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NEWSLETTER



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FICCI - Confederation of Micro, Small and Medium Enterprises (CMSME)



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-  Help MSMEs explore different government schemes
-  Deliberate on policy issues that impact performance of the MSME sector and provide effective channels to communicate issues and concerns to government at the center and states as well as to other regulatory bodies and banks
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-  Marketing & Quality Standards including Packaging
-  Finance
-  Technology & Innovation
-  Legal & Taxation
-  Procurement
-  Environment
-  Start-up & Entrepreneurship

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1. PM Modi exhorts Indian industry to maintain global standards for products

Addressing the webinar of Department for Promotion of Industry and Internal Trade (DPIIT), Prime Minister Narendra Modi called upon Indian industry to maintain global standards for their products and compete globally. The PM has been speaking to experts online on various aspects of Union Budget 2022. The main theme of the webinar was 'Make in India for the World'. "Positive factors like demographic dividend of young and talented population, democratic set up, natural resources should encourage us to move towards 'Make in India' with determination".

Modi said Aatmnirbharta (self-reliance) is all the more important if we see from the prism of national security. He said the world was looking at India as a manufacturing powerhouse". He asked the industry captains to 'take pride in the products your company makes and instil this sense of pride in your Indian customers as well ...You will have to maintain global standards and you will also have to compete globally." This was Prime Minister's eighth post-budget webinar. He said that the budget had many significant provisions for Aatmnirbhar Bharat and Make in India. He said that it is not acceptable that a country like India ends up merely as a market. He pointed towards supply chain disruptions during the pandemic and other uncertainties to underline the critical importance of Make in India.

On the other hand, positive factors like demographic dividend of young and talented population, democratic set up, natural resources should also encourage us to move towards Make in India with determination. Modi also referred to his call for zero defect-zero effect manufacturing that he gave for the ramparts of Red Fort. 'Aatmnirbharta is all the more important if we see from the prism of national security', he said.

The Prime Minister said that the world is looking at India as a manufacturing powerhouse. Manufacturing, he said, is the 15 per cent of India's GDP, but there are infinite possibilities before Make in India and we should work with full strength to create a robust manufacturing base in India, he said. Prime Minister Modi gave the examples of new demand and opportunities in sectors like semi-conductors and Electric Vehicles where manufacturers should move with a sense of removing dependencies on foreign sources. Similarly, areas like steel and medical equipment need to be focussed for indigenous manufacturing, he added.

Pointing to the difference between availability of a product as opposed to availability of made in India product in the market, Modi reiterated his dismay that many of the supplies for India's various festivals are seeing foreign providers whereas they have been and can be easily provided by local manufacturers. He also emphasized that ambit of 'Vocal for Local' goes well beyond buying 'dijas' on Diwali. The Prime Minister asked the private sector to push the factors of vocal for local and Aatmnirbhar Bharat in their marketing and branding efforts. "Take pride in the products your company makes and instil this sense of pride in your Indian customers as well. For this some common branding can also be considered", he added.

Highlighting the need to find new destinations for the local products, Modi exhorted the private sector to enhance spending on R&D and to diversify and upgrade their product portfolio. Referring to declaration of 2023 as International Year of Millets, the Prime Minister said "The demand for millets is increasing in the world. By studying the world markets, we should prepare our mills in advance for maximum production and packaging," he said. Modi also referred to new possibilities due to opening

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up of areas like mining, coal and defence. He asked the participants to prepare a new strategy. “You will have to maintain global standards and you will also have to compete globally”, he said.

“This budget has given significant importance of MSME through credit facilitation and technology upgradation. The government has also announced a RAMP program of Rs 6,000 crore for MSMEs. The budget has also focused on developing new railway logistics products for farmers, for large industries and MSMEs. The integration of postal and railway networks will solve the problems of connectivity in small enterprises and remote areas, Modi said. The Prime Minister said that regional manufacturing ecosystem can be strengthened by using the model of PM DevINE which has been announced for the North-East Region. Similarly, reforms in Special Economic Zone Act will provide a boost for the exports. Modi also elaborated on the impact of the reforms. He said that in PLI for large scale electronics manufacturing, target of 1 lakh crore rupees worth of production was achieved in December 2021. Many other PLI schemes are in the important stages of implementation.

The Prime Minister alluded to removal of 25 thousand compliances and auto renewal of licences by his government, leading to significant reduction in the compliance burden. He said digitization had brought speed and transparency in the regulatory framework. “From Common Spice Form to National Single Window System to set up a company, now you are feeling our development friendly approach at every step”, he added. Prime Minister Modi further called upon the captains of manufacturing to pick up some areas and work to remove foreign dependence in that. He also said that such webinars are unprecedented governance steps to include stakeholder voices in the policy implementation and developing a collaborative approach for proper, timely and seamless implementation of the budget provisions for better outcomes.

The Statesman, March 03, 2022

2. Haryana MSMEs to get 50% reimbursement of VAT on natural gas

In order to provide some relief to industries in NCR where norms require them to shift to cleaner fuels, the Haryana government has proposed to reimburse 50 per cent of VAT collected on natural gas purchased by MSMEs for a period of two years. “The government recognises that industries in the national capital region (NCR) are being pushed to shift to cleaner fuels, including natural gas, due to concerns arising from the severity of air pollution. The shift would increase the cost of production for industries affecting their competitiveness, Chief Minister Manohar Lal Khattar said.

Khattar, who also holds the finance portfolio, presented the budget for 2022-23 in the state assembly. It has been proposed in the budget to provide 50 per cent reimbursement on VAT on natural gas (piped or compressed) for industries in the MSME sector for a period of two years to help them remain competitive on conversion to cleaner fuels, he said, adding that conversion towards cleaner fuels requires significant investment in infrastructure. “Grant assistance will be provided to MSMEs up to 30 per cent of the capital expenditure for conversion of their boilers from coal or diesel to cleaner fuels, subject to a limit of Rs 15 lakh,” he further said. To give an impetus to entrepreneurship and small businesses, Khattar also announced the Laghu Udyamita Samarthan Nidhi scheme under which individual or family-owned businesses will get interest subvention at the rate of 5 per cent on loans up to Rs 3 lakh, subject to a maximum of Rs 15,000 per month. Any individual or a household with the annual income of Rs 3 lakh or less will be eligible for this assistance, he said.

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To promote industrial exports and as per the demand from exporters, the government has decided to provide freight subsidy for industrial exports, details of which will be notified separately by the industries and commerce department, said Khattar.

A sum of Rs 1,000 crore will be set aside by the HSIIDC (Haryana State Industrial and Infrastructure Development Corporation) for the upgradation of infrastructure in the industrial model townships. To ensure uninterrupted power supply to industries, the state power utilities will invest Rs 1,000 crore during 2022-23 for the improvement of electricity infrastructure in industrial areas, said Khattar. Besides, the government is also formulating a land pooling policy to enable people to participate in urban and industrial development by pooling in their land.

The chief minister announced several measures for the development of rural and urban areas. He said the government will provide 7 per cent of the revenue from the state's own tax resources (SOTR) to the institutions of local government in the ratio of 55:45 for panchayati raj institutions and urban local bodies, respectively.

Khattar also proposed setting up of a Haryana urban development fund on the lines of Haryana rural development fund. Both the funds will be allocated 1 per cent of SOTR to meet specific development needs in urban and rural areas. Besides, the government has proposed to develop an integrated aviation hub at Hisar. With increasing multi-storeyed constructions in the state, issues of structural safety of apartment buildings have come up, the chief minister said, adding that the state building code will be amended to make provisions for periodic structural audit after issuance of the occupation certificate to housing societies.

Business Standard, March 08, 2022

3. Interest subsidy scheme for exporters extended till March 2024: RBI

RBI extended the interest equalisation scheme for pre and post shipment rupee credit for MSME exporters till March 2024 with the objective of boosting outbound shipments. Exporters get subsidy under the 'Interest Equalisation Scheme for pre and post-shipment Rupee Export Credit'. In April last year, the scheme was first extended till June end and later till September 2021. The interest equalisation rates under the scheme have been revised to 2 per cent and 3 per cent for specified categories of MSME manufacturer exporters, the RBI said.

"The government has approved the extension of Interest Equalization Scheme for Pre and Post Shipment Rupee Export Credit up to March 31, 2024 or till further review, whichever is earlier. The extension takes effect from October 1, 2021 and ends on March 31, 2024," the RBI said in a notification. The scheme will not apply to telecom instruments and entities availing benefits under the Production Linked Incentive (PLI) scheme of the government.

While issuing approval to the exporter, the bank will be required to furnish the prevailing interest rate, the interest subvention being provided, and the net rate being charged to each exporter, so as to ensure transparency and greater accountability in the operation of the scheme, the RBI said. It further said from April 1, 2022, banks shall reduce the interest rate charged to the eligible exporters upfront as per the guidelines and submit the claims in original within 15 days from the end of the respective month in the prescribed format. The RBI further said for the October 1, 2021 to March 31, 2022 period, banks shall identify the eligible exporters as per the scheme, credit their accounts with the eligible amount of

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interest equalisation and submit sector-wise consolidated reimbursement claim for the period to the Reserve Bank by April 30, 2022. India's merchandise export in February 2022 was USD 33.81 billion, an increase of 22.36 per cent over USD 27.63 billion in the same month of 2021.

The Economic Times, March 09, 2022

4. Govt earmarks Rs 500 cr for scheme to support pharma clusters, MSMEs

The government has earmarked Rs 500 crore for a scheme to provide support to the existing pharma clusters and MSMEs across the country to improve their productivity and sustainability, an official release said. The Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, released the guidelines for the scheme -- Strengthening of Pharmaceutical Industry (SPI) -- with a total financial outlay of Rs 500 crore for FY2021-22 to FY2025-26. The scheme will address the rising demand in terms of support required for existing pharma clusters and MSMEs across the country to improve their productivity, quality and sustainability, the ministry said in a statement.

The objectives of the scheme are to strengthen the existing infrastructure facilities to make India a global leader in the pharmaceutical sector, it added. Under the scheme, financial assistance to pharma clusters will be provided for the creation of common facilities. This will not only improve the quality but also ensure the sustainable growth of clusters, the statement said.

"Further, in order to upgrade the production facilities of SMEs and MSMEs so as to meet national and international regulatory standards (WHO-GMP or Schedule-M), interest subvention or capital subsidy on their capital loans will be provided, which will further facilitate the growth in volumes as well as in quality," it added. The scheme will have three 3 components -- assistance to the pharmaceutical industry for common facilities (APICF); pharmaceutical technology up-gradation assistance scheme (PTUAS); and pharmaceutical & medical devices promotion and development scheme (PMPDS), the ministry noted. The government has earmarked Rs 178 crore for a period of five years for APICF, which would provide support for clusters for the creation of common facilities with the focus on R&D labs, testing laboratories, effluent treatment plants, logistic centres and training centres in this order of priority. Similarly, an outlay of Rs 300 crore has been earmarked for the PTUAS for five years.

Under the PTUAS sub-scheme, support for SME industries is proposed, either through up to a maximum of 5 per cent per annum (6 per cent in case of units owned and managed by SC/STs) of interest subvention or through credit linked capital subsidy of 10 per cent. In both cases, the loan supported under this is to a limit of Rs 10 crore. Further, an outlay of Rs 21.5 crore has been proposed for PMPDS for the next five years. Knowledge and awareness about the pharmaceutical and medical technology industry will be promoted under the sub-scheme, the ministry said.

Business Standard, March 11, 2022

5. Govt extends Rs 20,000-cr Subordinate Debt scheme for MSMEs till March 2023

The MSME Ministry announced the extension of the Rs 20,000-crore Credit Guarantee Scheme for Subordinate Debt (CGSSD) by another year. Launched in June 2020, the scheme was initially valid till March 31, 2021, but was later extended till March 31, 2022, in order to "keep the avenues of assistance to stressed MSME units open," the ministry said in a statement. The latest extension was "on the basis of the requests received from the stakeholders of the scheme," the ministry added.

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The scheme provides credit facility via banks to the promoters of stressed MSMEs including special mention accounts (SMA)-2 and non-perform asset (NPA) accounts that are eligible for restructuring as per the Reserve Bank of India (RBI) guidelines on the books of the Lending institutions.

SMA-0 accounts indicate incipient stress in the business that can result in defaults in debt servicing by the promoter. SMA-1 accounts are accounts with payments partially or wholly overdue for 1-30 days, SMA-1 and SMA-2 accounts have payments overdue for 31-60 days and 61-90 days respectively.

On the other hand, subordinate debt is referred to subordinated debenture or junior securities, a kind of unsecured loan or bond that ranks below other senior loans or securities in terms of claims on assets or earnings.

Importantly, the proposal for modification in the scheme guidelines is also underway, the ministry had noted in its 2021-22 annual report. This is probably because the scheme hasn't seen much traction among eligible MSMEs as guarantees amounting to Rs 81.78 crore only to 756 borrowers were extended as of December 31, 2021, according to the report.

For the guarantee coverage of loans, the government had contributed Rs 4,000 to set up a Distressed Assets Fund, of which only Rs 157.41 crore was released to the Credit Guarantee Trust for Micro and Small Enterprise (CGTMSE) in March 2021 that operates the scheme, according to the annual report. Overall, the government had targeted to guarantee loans to the tune of Rs 20,000 crore.

Financial Express, March 14, 2022

6. Govt promotes industry's progress through multiple policy measures, schemes

MoS in the Ministry of Commerce and industry, Som Parkash informed Lok Sabha that the Government of India has continuously been promoting the progress of industries throughout the country through various policy measures and schemes. The government has taken a number of recent initiatives under the Aatmanirbhar Bharat Abhiyan to mitigate the impact of Covid-19 on industries. Some of the initiatives are ~ Rs 20,000 crore Subordinate Debt for stressed MSMEs, Rs3 lakh crore Emergency Credit Line Guarantee Scheme (ECLGS) for Businesses, Rs 50,000 crore equity infusion through MSME Self-Reliant India Fund, New Revised criteria of classification of MSMEs, New Registration of MSMEs through 'Udyam Registration' for Ease of Doing Business and no global tenders for procurement up to Rs 200 crore for promotion of domestic manufacturing.

Besides above, Central Government has also taken following measures to promote industrial development~ announcement of Production Linked Incentive (PLI) Scheme, launch of the PM GatiShakti – a National Master Plan for multi-modal connectivity to reduce logistic cost and create world class infrastructure, implementation of various industrial corridor projects to develop greenfield industrial nodes and to facilitate provision of plug and play infrastructure, reducing compliance burden on citizen and business to simplify, decriminalize & remove redundant laws, setting up of Empowered Group of Secretaries (EGoS) and Project Development Cells (PDCs) to monitor investment projects, building a strong eco-system for nurturing innovation and Startups in the country with the help of schemes such as Fund of Funds for Startups Scheme (FFS), and Startup India Seed Fund Scheme (SISFS) schemes, launching of GIS-enabled India Industrial Land Bank, Scheme of Fund for Regeneration of Traditional Industries (SFURTI), Scheme for Promoting Innovation, Rural Industry and Entrepreneurship (ASPIRE), Credit Guarantee Scheme (CGTMSE), Micro & Small Enterprises – Cluster Development Programme

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(MSE-CDP), National Scheduled Caste and Scheduled Tribe Hub (NSSH). State Governments also promote industrial development through various initiatives and schemes.

The Statesman, March 17, 2022

7. 21 out of 40 special economic zones in Karnataka operational: Nirani

Industries Minister Murugesh Nirani told the Legislative Assembly that 21 out of 40 special economic zones (SEZ) are operational in the state. Of the 21 operational SEZs, 11 are located in and around Bengaluru, Nirani said in a written reply to a question by Congress MLA Krishna Byre Gowda. The Karnataka Industrial Areas Development Board (KIADB) has acquired 5,632 acres of land for 40 SEZs. The 21 operational SEZs house 280 units employing 2.34 lakh people on 3,435 acres of land.

Manyata Embassy Business Park, located on 66 acres of the outer ring road in Bengaluru, is the biggest SEZ in terms of employment, having 71,983 persons working on its premises, according to Nirani. The next biggest SEZ is Pritech Park (36 acres) in Bellandur where 50,388 people work. The Information Technology Park Ltd (474 acres) in Whitefield has 23,685 people. There are SEZs also in Udupi, Hassan, Mangaluru, Shivamogga, Mysuru (L&T), Dharwad and Dakshina Kannada (both Infosys), Nirani stated.

The state government is willing to provide all basic infrastructure, including land, within 24 hours to any industrialist wanting to set up shop in Karnataka, Nirani said. He was responding to MLA Yashvantharayagouda Patil during Question Hour. Nirani said the government has decided to keep aside 1,000 acres in each district for comprehensive industrial development, apart from 100 acres at the taluk-level. Nirani also said the government is committed to ensure that locals get employment in any of the industrial zones set up in state. Nirani said the government will ensure that the Sarojini Mahishi report, which recommends reservation of up to 70% locals in employment, is followed.

Between 2018-19 and February 2022, Karnataka has cleared 1,166 investment proposals worth Rs 1.42 lakh crore, Nirani told Shantinagar MLA N A Haris in a written reply. These projects will create 4.51 lakh jobs. Notwithstanding the pandemic, Karnataka has attracted 561 projects in the 2021-22 financial year (till February) worth Rs 42,714 crore, promising 1.27 lakh jobs. This is higher when compared with 161 projects amounting to Rs 16,508 crore and 1.24 lakh jobs in 2018-19.

Deccan Herald, March 18, 2022

8. India to explore alternative shipping routes for exports to CIS

With the Black Sea route choked by the Russia-Ukraine conflict, India is weighing a raft of options—including trade through the strategically important Chabahar Port in Iran—to beat shipping snarls and export goods to the Commonwealth of Independent States (CIS). At stake are New Delhi's annual despatches of about \$4-4.5 billion to these nations. Official and trade sources told that the government is considering two other options as well: trade by ship through China's Qingdao port and on to the CIS members from there by rail, and exports through the Georgia port.

The CIS countries include Russia, Ukraine, Azerbaijan, Armenia, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan and Uzbekistan. India's exports to the CIS countries grew 24% until January this fiscal from a year before to about \$4 billion. Of this, Russia alone accounted for \$2.85 billion and Ukraine \$427 million.

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“The Chabahar Port in Iran is probably the best option to supply to the CIS countries,” said one of the sources. “If the war stretches on for a few months, supplying to the CIS members would be even harder. So, the government is considering the best way out of the supply nightmares,” said another source. Last year, then shipping minister Mansukh Lal Mandaviya had said, with the development of the Chabahar Port, India would trim logistics cost by a fifth in container transport to CIS countries, bypassing China or Europe. Currently CIS countries could be reached only through China or Europe. The Chabahar port, located in the Sistan-Balochistan province of Iran, lies outside the Persian Gulf and is easily accessed from India’s western coast, bypassing Pakistan. Chabahar is also exempt from American sanctions.

India has been developing two terminals at the Chabahar port and under an agreement signed with Iran, it would run the terminals for 10 years. “But the issue is that the development is not over, although the port has been handling some vessels,” said an exporter. He, however, added that the latest crisis is an opportunity for the government to complete the development fast. While the shipment of goods to the CIS countries via Qingdao port is also being considered, the worry is that it’s going to be crowded. Moreover, certain European ports are already congested, and any further disruptions will only exacerbate the container pile-ups. Exporters said European Customs authorities are inspecting all goods to or from Russia transiting their ports to detect potentially-sanctioned cargo. This is aggravating a delay in the clearance of consignments.

Russian forces are reportedly shutting off shipping routes following the war. Parts of the Black Sea and Sea of Azov are now considered too dangerous for ships to pass through, exporters said. Limited air capacity adds to the supply woes, as airspace over Ukraine is closed to civilian flights and airlines are avoiding the Russian airspace. Meanwhile, global crude oil prices and insurance costs have gone up sharply as well. Consequently, both shipping and air freight rates have shot up in the wake of the Ukraine crisis.

Already, an export association has approached finance minister Nirmala Sitharaman to roll out a freight subsidy scheme for micro, small and medium enterprises (MSMEs), at least temporarily, to blunt the impact of the spike in shipping costs. Of course, exporters concede that shipping costs have spiralled for all countries and that India isn’t an outlier.

Global freight rates started surging at a fast pace in the aftermath of the Covid outbreak in 2020 and hit a peak of \$10,377 per 40-ft container in late September 2021, according to Drewry’s composite World Container Index. The rates started easing thereafter to \$9,051 as of February 12 before inching up again to \$9,180 by March 10, having recorded a jump of 83% from a year before.

Financial Express March 21, 2022

9. CSC invests in ONDC to promote e-commerce and logistics in rural India

Common Services Centers under the Ministry of Electronics & IT (MeitY) said it has invested in the Open Network for Digital Commerce (ONDC) to promote e-commerce and logistics in rural areas. “It is for the first time that CSC has invested in an initiative like this. ONDC will democratise digital commerce by moving to an open network. With the CSC Grameen eStore being integrated with ONDC, companies can look towards reaching out to the rural market through the network of over 3 lakh Grameen eStores across the country. The partnership will also generate employment opportunities for

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rural youth by enabling a last mile logistics network,” Dinesh Tyagi, MD, CSC SPV, said in a statement. Open Network for Digital Commerce (ONDC) is an initiative of the Department for Promotion of Industry and Internal Trade (DPIIT) under the Ministry of Commerce and Industry and is based on open protocol. It will enable buyers and sellers across segments, such as mobility, grocery, food order and delivery, hotel booking and travel, to be visible and transact. The platform aims to create new opportunities for micro, small and medium enterprises and small traders by helping them get on online platforms.

The Economics Times, March 22, 2022

10. India crosses USD 400 billion goods exports target for the first time

The country's exports for the first time crossed the USD 400 billion mark in a fiscal on healthy performance by sectors such as petroleum products, engineering, gems and jewellery, and chemicals, according to the commerce ministry's data released. The merchandise exports rose by 37 per cent to USD 400.8 billion in 2021-22 until March 21 against USD 292 billion in 2020-21.

Previously, the outbound shipments had touched a record of USD 330.07 billion in 2018-19. Imports during the period stood at USD 589 billion, leaving a trade deficit of about USD 189 billion. Hailing the country's success in achieving its goods export target, Prime Minister Narendra Modi said that this is a key milestone in India's 'Aatmanirbhar Bharat' journey. The highest ever goods export target was achieved nine days ahead of the March 31 deadline. "India set an ambitious target of USD 400 billion of goods exports and achieves this target for the first time ever. I congratulate our farmers, weavers, MSMEs, manufacturers, exporters for this success. This is a key milestone in our Aatmanirbhar Bharat journey. #LocalGoesGlobal," Modi tweeted.

Briefing media, Commerce and Industry Minister Piyush Goyal said that despite all adversities including Covid-19 pandemic, and Russia-Ukraine war, India has achieved this milestone. "First time in history, India has crossed USD 400 billion in merchandise exports...if this was a movie like The Kashmir Files, it would be called a Make in India blockbuster," Goyal told reporters here. He added that closer interaction with states and districts; engagement with exporters; faster resolution of their issues; actively engaging with different export promotion councils, industry associations and other stakeholders have helped in reaching this milestone. On average, goods worth about USD 33 billion were shipped every month and about USD 1 billion every day. The key export sectors, which contributed to record healthy growth include petroleum products, engineering, gems and jewellery, chemicals and pharmaceuticals. The top five export destinations are the US, the UAE, China, Bangladesh, and the Netherlands. Exports of engineering rose by 46.5 per cent to USD 107.8 billion, petroleum by 141.4 per cent USD 59.6 billion, chemicals and cotton yarn by 32.3 per cent to USD 28.2 billion, fabrics by 56.5 per cent to 14.8 billion and plastic by 31.4 per cent USD 31.4 billion during April-March 21, 2022. Director General of Foreign Trade (DGFT) Santosh Kumar Sarangi said that going by the trend, "we would be adding USD 10-12 billion in the remaining nine days", taking the exports by end of 2021-22 to over USD 410 billion.

Commenting on the data, one of export organisations said that crossing USD 400 billion is a remarkable achievement as exporters have added over USD 110 billion in one year to reach here despite huge logistics challenges, including container shortage, skyrocketing freight and liquidity constraints. "What is more important is to build on it, as we will have benefits of new free trade agreements and the PLI

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scheme (production linked incentive) backing us," it said. Another expert termed the achievement as a "landmark" and said that despite the COVID-19 pandemic exports have "done so well".

Apparel Export Promotion Council (AEPC) Chairman Narendra Goenka said that India crossing USD 400 billion merchandise exports marks the beginning of an era of exponential growth and dominance in world trade. "From here, the growth rates are going to be exponential," Goenka added. Engineering goods exports have gone up by nearly 50 per cent so far, this fiscal as compared to the last year.

Agriculture exports too have recorded the highest ever export in 2021-22. Higher engineering exports, apparel and garment export, etc. indicate that the misconception of India being a major exporter of primary commodities is gradually changing, Goyal said. "We are now exporting more and more value-added and high-end exports and this effort by our technology-driven industries should continue. Export of Cotton Yarn/Fabrics/Made-ups, Handloom Products etc, Gems and Jewellery, Other Cereals and Man-Made Yarn/Fabrics./Made-up etc. have registered a growth rate between 50-60 per cent," he added.

Till March 21, export targets set for major countries such as Australia, Taiwan, Korea, Bangladesh, Poland, Brazil, Indonesia, Belgium, Saudi Arabia, Turkey, Italy, Japan, Canada, the US, South Africa, the Netherlands, Nigeria, Egypt and Mexico have been achieved. India's exports to the US rose by 46.8 per cent to USD 73.1 billion this fiscal as of March 21, while exports to Bangladesh and the Netherlands increased by 65.7 per cent and 79.6 per cent to USD 15.4 billion and USD 11.3 billion, respectively.

The ministry said that a policy shift in the approach envisaged in the Districts as Exports Hub initiative has been adopted to boost local production and make Districts active stakeholders in driving export growth of local products/services.

The New Indian Express, March 23, 2022

11. Foreign trade: Current policy to be extended by six months to Sept 30

The government is set to extend the validity of the current foreign trade policy (FTP), which provides a road map for boosting external commerce in goods and services, by six months through September 30, a senior official. The extension will lend predictability to the policy regime for exporters and enable them to continue to get incentives under a clutch of extant programmes without any hiccups at a time when the Russia-Ukraine war has caused massive disruptions in global supply chains and impaired their ability to honour supply commitments on time.

A new FTP, which is being firmed up keeping in view fresh external headwinds as well as opportunities, is expected to be hammered out by then. Merchandise exporters are currently entitled to support under a clutch of programmes, including tax remission schemes (RoDTEP and RoSCTL), interest equalisation scheme and transport subsidy scheme (for farm exports). The validity of the current FTP for 2015-20 was already extended by two years through March 31, 2022, in the wake of the Covid-19 pandemic, mainly to maintain policy stability and soften the blow to exporters.

The government has earmarked Rs 21,340 crore for the Remission of Duties and Taxes on Exported Products and the Rebate of State & Central Taxes and Levies in the Budget for FY23. Similarly, under the interest equalisation scheme, the government has budgeted Rs 2,622 crore for FY23, against Rs 3,151 crore (RE) for FY22.

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Under the recently-revamped equalisation scheme, large manufacturing and merchant exporters will get an interest subsidy of 2% on pre-and post-shipment rupee credit for the outbound shipment of 410 products. Similarly, the subsidy for manufacturing MSMEs is pegged at 3%. The incentives are crucial to achieve sustained growth in exports and bolster the country's share in global merchandise shipments, which stood at just 1.7% in the pre-pandemic year of 2018 and 1.6% in 2020.

Earlier this week, India's merchandise exports exceeded an ambitious target of \$400 billion for FY22 nine days before the fiscal year is set to end, staging a smart rebound after a 7% slide last fiscal in the wake of the Covid outbreak and surpassing the previous high by a wide margin. The government now expects goods exports to hit \$410 billion by the end of this fiscal.

Financial Express, March 26, 2022

12. Govt to launch common portal for different schemes to improve ease of living for common man

To improve the ease of living for the common man, the government is working on a proposal to launch a common portal for various schemes run by different ministries and departments. As part of the government's vision of minimum government maximum governance, the new portal will initially onboard 15 credit-linked government schemes, sources said. The offerings will be gradually expanded, depending on compatibility, as some of the Centrally Sponsored Schemes have involvement from multiple agencies, they added. For example, schemes like Pradhan Mantri Awas Yojana and Credit Linked Capital Subsidy Scheme (CLCSS) are being administered by different ministries.

The proposed portal intends to bring these schemes on a single platform so that they can be accessed by the beneficiaries without much hassle. Pilot testing is being done and loose ends are being tied up before the actual launch takes place, the sources said, adding State Bank of India (SBI) and other lenders doing the testing. The sources said it is likely to have open architecture enabling state governments and other institutions to also onboard their schemes on this platform.

To provide comfort to borrowers, the government in 2018 had launched a portal psbloansin59minutes.com for various kinds of credit products, including MSME, home, auto and personal loans. The portal facilitates in-principle approval of loans for MSMEs and other borrowers in 59 minutes by various banks compared to the earlier turnaround time of 20-25 days. After receiving an in-principle approval letter, the loan is expected to be disbursed in 7-8 working days. The portal processes loan applications without human intervention till the sanction stage. Any MSME borrower does not need to submit any physical document for in-principle approval for a loan. Instead, the portal depends on advanced algorithms to analyse data points from several sources such as Income Tax returns, GST data, Bank Statements etc.

The platform is integrated with the government's Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) to check borrowers' eligibility. In the first two months of the launch of the portal, the state-owned banks had given in-principle approval to 1.12 lakh loan applications of micro, small and medium enterprises, totalling Rs 37,412 crore.

The Free Press Journal, March 27, 2022

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13. Let's make local 'global', augment prestige of Indian products: PM Modi

Prime Minister Narendra Modi said India achieving its export target of USD 400 billion this fiscal shows that the demand for its items is increasing all over the world and asserted that when every Indian gets 'vocal for local', it does not take much time for the "local to become global". In his monthly Mann Ki Baat radio broadcast, Modi also noted that the government has purchased items worth more than Rs 1 lakh crore in the last one year through Government e-Market with close to 1.25 lakh small entrepreneurs and shopkeepers having sold their goods directly to the government.

From a time when only big companies could sell goods to the government to now when even the smallest of shopkeepers can sell their produce, a new India has emerged, he said. "She (new India) not only dreams big but also shows the courage to reach that goal, where no one has reached before. On the basis of this very courage, all of us Indians together will definitely fulfil the dream of an Aatmanirbhar Bharat, a self-reliant India," he said.

The prime minister also lauded the rise in the market for Ayush products and start-ups related to it and asked entrepreneurs to try to make their portals in all languages recognised by the United Nations as there are many countries where English is neither spoken nor understood much. "Promote your information keeping such countries in mind as well. I am sure that soon, Ayush start-ups from India with better quality products will reign all over the world," he said.

Hailing the potential of Indian products, he said the basis of its strength is the country's farmers, artisans, weavers, engineers, small entrepreneurs, the MSME sector and people from many different professions. "It is only due to their hard work that the goal of exporting to the tune of USD 400 billion has been achieved and I am happy that this power of the people of India is now reaching new markets in every nook and corner of the world," the prime minister said.

"When each and every Indian is vocal for local, it does not take long for the local to become global. Let's make the local 'global' and augment the prestige of our products further," he said. He said that India achieving the export target of USD 400 billion, i.e. Rs 30 lakh crore, at first instance, might come across as a matter related to the economy, but it is related to the capability of India. In a way, this means that the demand for items made in India is increasing all over the world and that the supply chain of India is getting stronger by the day, Modi said. The nation takes great strides when resolutions are bigger than dreams, he asserted.

When there is a sincere effort day and night for the resolutions, they attain fruition, he added. Noting that new products from all corners of the country are reaching foreign shores, Modi cited leather products from Hailakandi in Assam, handloom products from Osmanabad, fruits and vegetables from Bijapur and black rice from Chandauli. "Now, you will also find the world-famous apricot of Ladakh in Dubai too and in Saudi Arabia, you will find bananas shipped from Tamil Nadu. Most importantly, an array of new products are being sent to newer countries," he said. Exports increased by 37 per cent to USD 400 billion during April-March 2021-22 against USD 292 billion in 2020-21.

For the first time ever, India's merchandise exports have crossed USD 400 billion in a fiscal. In 2018-19, the outbound shipments had touched a record of USD 330.07 billion. In his remarks, he also highlighted that during the last one year through the Government e-Marketplace (GeM) portal, the government has purchased items worth more than Rs 1 lakh crore. Close to 1.25 lakh small entrepreneurs and shopkeepers from every corner of the country have sold their goods directly to the

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government, he pointed out. "There was a time when only big companies could sell goods to the government. However, the country is changing now; the old systems are also changing. Now even the smallest of shopkeepers can sell one's goods to the government on the GeM Portal this is the New India," Modi said.

The market of the Ayush industry is reaching around Rs 1.40 lakh crore to around Rs 22,000 crore six years ago, Modi noted. In his address, Modi also paid tributes to Jyotirao Phule and B R Ambedkar, both of whom having birth anniversary in April, and Phule's wife Savitribai Phule, also a social reformer. He recalled their contributions to society. He also mentioned yoga exponent Swami Sivanand, who recently received Padma award at the age of 126. The entire nation is inspired by him, and his life and exemplary work give important lessons in health and fitness, he said.

In the broadcast, he also mentioned people working for cleanliness and ensuring water for animals and birds and urged everyone to save every drop of water and work for recycling of water. "Be it the construction of check dams or rain water harvesting, individual efforts are also important in this and collective efforts are necessary too. For instance, at least 75 'amrit sarovars' can be made in every district in the Azadi ka Amrit Mahotsav. Some old lakes can be rejuvenated; some new ones can be dug," the prime minister said.

Business Standard, March 28, 2022

14. MSME Ministry coming out with Global Market Intelligence System to support MSME exports

MSME Minister Narayan Rane said the government is coming out with a Global Market Intelligence System to support MSME exports. Speaking at a summit organised by the MSME Ministry and Entrepreneurship Development Institute of India (EDII) on MSMEs' competitiveness and growth, the minister called upon all the stakeholders of the MSME ecosystem to charting out a roadmap for strengthening the competitiveness of the sector. "Our focus is towards providing easy credit, better technology support, and access to the export market. We want our MSMEs to become competitive and grow in the era of globalisation," Rane said.

Importantly, the Global Market Intelligence System was part of one of the sub-components under the revised guidelines issued by the MSME Ministry for the International Cooperation Scheme in August last year. According to the guidelines, the system was proposed to act as a central knowledge repository of export-related data on foreign markets.

"It will provide simplified information on trade statistics, market access issues, and export potential indicators. It will further provide information on tenders and procurements globally and export orientation of MSMEs through the provision of specially designed Orientation Courses by specialised government institutions actively involved in the area of foreign trade," the guidelines read.

The International Cooperation Scheme has been in operation since 1996 to facilitate Indian MSMEs for their participation in international exhibitions, trade fairs, buyer-seller meet etc. The scheme provides financial assistance on a reimbursement basis to the state and central government organizations, industry associations, and others associated with the promotion of the MSME sector.

"Ministry of MSME has been revising several policies conducive to the growth of MSMEs...We also have backward linkages such as cluster development and forward linkages for the market as the MSME

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Minister mentioned about international cooperation (scheme) for capacity building of exporters and also for Global Market Intelligence System,” Mercy Epao, Joint Secretary – SME Division, MSME Ministry said at the summit.

Financial Express, March 29, 2022

15. ECLGS: Rs 3.23 lakh crore loans provided by banks to 1.17 crore MSMEs, others: Govt

Minister of State for MSMEs Bhanu Pratap Singh Verma said 1.17 crore businesses including MSMEs have been provided with Rs 3.23 lakh crore loans under the Emergency Credit Line Guarantee Scheme (ECLGS) as of March 18, 2022. Sharing data from the National Credit Guarantee Trust Company (NCGTC), which operates ECLGS, in reply to a written question in Rajya Sabha, Verma said out of the total beneficiaries, 95 per cent or 1.12 crore were MSMEs. The amount sanctioned to MSMEs out of the total loan amount so far was Rs 2.16 lakh crore. The sanctioned amount had increased from Rs 2.46 lakh crore as of February 28, 2021, as per data shared by the former MSME Minister Nitin Gadkari in Rajya Sabha last year. In terms of disbursements, Rs 2.36 lakh crore were disbursed to MSMEs, PTI reported on February 10, 2022, citing Finance Minister Nirmala Sitharaman as saying in her reply to the discussion on Budget 2022-23 in Lok Sabha.

The initial admissible limit under ECLGS, which was launched in May 2020, was Rs 3 lakh crore which was later enhanced to Rs 4.5 lakh crore. Sitharaman in the budget had increased the guarantee coverage by Rs 50,000 crore to Rs 5 lakh crore. The additional funds were earmarked exclusively for hospitality and related enterprises, said Verma. The scheme is currently valid till March 31, 2023.

Apart from MSMEs, ECLGS borrowers included other business enterprises constituted as proprietorships, partnerships, registered companies, trusts and limited liability partnerships (LLPs); and individual businesses. The guarantee is provided by NCGTC to member lending institutions including banks and non-banking financial companies with respect to the credit given to borrowers on their loan outstanding as of February 29, 2020. Meanwhile, a Parliamentary Standing Committee on Industry in its report had recommended the government to extend the loan repayment period under ECLGS up to seven-eight years from the current three-four years to support MSMEs impacted by the second Covid wave.

Financial Express, March 29, 2022

16. India-UAE trade deal to come into force from 1 May, says Piyush Goyal

The Comprehensive Economic Partnership Agreement (CEPA) between India and the United Arab Emirates (UAE) will be operationalised on 1 May, said Union commerce and industry minister Piyush Goyal. The deal, which was signed, looks to UAE as a gateway to Africa, other GCC and Middle Eastern countries, CIS countries and some European countries, said Goyal while addressing a Business-to-Business (B2B) Meet on India-UAE CEPA in Dubai. "This significantly opens the doors to significant markets all over the world. So, when we set out to engage with each other, we were not engaging with a 10 million population in the UAE, I had in mind, and both of us had in our vision, the much larger engagement that this CEPA is going to offer to businesses on both sides," he said.

UAE Minister of State for Foreign Trade Thani Al Zeyoudi also attended the B2B meet. Goyal said the India-UAE CEPA, covering merchandise trade and services, has many firsts to its credit including the fact that the trade pact was sealed in a record short time span of 88 days. "And this agreement is not

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about trade alone, it's not about trade in goods and services alone. I think it has a huge geopolitical, economic and also, in some sense, a great human element given the huge presence of the Indian Diaspora in the UAE," the minister said.

He termed the India-UAE Partnership the "defining strategic partnership of the 21st century". This agreement gives a new direction, a paradigm shift to this relationship, he said. He said India wants a larger share of the UAE market as New Delhi sets its eyes on achieving \$1 trillion in goods exports by 2030. "With the growing role of services, in both the economies, I think that will also give a big thrust to our bilateral engagement in the years to come," he said. Goyal said the UAE has made commitments about its interest to invest in Indian infrastructure, manufacturing, and logistics sectors.

Mint, March 29, 2022

17. Covid-hit MSMEs get Rs 6,062-crore boost

The Cabinet has approved a \$808-million (Rs 6,062-crore) support to revitalise Covid-hit micro, small and medium enterprises (MSMEs) through a programme backed by the World Bank. Of the total assistance, Rs 3,750 crore (\$500 million) will be in the form of a loan from the World Bank and Rs 2,312 crore will be provided by the government. The support for the Raising and Accelerating MSME Performance (RAMP) programme, announced in Budget for FY23, will be extended over five years.

The programme aims at improving access of MSMEs to market and credit while bolstering institutions and governance related to the small businesses at the central and state levels. According to the World Bank's assessment, over 40% MSMEs in India lack access to formal sources of finance.

An official statement after the Cabinet meeting suggests RAMP will address the generic and Covid-related challenges being faced by MSMEs by enhancing the impact of existing schemes for such entities and improving their competitiveness. Further, the programme will bolster the capacity of MSMEs, improve the skill sets of employees, help them upgrade technology and adopt sound marketing strategy, among other things.

RAMP is one of the programmes announced in the latest Budget, as the government acknowledged the need for a protracted period of succour to start-ups and small businesses as they grapple with the devastation caused by the pandemic. The government has also proposed to extend the validity of its flagship guaranteed loan scheme by a year through March 2023 and widened its coverage by Rs 50,000 crore to Rs 5 trillion. To top it up, the Centre will revamp the extant Credit Guarantee Trust for Micro and Small Enterprises (CGTMSE) to facilitate an additional credit of as much as Rs 2 trillion.

The additional credit limit of Rs 50,000 crore of the stepped-up Emergency Credit Line Guarantee Scheme (ECLGS), however, has to be used to bolster healthcare infrastructure by lending only to hospitality and related enterprises, finance minister Nirmala Sitharaman had said while presenting the Budget. The government will also link key portals – Udyam, e-shram, NCS and ASEEM – meant for MSMEs and expand their scope to brighten their business prospects.

Financial Express, March 31, 2022



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