge as the highly industrialized state in the country today.

Infrastructure

Infrastructure facilities are considered essential for sustainable industrial development. The state has
therefore given utmost priority for the development of new infrastructure facilities, upgrade the existing infrastructure to ultimately transform them to world-class standards. For the purpose, the State Government has taken several initiatives in the recent years with a view to providing the infrastructure as per the requirements of modern industry. The status of important infrastructure facilities is as under.

**Power**

Although the per capita consumption of electricity is very high in Gujarat as compared to other Regions, the State is self-sufficient in power. While the present generating capacity of 9,827 MW (excluding 4,000 MW of captive generation) is satisfactorily meeting with the demand of the industries, it will be doubled to 20,725 MW in next five years to make Gujarat a power surplus state. The state is also planning to set up mini and micro hydel power projects on the dams and canals in the state, besides harnessing the non-conventional and renewable energy sources in wind, solar and bio-fuel sectors.

**Ports**

The state encompasses 1,600 km long coastline, representing one fourth of India’s water front. Gujarat is strategically positioned to service the vast Northern and Central Indian hinterland. The state has 40 minor and intermediate ports, geographically dispersed across the state—South Gujarat (13), Saurashtra (23) and Kachchh (4), besides one major port at Kandla, which is under Government of India. During the year 2008-09, the intermediate and minor ports have handled the total cargo of 152.81 lakh tonnes. The main items of imports include: Crude Oil, Naphtha, Coal, Iron Ore, Rock Phosphate, Fertilizer, Ammonia, Machinery, SKO, Ethylene, Paraxylene, Clinker, Cement, Steel Coils, LPG, Propylene, Waxy residue, LDT etc. The items that were exported include: HSD, Naphtha, Petrol, Oil Cakes, Bauxite, SKO, Paraxylene, Salt, Soda Ash, Food Grains, Cement Clinker, Ethylene, IOF, LPG, Pet-cock etc.

Gujarat has formulated a Port Policy and promotes private sector investment in development of ports and related infrastructure. Gujarat Maritime Board (GMB) has identified 10 green field sites for development as direct berthing deep-water ports. Of these, Pipavav and Mundra ports have been operational and two LNG terminals at Dahej and Hazira have become operational.

**Road**

The total length of roads (except municipal roads) in the state is 74,038 km, of which 96.14% are surfaced roads which include National Highways (NH)—2,867 km, State Highways (SH)—18,702 km, Major District Roads (MDR)—20,707 km and other District Roads—10,503 km. Rest are village roads.

The Government of Gujarat has recognized the need for private participation in the Road Sector. The Roads and Buildings (R&B) Department has identified several projects to be offered to private sector.

**Railways**

The total length of railway lines in the state, is 5,188 route km comprising 2,984 km of Broad Gauge (BG), 1,417 km of Meter Gauge (MG) and 787 km of Narrow Gauge (NG) lines.

Three projects, namely Viramgam-Surendranagar-Pipavav; Gandhidham-Palanpur and Mundra-Adipur were been taken up under Private Sector Participation (PSP) mode and have become operational.

**Airports**

Gujarat has a fairly extensive network of airports and airfields scattered throughout the state. The airport locations in Gujarat can be classified as tourist centres and industrial centres. The state has 12 domestic airports and 1 international airport, the highest in any state of India. Ahmedabad is connected with important national and international cities.

**Gas**

Gujarat has been a pioneer state in producing oil and gas, with Ankleshwar and Mehsana being the earliest gas fields discovered in the country. In the recent years, Gujarat has emerged as the 'Petro Capital' of India. To capitalize the advantages in terms of economic transformation, the state is laying a 2,200 km long high-pressure Gas Grid aimed at facilitating gas transmission and distribution from
supply points to the demand centres. Of this, 1,134 km of pipe line is operational. Gujarat is the only state to have the Gas Grid in the country. All the medium and small industries will be supplied gas from the grid to bring down their operating cost. In the next two to three years, Gas Grid is expected to reach all the districts of Gujarat and will cater to the requirements of industrial, commercial and domestic sectors. Two LNG terminals have considerably eased the availability of gas which will further be augmented by two upcoming LNG terminals each planned at Pipavav in Saurashtra and Mundra in Kutch.

**Communications**

Gujarat has well-developed telecommunication network. The tele-density per population of 100 persons in Gujarat is 10.66 as compared to the national average of 8.95. Gujarat accounts for 6.31% of telephone connections in the country by way of both land lines and cellular telephones. One out of every six persons in the state owns a mobile phone. Gujarat has also set up a Wide Area Net Work (GSWAN) providing connectivity of the state capital-Gandhinagar with district and taluka level offices.

**Technical Education**

Gujarat is having well developed educational facilities including technical education at degree, diploma and craftsmen level to provide skilled manpower. In addition, there are specialized institutions in the different fields covering management, design, IT, plastic technology, tool manufacturing & design, EDP, etc.

**Natural Resources**

Natural Resources play an important role in industrial development. Gujarat is endowed with important resources like minerals, marine, agriculture; as also animal wealth and human resources. The state government has taken several measures to explore and exploit these resources for further processing and value addition. Information on important natural resources useful for industrial processing in the state is as under.

**Mineral Resources**

The important mineral resources in Gujarat include limestone, lignite, bauxite, bentonite, chalk, china clay, dolomite, marble and granite; besides oil and natural gas. Information on reserves and location of the important minerals is as under:

### Mineral Reserves of Gujarat

<table>
<thead>
<tr>
<th>Mineral</th>
<th>Main Locations (District)</th>
<th>Reserve in Miln. Metric Tonnes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Metal</td>
<td>Banaskantha</td>
<td>8.50</td>
</tr>
<tr>
<td>Bauxite</td>
<td>Kachchh, Jamnagar</td>
<td>105.00</td>
</tr>
<tr>
<td>Bentonite</td>
<td>Kachchh, Bhavnagar, Sabarkantha</td>
<td>105.00</td>
</tr>
<tr>
<td>Calcite</td>
<td>Sabarkantha</td>
<td>0.90</td>
</tr>
<tr>
<td>Chalk</td>
<td>Porbandar, Rajkot</td>
<td>83.79</td>
</tr>
<tr>
<td>China clay</td>
<td>Kachchh, Mehsana, Sabarkantha</td>
<td>162.83</td>
</tr>
<tr>
<td>Dolomite</td>
<td>Bhavnagar, Vadodara</td>
<td>720.55</td>
</tr>
<tr>
<td>Fluorite</td>
<td>Vadodara</td>
<td>11.60</td>
</tr>
<tr>
<td>Fireclay</td>
<td>Surendranagar, Sabarkantha, Rajkot</td>
<td>160.15</td>
</tr>
<tr>
<td>Gypsum</td>
<td>Kachchh, Jamnagar</td>
<td>3.37</td>
</tr>
<tr>
<td>Lignite</td>
<td>Bharuch, Kachchh, Bhavnagar, Surat</td>
<td>2,165.35</td>
</tr>
</tbody>
</table>

*September, 2009*
Marine Resources

Gujarat is blessed with the longest coastline of 1600 km in India, offering important resources such as salt and marine products for industry.

Gujarat is the largest producer of salt in the country contributing as much as 80% of total production in India. Apart from using salt for edible purposes, it is substantially used for production of inorganic chemicals.

Fish processing is also developed as an important industry. Gujarat is the second largest producer and exporter of processed fish in the country. Veraval, Porbandar and Mangrol have been developed as important fish processing centres. Gujarat accounts for 3.75 lakh hectares of brackish water area, out of an estimated 11.91 lakh hectares in India.

Agricultural Resources

Agriculture is an important natural resource used for industrial processing. Gujarat is known for the production of cash crops. Though the state constitutes just 5% of the geographical area of the country, it accounts for 30% of groundnut production, 18% of cotton production and 57% of tobacco production in India. The other important agricultural crops used as industrial raw materials include sugarcane, maize, rice, wheat, pulses, vegetables and fruits like banana and mango.

The important agricultural produces in Gujarat used as raw material in industry are as under:

<table>
<thead>
<tr>
<th>Crop</th>
<th>Area (in '000 hectares)</th>
<th>Production (in '000 tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rice</td>
<td>759</td>
<td>1474</td>
</tr>
<tr>
<td>Wheat</td>
<td>1274</td>
<td>3838</td>
</tr>
<tr>
<td>Cotton</td>
<td>2422</td>
<td>8276*</td>
</tr>
<tr>
<td>Groundnut</td>
<td>1857</td>
<td>3299</td>
</tr>
<tr>
<td>Oil seeds (Tota)</td>
<td>2852</td>
<td>4699</td>
</tr>
</tbody>
</table>

*In bales

Animal wealth

Animal wealth is also an important resource contributing to the process of industrial development, especially dairy industry, leather processing and cattle feed industry.

As per the provisional figures of the Census carried out in 2007, Gujarat accounts for 235.24 lakh of total live stock population and 133.73 lakh of poultry population.
Gujarat is known for dairy development. Almost all the districts of the state are having projects for milk production and dairy products. This development has been in the cooperative sector. The total daily milk production on an average is estimated at 2,168 lakh litres, in the state, AMUL has emerged as an international brand in milk and milk products.

There has also been development of leather processing industry. There are a good number of leather collection centres in the state. The state offers good scope for manufacturing leather-based products.

**Micro, Small & Medium Enterprises**

Government of India under the Ministry of Micro, Small and Medium Enterprises have in October 2006 enacted Micro, Small and Medium Enterprises Development Act 2006. Under the Act Micro, Small and Medium Enterprises are classified as under:

<table>
<thead>
<tr>
<th>Enterprises</th>
<th>Investment in Plant &amp; Machinery (Manufacturing)</th>
<th>Investment in Equipment (Service)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro</td>
<td>Up to Rs. 25 lakh</td>
<td>Upto Rs. 10 lakh</td>
</tr>
<tr>
<td>Small</td>
<td>Above Rs. 25 lakh up to Rs. 5 crore</td>
<td>Above Rs. 10 lakh up to Rs. 2 crore</td>
</tr>
<tr>
<td>Medium</td>
<td>Above Rs. 5 crore up to 10 crore</td>
<td>Above Rs. 2 crore up to Rs. 5 crore</td>
</tr>
</tbody>
</table>

The small and medium enterprises as classified above, are required to file Entrepreneurs Memorandum (EM) Part-I to District Industries Centre for starting an industrial project. On completion of the project, the entrepreneur concerned is required to file Entrepreneurs Memorandum (EM) Part-II.

Earlier there was a system of granting registration to small scale industrial units by the District Industries Centre. These units are now required to file EM Part-II as Micro, Small or Medium enterprises as classified above. Over a period of time, Gujarat has registered a sizeable growth of SME sector. There were only 2,169 small industries in 1961 at the time of formation of the state. The number of SSIs increased continuously and has reached to over to 3,12,000 by September 2006. This may be observed from the following table:

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of SSI Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>2,169</td>
</tr>
<tr>
<td>1970</td>
<td>15,849</td>
</tr>
<tr>
<td>1980</td>
<td>43,742</td>
</tr>
<tr>
<td>1990</td>
<td>1,15,384</td>
</tr>
<tr>
<td>2000</td>
<td>2,51,088</td>
</tr>
<tr>
<td>2005</td>
<td>3,06,646</td>
</tr>
<tr>
<td>2006</td>
<td>3,12,782</td>
</tr>
<tr>
<td>(Up to September)</td>
<td></td>
</tr>
</tbody>
</table>

District Industries Centres in all the districts of the state and the institutions such as Gujarat Industrial Development Corporation (GIDC) and Gujarat State Financial Corporation (GSFC) have been instrumental in accelerating the pace of development of SSIs.

On the other hand, Small Scale industries have also played an important role in dispersal of industries. Ahmedabad district leads the state with the highest number of SSI units followed by Surat, Rajkot and other districts. Following table presents the percentage share of number of SSI units in major districts:

<table>
<thead>
<tr>
<th>Districts</th>
<th>No. of SSI Units (% Share)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ahmedabad</td>
<td>21.02</td>
</tr>
<tr>
<td>Surat</td>
<td>15.15</td>
</tr>
<tr>
<td>Rajkot</td>
<td>10.38</td>
</tr>
<tr>
<td>Vadodara</td>
<td>5.91</td>
</tr>
<tr>
<td>Valsad</td>
<td>5.10</td>
</tr>
<tr>
<td>Mehsana</td>
<td>4.67</td>
</tr>
<tr>
<td>Bharuch</td>
<td>4.58</td>
</tr>
<tr>
<td>Kheda</td>
<td>4.32</td>
</tr>
<tr>
<td>Jamnagar</td>
<td>4.23</td>
</tr>
<tr>
<td>Bhavnagar</td>
<td>3.78</td>
</tr>
<tr>
<td>Other Districts</td>
<td>20.86</td>
</tr>
<tr>
<td>Gujarat</td>
<td>100.00</td>
</tr>
</tbody>
</table>

September, 2009
Development of small scale sector is spread across different industrial sectors. However, the trend when compared with large industries presents a different picture. Textiles including hosiery and garments account for the largest number of SSI units, followed by other sectors. This can be observed from the following table:

SSI Registrations in Gujarat – Group-wise [As on 30/9/06]

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Industry Group</th>
<th>No. of SSI Units</th>
<th>% Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Textiles</td>
<td>66,914</td>
<td>21.39</td>
</tr>
<tr>
<td>2.</td>
<td>Machinery and parts except electrical</td>
<td>23,792</td>
<td>7.61</td>
</tr>
<tr>
<td>3.</td>
<td>Metal Products</td>
<td>23,421</td>
<td>7.49</td>
</tr>
<tr>
<td>4.</td>
<td>Food Products</td>
<td>16,467</td>
<td>5.26</td>
</tr>
<tr>
<td>5.</td>
<td>Chemicals &amp; chemical products</td>
<td>15,553</td>
<td>4.97</td>
</tr>
<tr>
<td>6.</td>
<td>Wood products</td>
<td>13,498</td>
<td>4.32</td>
</tr>
<tr>
<td>7.</td>
<td>Rubber &amp; plastic products</td>
<td>11,780</td>
<td>3.77</td>
</tr>
<tr>
<td>8.</td>
<td>Non-Metallic mineral products</td>
<td>11,345</td>
<td>3.63</td>
</tr>
<tr>
<td>9.</td>
<td>Basic metal industries</td>
<td>8,795</td>
<td>2.81</td>
</tr>
<tr>
<td>10.</td>
<td>Paper products &amp; printing</td>
<td>8,244</td>
<td>2.64</td>
</tr>
<tr>
<td>11.</td>
<td>Electrical machinery and apparatus</td>
<td>6,451</td>
<td>2.06</td>
</tr>
<tr>
<td>12.</td>
<td>Transport equipments and parts</td>
<td>2,944</td>
<td>0.94</td>
</tr>
<tr>
<td>13.</td>
<td>Leather products</td>
<td>2,476</td>
<td>0.79</td>
</tr>
<tr>
<td>14.</td>
<td>Beverages, tobacco &amp; tobacco products</td>
<td>1,455</td>
<td>0.47</td>
</tr>
<tr>
<td>15.</td>
<td>Others</td>
<td>99,647</td>
<td>31.86</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>3,12,782</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Following the enactment of the MSME Development Act from 2nd October, 2006, registrations of all the MSMEs came within the purview of the Industries Commissionerate.

MSME Registrations in Gujarat

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Group</th>
<th>Registrations from 2-10-2006 to 31-3-2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Micro</td>
</tr>
<tr>
<td>1.</td>
<td>Animal, vegetable, horticulture, forestry products, beverages, tobacco and pan masala and non-editable water/spirit and alcohol mainly used in industry</td>
<td>11,557</td>
</tr>
</tbody>
</table>
Cluster Development

The development of small and medium enterprises has taken place in the form of different industrial clusters. There are, in all 83 industrial clusters for different industry groups that have been identified in the state, developed at a number of different locations. The approach of cluster-based development has helped in improving cost competitiveness of the industries by way of creating common facilities, developing market centres and brand names, promotion of skill.

Some important industrial clusters identified in Gujarat

<table>
<thead>
<tr>
<th>Type of Clusters</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brass Parts</td>
<td>Jamnagar</td>
</tr>
<tr>
<td>Castings &amp; Forgings</td>
<td>Ahmedabad, Bhavnagar, Jamnagar, Rajkot, Vadodara, Anand</td>
</tr>
<tr>
<td>Ceramics</td>
<td>Morvi, Thangadh, Himatnagar, Ahmedabad</td>
</tr>
<tr>
<td>Chalk Industry</td>
<td>Porbandar</td>
</tr>
<tr>
<td>Common Salt</td>
<td>Anjar, Gandhidham, Dasada</td>
</tr>
<tr>
<td>Dyestuff</td>
<td>Ahmedabad</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type of Clusters</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Processing</td>
<td>Ahmedabad, Surat</td>
</tr>
<tr>
<td>Diamond Processing</td>
<td>Ahmedabad, Surat</td>
</tr>
<tr>
<td>Fabrication</td>
<td>Ahmedabad, Vadodara</td>
</tr>
<tr>
<td>Fish Processing</td>
<td>Veraval</td>
</tr>
<tr>
<td>Machine tools</td>
<td>Rajkot</td>
</tr>
<tr>
<td>Oil Engines</td>
<td>Rajkot</td>
</tr>
<tr>
<td>Power driven pumps</td>
<td>Ahmedabad, Mehsana</td>
</tr>
<tr>
<td>Re-rolling Mills</td>
<td>Bhavnagar</td>
</tr>
<tr>
<td>Textiles</td>
<td>Ahmedabad, Dholka, Surat</td>
</tr>
<tr>
<td>Textiles–Ginning</td>
<td>Ahmedabad, Manavadar</td>
</tr>
<tr>
<td>Textiles–Printing</td>
<td>Jetpur</td>
</tr>
<tr>
<td>Textiles–Khadi</td>
<td>Wadhvan</td>
</tr>
<tr>
<td>Textiles–Finishing</td>
<td>Bhuj</td>
</tr>
<tr>
<td>Textiles–Synthetic</td>
<td>Surat, Mangrol</td>
</tr>
<tr>
<td>Jari–Printing</td>
<td>Surat</td>
</tr>
<tr>
<td>Textiles–Powerloom</td>
<td>Ahmedabad, Surat</td>
</tr>
<tr>
<td>Readymade Garments</td>
<td>Ahmedabad</td>
</tr>
<tr>
<td>Textile Stores</td>
<td>Ahmedabad, Surat, Wadhvan</td>
</tr>
<tr>
<td>Utensils</td>
<td>Ahmedabad, Vadodara</td>
</tr>
<tr>
<td>Wood based</td>
<td>Nadiad</td>
</tr>
<tr>
<td>Book Publishing</td>
<td>Ahmedabad</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type of Clusters</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Base metal products thereof and machinery equipment and parts thereof excluding transport equipment</td>
<td>736</td>
</tr>
<tr>
<td>3. Chemical and allied products</td>
<td>1,812</td>
</tr>
<tr>
<td>4. Ores, minerals, mineral fuels, lubricants, gas and electricity</td>
<td>10,428</td>
</tr>
<tr>
<td>5. Other manufactured articles and services not elsewhere classified</td>
<td>369</td>
</tr>
<tr>
<td>6. Railways, airways, ships, road surface transport and related equipments and parts thereof</td>
<td>57</td>
</tr>
<tr>
<td>7. Rubber, plastic, leather and products thereof</td>
<td>78</td>
</tr>
<tr>
<td>8. Textiles and textile articles</td>
<td>65</td>
</tr>
<tr>
<td>9. Wood, cork, thermocol, paper and articles thereof</td>
<td>501</td>
</tr>
<tr>
<td>Total</td>
<td>25,603</td>
</tr>
</tbody>
</table>
The State Government has taken initiatives to extend support for further strengthening these clusters through interventions such as technology upgradation, quality improvement, setting up of common facility centres, skill development facilities, etc. with the active assistance of R&D institutions, as well as industry associations.

Under the scheme, currently 22 clusters have been taken up for further development through various institutions as per the following details:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Cluster</th>
<th>Location</th>
<th>Institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Ceramics</td>
<td>Morvi &amp; Thangadh</td>
<td>CGCRI</td>
</tr>
<tr>
<td>2.</td>
<td>Powerloom</td>
<td>Ahmedabad</td>
<td>ATIRA</td>
</tr>
<tr>
<td>3.</td>
<td>Submersible Pump Industry</td>
<td>Ahmedabad &amp; Mehsana</td>
<td>ERDA</td>
</tr>
<tr>
<td>4.</td>
<td>Ceramics</td>
<td>Himatnagar &amp; Ahmedabad</td>
<td>CGCRI</td>
</tr>
<tr>
<td>5.</td>
<td>Brass Parts</td>
<td>Jamnagar</td>
<td>EDI</td>
</tr>
<tr>
<td>6.</td>
<td>Jewellery</td>
<td>Ahmedabad</td>
<td>NIFT</td>
</tr>
<tr>
<td>7.</td>
<td>Garment</td>
<td>Ahmedabad</td>
<td>NIFT</td>
</tr>
<tr>
<td>8.</td>
<td>Salt Industry in LRK</td>
<td>Surendranagar</td>
<td>CSMCRI &amp; SEWA</td>
</tr>
<tr>
<td>9.</td>
<td>Fish Processing</td>
<td>Veraval</td>
<td>CEPT</td>
</tr>
<tr>
<td>10.</td>
<td>Re-rolling Mill Industry</td>
<td>Bhavnagar</td>
<td>GITCO</td>
</tr>
<tr>
<td>11.</td>
<td>Chalk Industry</td>
<td>Porbandar</td>
<td>GITCO</td>
</tr>
<tr>
<td>12.</td>
<td>Ginning Industry</td>
<td>Ahmedabad</td>
<td>ATIRA</td>
</tr>
<tr>
<td>13.</td>
<td>Gold and Jewellery</td>
<td>Rajkot</td>
<td>NIFT</td>
</tr>
<tr>
<td>14.</td>
<td>Dyes &amp; Dyes Intermediates</td>
<td>Naroda, Ahmedabad</td>
<td>GCPC</td>
</tr>
<tr>
<td>15.</td>
<td>Pharmaceuticals</td>
<td>Ahmedabad</td>
<td>PERD</td>
</tr>
<tr>
<td>16.</td>
<td>Plastic Processing Training</td>
<td>Ahmedabad</td>
<td>CIPET</td>
</tr>
<tr>
<td>17.</td>
<td>Foundry</td>
<td>Ahmedabad</td>
<td>GITCO</td>
</tr>
<tr>
<td>18.</td>
<td>Salt Industry</td>
<td>Rajkot</td>
<td>CSMCRI ANANDI</td>
</tr>
<tr>
<td>19.</td>
<td>Common Facility Centre for Diesel Engine Research</td>
<td>Rajkot</td>
<td>EDI</td>
</tr>
<tr>
<td>20.</td>
<td>Engineering at Makarpura</td>
<td>Vadodara</td>
<td>EDI</td>
</tr>
<tr>
<td>21.</td>
<td>Facilitating survival and growth of existing enterprises in the textile accessories and machinery</td>
<td>Ahmedabad, Surat and Surendranagar</td>
<td>EDI</td>
</tr>
<tr>
<td>22.</td>
<td>Utensils</td>
<td>Dabhoi Vadodara</td>
<td>Shree Ram Vasan Industries Cluster Association Dabhoi</td>
</tr>
</tbody>
</table>

Source: MSME-DI, Ahmedabad
An Artisan of Camel Bone Handicraft Items

Jubaida Quadri, an artisan, making Camel Bone Handicrafts since last 10 years. She is working with her husband in this field, though her father-in-law never wanted her to work in this field rather he wanted her to be housewife. It is only the courage and zeal of M/s Jubaida Quadri which prompted her to join her husband to work together in the field of Camel Bone Handicraft industry. Today she is employing more than 10 artisans to work for her industry. She is also getting work done on vendor development basis outside her enterprises to cater the demand of handicraft exporters.

Recently, she has made 'Tajmahal' of Camel Bone as per the orders of an handicraft exporter. She told that it took almost eight months to finish it. More than 750 kg of Camel Bone has been used in making this 'Tajmahal' and 5 kg of brass, 25 kg of Fevicol and other items have been used in making it. The total expenditure in making of this 'Tajmahal' is around Rs. 3,20,500/- only and she told that it has been sold to the handicraft exporter for Rs. 4,00,000/-. She told in an interview that today the yearly turnover of the enterprise is more than Rs. 20,00,000/-. She has been benefited by District Industries Centre through the Artisans Credit Card scheme by getting a loan amount of Rs. 1 lac from the Commercial Bank. She is also getting interest subsidy under the scheme of state government to help the artisans.

When Jubaida Quadri was asked about the process of Camel Bone converted into handicraft items she narrated that processing raw bone into workable material is a simple process, but it is smelly and dangerous because of the chemicals involved. First the bones are cleaned with soapy water and a stiff brush. All the meat, gristle and ligaments have to be removed. Then the bones are boiled in a dilute acid either hydrochloric or sulfuric, until the bones lose the greasy texture of raw bone. When this is done the bones are rinsed thoroughly and dried. The next step requires soaking the bones in a dilute solution of bleach. This removes the last of the protein gelatin that can decompose and rot. Old bone that is poorly processed can have a very strong unpleasant aroma. The last step is to rinse the bones in clear water and dry them thoroughly for several days. After the bones are processed they are cut in small workable pieces. Then they are carved into the shapes we are most familiar with; small pierced carvings, round and oblong beads, pendants and nearly any other shape. After carving the beads can be stained or dyed.

Bones are an organic substance made of calcium phosphate and gelatinous protein compounds. It lends itself to bead making very well. Bone has long been used as a substitute for ivory and at first glance the two look similar. There are some very basic differences. The most obvious is that bone is heavier than ivory. Another is that upon close examination bone and ivory have very different appearances. Bone shows concentric layers and a dry appearance. Ivory, on the other hand, has a crisscross pattern and can be polished to a deep luster because the natural gelatin has not been removed.
Industrial Motivation Campaign (IMC) organised by MSME-DI, Agartala.

Micro Small and Medium Enterprises-Development Institute, Agartala organized two separate Industrial Motivation Campanig (IMC) in the morning and afternoon hours on 12.06.09 at Kakraban & Matabari R.D Block respectively which are a far flung areas from Agartala city. The objective was of the programme was to create awareness about Government of India’s newly launched PMEGP scheme and motivate local unemployed youths, SHGs women etc to start a new enterprise to cope up with their unemployment scenario and also as a supplement for their family income.

Shri Arvind Tiwari, Investigator (Mech), MSME-DI, Agartala delivered welcome address and briefed about the PMEGP scheme, SGSY schemes, Swablamban Scheme and related financial assistance for setting up MSEs in the State. He also mentioned about various training marketing related assistance of MSME-DI towards the growth of MSEs across the country. The representative of DRDA South Tripura and BDO Matabari R.D. Block during their address highlighted their activities at district level and block level towards the promotion of enterprises and imparting skills among the local youths.

Industrial Motivation Campaign (IMC) organised at Indo-Bangladesh Border

Micro Small and Medium Enterprises-Development Institute, Agartala organized two separate Industrial Motivation Campaign (IMC) in the morning and afternoon on 10.06.09 at Hrishumukh and Rajnagar R.D Block respectively under South Tripura which are situated adjacent to the Indo-Bangladesh Border a far-off place from Agartala city. The objective was to motivate local unemployed youths towards enterprises as an alternative of unemployment and to create awareness about Government of India’s newly launched PMEGP scheme and related financial assistance for setting up MSMEs across the States.

Shri C.S. Mund, Assistant Director (EI), MSME-DI, Agartala delivered key note address where he interacted with local youth, SHG, women and motivated them for the self employment venture to cope up with unemployment scenario of the area. He also highlighted about the prospective enterprises which could be setup in and around Hrishyamukhas well as Rajnagar R.D. Block.

Shri Utpal Chakraborty Additional BDO Hrishumukh R.D. Block and Shri D.C. Majumdar Chairman, Rajnagar R.D. Block were the Chief Guest of the IMC of the Respective Block. During their address both of them assured to extend full cooperation to organize motivation Campaign, Training Programme, Awareness Campaign to strengthen the local people in terms of knowledge skill etc. which would help them to start a new enterprise to cope up with JOB Crisis of the area. The programme ended with vote of thanks to the chair.
The TOT for the sample survey of the unregistered MSMEs was organized at Hotel Landmark, Guwahati on 17th & 18th July, 2009. Total 78 participants comprising of senior functionaries of District Industries Center (DIC), MSME-DIs and Br. MSME-DIs from North Eastern States, Sikkim and Andaman & Nicobar (UT) attended the programme.

**Inaugural Session** : At the beginning of the programme Sri S.R. Payeng, DD (IMT), MSME-DI, Guwahati welcomed the guests, participants and felicitated the dignitaries present in the dias. Then the programme was formally inaugurated by Shri S.K. Sahu, Director, MSME-DI, Guwahati. During his inaugural address Sri Sahu underlined the importance of the MSMEs statistics for the development planning of the states and the nation. He also encouraged the participants to put the honest effort to collect the authentic data and try to complete the task with in the survey time limit. Shri Deepak Goel, Director, DC (MSME), New Delhi, who was the trainer for the TOT programme also addressed the participants. Besides congratulating the participants for timely completing the 4th Census of MSMEs he also advised them to maintain same spirit in the present sample survey of unregistered MSMEs. Shri Khem Chand, Asstt. Director from DC (MSME), New Delhi was also present during the programme. At the end of the inaugural session, Shri B.N. Guru, Asstt. Director (El) proposed vote of thanks to the dignitaries and the participants.

After the inaugural session the technical session was started by Shri Deepak Goel, Director, DC (MSME), New Delhi.

**Session-I** : During this session Shri Goel explained the objective of the sample survey, how it
is different from the census survey. He also described in details about the number of units covered during the census survey and remaining unregistered units to be covered during the present sample survey programme.

**Session-II :** During this session the participants were taught on detail listing procedure of the unorganized MSMEs in the villages and the towns. Shri Goel explained the procedure of listing with a sample filled in schedule.

**Session-III :** This session covered the sampling procedures. As the present survey will use the *Circular Systematic Sampling*, so to make the task easy Shri Goel also advised the participants for using one easy programme developed by him. The programme is easy to use, simple and error free and by inserting some basic information the enumerator can easily select the sample MSMEs for detail canvassing. During this session he also taught on the canvassing procedure, which is mostly same as the previous census programme.

**Session-IV :** This was the interactive session when participants asked various questions on the subject and it was well clarified by Shri Goel. Finally the participants also expressed their feedback on the programme. During the training session the participants were provided with all the training materials and CDs.

**Concluding Session :** During this session Shri S.K. Sahu, Director, MSME-DI, Guwahati offered thanks to Shri Goel, Shri Khem Chand, to all the participants and the organizer for making the TOT programme a grand success. He also assured the participants for extending all sorts of support and cooperation during the survey period. At the end, he formally declared the session closed.
The Fifth Meeting of the National Khadi and Village Industries Board was held in New Delhi on August 20, 2009. The Meeting was addressed by Shri Dinsha Patel, Minister of State (Independent Charge) for Micro, Small and Medium Enterprises.

Congratulating all the institutions, artisans and entrepreneurs associated with Khadi and Village Industries Commission (KVIC) the Minister said that the Ministry of Micro, Small and Medium Enterprises through Khadi and Village Industries Commission is committed to provide self-employment in rural area and to develop community feeling among the rural masses, promote manufacture of marketable products and make available employment opportunities to the rural population under the Gandhian principles to make them self-dependent and strengthen their financial status.

He further added that for promotion and strengthening of Khadi & Village Industries Sector, the Ministry is implementing a number of schemes in the 11th Plan which include Prime Minister's Employment Generation Programme (PMEGP), Workshed scheme for Khadi Artisans and Scheme for Enhancing Productivity and Competitiveness for Khadi Industry and Artisans. In addition to these schemes, in July 2009 another new scheme related to Strengthening Infrastructure of Weak Khadi Institutions and Marketing Infrastructure etc., has been approved. Under this scheme assistance would be provided for modernization of 30 selected Khadi Sales Outlets and strengthening of infrastructure of 100 selected weak Khadi institutions.

The Minister said that in order to tackle the problem of increasing unemployment in the country, the Prime Minister Employment Generation Programme (PMEGP) Scheme launched by this Ministry in September, 2008 has received favourable response. KVIC has made useful contribution for the effective implementation of the scheme. Even though only 4-5 months were available in the year 2008-09 for implementation of the scheme yet a large number of applications, much beyond the targets fixed for different States, were received. Similarly, Khadi and Village Industries Boards (KVIBs) and District
Industries Centre (DIC) have also made significant contribution in the implementation of the scheme. In the limited time available in the year 2008-09, banks have approved 36,287 projects involving a margin money of Rs. 506 crore. It is estimated that these projects will lead to creation of additional employment opportunities for about 3,62,870 persons.

Similarly under the Workshed Scheme for Khadi Artisans, in the year 2008-09, as against a target of assistance for 10,000 worksheds, assistance was provided to 11,076 worksheds (Provisional). Under the scheme for Enhancing Productivity and Competitiveness for Khadi Industry and Artisans, against 200 proposed institutions for the 11th Plan period, 21 institutions have been identified for 2008-09 and the process is on for selection of the remaining institutions. All possible steps have been taken for strengthening of these institutions. 69 Khadi and Village Industries Clusters have been made functional under the Scheme of Fund for Regeneration of Traditional Industries (SFURTI) and the remaining clusters will be operationalised in the current year.

Keeping in view the progress and efficiency of KVIC, the Government has made available an amount of Rs. 1,129 crore under the plan head for the year 2009-10. KVIC has to play a premier and stellar role amongst all institutions engaged in creation of employment opportunities in the rural and the unorganized sector, the Minister said.

Secretary (MSME), Shri Dinesh Rai suggested that efforts should be made by KVIC to obtain bulk supply orders from Defence Forces and Railways which will help to improve sales of KVI products. He also informed that the proposal for financial assistance to the tune of US $ 150 million from ADB to KVIC is in its final stages of consideration in the Government. He insisted upon early settlement of Rebate claims and said that the same should not be delayed. He desired that Khadi institutions should be encouraged to come forward to arrange for Clearance Sale of the unsold stock without looking for assistance from the Government or KVIC. He expressed the need for improvements in terms of reduced product cycle in Khadi and better designs for Khadi products. While informing about the web portal recently launched by NSIC, he suggested that the platform can be used by KVIC for e-training for KVI products through a proper strategy. He suggested that KVIC may examine the support that can be extended to the weak State KVIIBs and help improve their delivery of the programmes in KVI sector.

Chairperson of KVIC, Smt. Kumud Joshi said that to meet the challenge of economic growth in the rural sector and restore it to a higher growth path, high growth is necessary to provide the government the capacity to expand opportunities for employment.

She further added that the Government was able to accelerate growth substantially in the last five years to a record five-year average of 8.5 %. This produced an impressive expansion in high quality jobs and also gave the Government the capacity to guarantee rural employment and expand social and economic infrastructure in an unprecedented manner.

Senior officials of the Ministry and Members of the National Khadi and Village Industries Board attended the meeting.
India was one of the first countries in Asia to recognize the effectiveness of the Export Processing Zone (EPZ) model in promoting exports, with Asia’s first EPZ set up in Kandla in 1965. Seven more zones were set up thereafter. However, the zones were not able to emerge as effective instruments for export promotion on account of the multiplicity of controls and clearances, the absence of world-class infrastructure, and an unstable fiscal regime. While correcting the shortcomings of the EPZ model, some new features were incorporated in the Special Economic Zones (SEZs) Policy announced in April 2000. This policy intended to make SEZs an engine for economic growth supported by quality infrastructure complemented by an attractive fiscal package, both at the Centre and the State level, with the minimum possible regulations.

The salient features of the SEZ scheme are:

- A designated duty free enclave to be treated as foreign territory only for trade operations and duties and tariffs.
- No licence required for import.
- Manufacturing or service activities allowed.
- SEZ units to be positive net foreign exchange earners within three years.
- Domestic sales subject to full customs duty and import policy in force.
- Full freedom for subcontracting.
- No routine examination by customs authorities of export/import cargo.

In order to impart stability to SEZ regime and to achieve generation of greater economic activity and employment through the establishment of SEZs, a Special Economic zone Act has been enacted. The SEZ Act, 2005, supported by SEZ Rules, have come into effect on 10th February, 2006. Incentives and facilities offered to units in SEZs under the Act, for promotion of investment, including foreign investment include: duty free import/domestic procurement of goods for development, operation and maintenance of SEZ units, 100% Income Tax exemption on export income for SEZ units under Section 10AA of the Income Tax Act for first 5 years, 50% for next 5 years thereafter and 50% of the ploughed back export profit for next 5 years, exemption from Central Sales Tax, exemption from Service Tax and single window clearance mechanism for establishment of units.

All the eight Export Processing Zones (EPZs) located at Kandla and Surat (Gujarat), Santa Cruz (Maharashtra), Cochin (Kerala), Chennai (Tamil Nadu), Visakhapatnam (Andhra Pradesh), Falta (West Bengal) and Noida (U.P.) have been converted into Special Economic Zones.

In short span of about three years since SEZs Act and Rules were notified in February, 2006, formal approvals have been granted for setting up of 577 SEZs out of which 325 have been notified. Out of the total employment provided to 4.28 lakh persons in SEZs as a whole, 2.93 lakh persons is incremental employment generated after February, 2006 when the SEZ Act had come into force. Atleast double this number obtain indirect employment outside the SEZ as a result of the operations of SEZ Units. This is in addition to the employment created by the developer for infrastructure activities. Physical exports from the SEZs have increased from Rs. 66,638 crore in 2007-08 to Rs.99,689 crore in 2008-09, registering a growth of 50%. There has been an overall growth of export of 620% over past five years (2003-04). These figures establish beyond doubt that the response to the SEZ policy of the Central Government has been overwhelming and the scheme has been able to achieve the envisaged objectives. An investment of Rs. 1,16,879 crore has been made in SEZs, this includes Foreign Direct Investment of US$ 2.43 billion.

Exports from the functioning SEZs during the last five years are as under:

September, 2009
Announcement of 20% Rebate on Khadi by the Government

Rebate on Khadi is being given for the past many years so as to make the price of Khadi competitive with other textiles. Normal rebate all over the year and an additional special rebate for 108 days is given to the customers and the rebate so passed on to the customers at the point of sale is reimbursed to the institutions from funds made available to Khadi and Village Industries Commission (KVIC) through budgetary resources. A proposal for introduction of Marketing Development Assistance (MDA) worked out by KVIC is in an advanced stage of consideration in the Government. Till the MDA scheme is approved and becomes operational, keeping in view the interests of the Spinners, Weavers and Khadi institutions, the Government has announced the continuation of the Rebate Policy in 2009-10, as a special case, on August 4, 2009 the entire credit of which goes to Shri Dinsha Patel, Minister of State (Independent Charge) for Micro, Small and Medium Enterprises (MSME). Normal rebate will be available upto 31.03.2010 @ 10% and an additional special rebate @ another 10% will be available for 108 days to be decided by KVIC considering the local requirements in states. Rebate shall be allowed only

A total of 98 SEZs are making exports. Out of this 60 are IT/ITES, 13 Multi product and 25 other sector specific SEZs. The total number of units in these SEZs is 2,279.

The overwhelming response to the SEZ scheme is evident from the flow of investment and creation of additional employment in the country. The SEZ scheme has generated tremendous response amongst the investors, both in India and abroad, which is evident from the following details of certain SEZs which have recently come up:

- Nokia Special Economic Zone in Tamil Nadu (Telecom equipments SEZ).
- Mahindra City SEZ, Tamil Nadu (Apparels and fashion accessories; IT/Hardware; auto ancillary).
- Apache SEZ (Adidas Group) in Andhra Pradesh (Footwear SEZ).
- Mundra Port and Special Economic Zone, Gujarat (Multi product SEZ).
- Moser Baer SEZ, Noida, Uttar Pradesh (SEZ for Non-conventional energy including solar energy equipment).
- Wipro Limited, Andhra Pradesh (IT SEZ).
- Divi’s Laboratories Limited, Andhra Pradesh (Pharma SEZ).
- Flextronics SEZ in Tamil Nadu (Electronic Hardware SEZ).
- ETL Infrastructure IT SEZ, Tamil Nadu (IT SEZ).
- Wipro Limited, Karnataka - 2 SEZs in Sarjapur and Electronic City (IT SEZ).
- Biocon Limited, Karnataka (Biotech SEZ).
- Serum Bio-Pharma Park, Maharashtra (Pharma SEZ).
- Manyata Promoters Private Limited, Karnataka (IT/ITES SEZ).
- Chandigarh Administration, Chandigarh (IT SEZ).
- Hyderabad Gems Limited, Hyderabad (Gems and Jewellery SEZ).
- Maharashtra Airport Development Corporation Limited, Maharashtra (Multi product SEZ).
- Reliance Jamnagar Infrastructure Ltd. (Multi Product).
- Suzlon Infrastructure Ltd. (Hi-tech Engineering Products & related services).

### News

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (Rs. Crores)</th>
<th>Growth Rate (Over Previous Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-05</td>
<td>18,314</td>
<td>32%</td>
</tr>
<tr>
<td>2005-06</td>
<td>22,840</td>
<td>25%</td>
</tr>
<tr>
<td>2006-07</td>
<td>34,615</td>
<td>52%</td>
</tr>
<tr>
<td>2007-08</td>
<td>66,638</td>
<td>93%</td>
</tr>
<tr>
<td>2008-09</td>
<td>99,689</td>
<td>50%</td>
</tr>
</tbody>
</table>

Laghu Udyog Samachar
National Workshop on Entrepreneurship & Skill Development for the Urban Poor and Youth

The National Institute for Entrepreneurship and Small Business Development (NIESBUD), a premier national level body for promotion and development of micro, small and medium enterprises including enhancement of their competitiveness through different interventions organized the National Workshop on Entrepreneurship & Skill Development for the Urban Poor in New Delhi on August 7, 2009.

The Workshop under the auspices of the Ministry of Housing & Urban Poverty Alleviation (HUPA) was organized with the objective of deliberating the issues involved in imparting skill training to one billion youth during five years with a target of 2 lakh during 2009-10 and those involved in promoting self-employment among the urban poor/youth.

Shri Pravir Kumar, Joint Secretary (MSME) in his address emphasized on the development of appropriate policies/programmes for achieving the ambitious target of providing Skill Training to 500 million by 2022 as enunciated by the Government.

Shri K. R. Arya, Director General of NIESBUD welcomed the delegates dwelt upon the need of imparting skill training to the youth of the country for increasing their employability and motivating them to take to jobs/self employment so as to enable them to become an integral part of the society.

The two technical sessions of the Workshop, which was chaired by eminent experts in the field, were on ‘Skill and Self-Employment As a Means of Livelihood for the Urban Poor’ and ‘Micro Enterprise Development Credit Linkage & Other Issues’.

The holding of the Workshop at a time when the Government is focusing on the multiple issues affecting the urban people which are expected to constituted about 41 per cent of the population by 2030 from the existing 28 per cent also assumes significance in view of the ambitious plan of the Prime Minister of imparting Skill Training to large chunk of the unemployed youth.

The Workshop was attended by 100 delegates drawn from Ministry of HUPA, State Government Offices, R & D Institutions, State Entrepreneurship Development Institutes and other Institutes.

Measures to Boost Small Industries

To facilitate the promotion and development of micro, small and medium enterprises (MSMEs) and enhance their competitiveness, the Government announced a ‘Policy Package for Stepping Up Credit to Small and Medium Enterprises (SMEs)’ in August 2005 which envisages public sector banks to fix their own targets for funding MSMEs in order to achieve a minimum 20 per cent year-on-year growth in credit to the MSME sector. In February 2007, the Government also announced a ‘Package for Promotion of Micro and Small Enterprises’ with the objective to provide support in areas of credit, technology upgradation, marketing, infrastructure, etc. Further, the Government has enacted the Micro, Small and Medium Enterprises Development Act, 2006, which came into force from 2nd October, 2006, for promotion and development of MSMEs and to enhance their competitiveness.
Keeping in view the impact of global economic slowdown on MSMEs, the Government, the Reserve Bank of India (RBI) and the Public Sector Banks have taken several measures for protecting and providing a stimulus to the MSMEs which include: (i) extending the loan limit under Credit Guarantee Scheme from Rs.50 lakh to Rs.1 crore with a guarantee cover of 50 per cent; (ii) increasing the guarantee cover under Credit Guarantee Scheme from 80 per cent to 85 per cent for credit facility up to Rs.5 lakh; (iii) interest subvention of 2 per cent in pre and post-shipment export credit to small and medium enterprises (SME) sector; (iv) refinance limit of Rs.7,000 crore to Small Industries Development Bank of India (SIDBI) for incremental on-lending to the micro and small enterprises (MSE) sector; (v) grant of need-based ad hoc working capital demand loans up to 20 per cent of the existing fund-based limits; and (vi) reduction in interest rates for borrowing by micro enterprises by 1 per cent and in respect of SMEs by 0.5 per cent.

This information was given by Shri Dinsha Patel, Minister of State (Independent Charge) for Micro, Small and Medium Enterprises in a written reply to a question in the Lok Sabha on August 04, 2009.

Web Portal to Enhance the Reach of MSMEs in Global Market

Shri Dinsha Patel, Minister of State (Independent Charge) for Micro, Small and Medium Enterprises inaugurated a new B2B Web Portal of the National Small Industries Corporation Limited (NSIC) for providing web based marketing support to MSMEs in the country in New Delhi. The web portal www.nsicindia.com has been developed by NSIC to provide an excellent opportunity for MSME fraternity to not only promote Information exchange Pan India but also enhance its reach to large number of clients abroad, besides improving its service delivery. The portal will also help MSMEs to enhance their inland and global trade through promotion of their products and services. The portal provides some good features like product specific database searches, sector specific domestic and international Tender notices with alert facility, business trade leads (buy/sell) from more than 200 countries and opportunities to MSMEs to develop their products and showcase them through the portal and reach out to the global markets. The Minister, Shri Dinsha Patel while inaugurating the web portal, urged upon the micro, small and medium enterprises to take advantage of the excellent features offered by the web portal as it would help them in expanding their trade opportunities. E-commerce is becoming a global trend and the advantages of which should also be available to the smaller entities. He said that this portal was an effort to help the smaller units and provide an excellent opportunity to them to promote their products and services Pan-India and in other countries. He also mentioned that the Government was coming out with various schemes for the benefit of MSMEs and wished the units to take full advantage of such schemes. Shri Dinesh Rai, Secretary, MSME mentioned that marketing support was a dire need for the MSME sector particularly with regard to global marketing opportunities to the MSMEs. It is an expensive affair and MSMEs needed such a facility which would help them in reaching out to the buyers in the world from their workplace by using ICT tools. NSIC has made an effort to fill this gap through this web portal. Speaking on the occasion Dr. H.P. Kumar, Chairman-cum-Managing Director, NSIC highlighted the benefits the portal would offer to the MSMEs in the country. This portal is one of the most comprehensive portals in the web world comprising of more than 2.5 lakh MSMEs contacts. He invited Micro, Small and Medium Enterprises (MSMEs) to join NSIC as members to showcase and market their products & services globally.
Rediscovering avenues

MSMEs are the key drivers of exports

At the recently held The Economic Times India MSME Summit, experts and keynote speakers reiterated that rediscovering ASEAN and African countries was a golden opportunity for Indian Micro, Small and Medium Enterprises to thrive and explore new markets.

The Economic Times India, had organized the forum for networking among these sectors and their associated performance, leveraging India’s unique competitive advantages.

MSMEs are of great importance for the country. The slowdown has affected every sector and MSMEs are no exception. However, what has been the saving grace for the sector is its resilience.

We have our special focus on SMEs

This sector has significant employment potential

Dinesh Rai, Secretary, Ministry of Micro, Small and Medium Enterprises (MSME) Government of India, talked about the challenges and opportunities in the MSME sector.

With the land holding average of 2.1 hectare in 1960 to average 2.3 hectares in 2009, there is considerable support engaged in the agricultural sector that has been provided by the government. The non-agricultural service sector of the economy, the manufacturing sector has been significant in the MSME sector in its significant impact on the large surplus population engaged in the rural sector.

New Markets

India MSME Summit

The summit focused on networking and understanding the unique competitive advantages of India’s MSMEs in ASEAN and African countries. The summit also discussed how these sectors can leverage India’s unique competitive advantages for growth and development.

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नागरिक बृपूर, नई दिल्ली

सरकार सुक्ष्म, लाटु एवं मध्यम उद्योगों एमएसएमई की गणना रूपी नैति की आवश्यकता के अन्तर्गत जारी कर सकती है। इससे सरकार की इस क्षेत्र से जुड़ी नीतियों बनाने में सहायता मिलेगी।

एमएसएमई के विज्ञान एवं विद्युत भोतल लाभ करते हुए केंद्रीय मंत्री दिनशाल पटेल ने कहा कि यह क्षेत्र के लिए काफी फायदेमंद होगा। इसके बावजूद, लाटु रूपी नैति द्वारा अन्य महत्वपूर्ण हिस्सों में कारोबारी उन्नति लानी की जा सकती है।

सरकार ने एमएसएमई क्षेत्र में सूचना एवं प्रीडेंशली की पहुंच रूपमें एक पॉलिस्टो को सर्वरी (एमएसएमई) ने है और विशेष उद्योग नियोजन दर्जेदारी एमएसएमई अनुसार देश में 1.5 जिसमें 3.10 करोड़ रुपये राशि राखी।
Industrial Motivation Campaign held at Indo-Bangladesh Border Area conducted by MSME-DI, Guwahati: Participants in the IMC at Rajnagar Block and Hirshyamukh Block of South Tripura.