



INVITED GUEST

Shri Narayan Tatu Rane

Honourable Minister,
Micro Small and Medium
Enterprises, Govt. of India

THE INDIA : \$5 Trillion Economy

Investment & Business Summit Cum Awards



THE MICRO SMALL AND MEDIUM ENTERPRISES

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Target Audience :

MSME Ministry, Micro Small and Medium Enterprises (MSMEs) - Manufacturing Enterprises and Service Enterprises. Start-ups, Exporters & Importers, Khadi and Village Industries Commission (KVIC), Coir Board, National Small Industries Corporation Limited (NSIC), Gandhi Institute for Rural Industrialisation, SIDBI, Banks and other relevant participants.

OPPORTUNITIES AND SECTORS ANALYSIS :



The Micro Small and Medium Enterprises (MSMEs) sector is a major contributor to the socio-economic development of the country. In India, the sector has gained significant importance due to its contribution to the Gross Domestic Product (GDP) of the country and exports. The sector has also contributed immensely with respect to entrepreneurship development especially in semi-urban and rural areas of India.

India has approximately 6.3 crore MSMEs. The Indian MSMEs sector contributes about 29% towards the GDP through its national and international trade.

The Government of India has envisioned doubling the Indian economy to US\$ 5 trillion in five years. In order to achieve this goal, career opportunities for the young population have been generated and MSMEs have the potential to serve as a key employment generator. Therefore, the government has taken up promotion of MSMEs in order to create new jobs in the sector. Further, the government aims to enhance MSME's share in exports and its contribution to GDP.

The Covid-19 pandemic has affected over 150 countries, and has disrupted international trade, its economies as well as the lives of its citizens; however, opportunities have knocked the doors of MSMEs at the same time in various sectors.

MSME businesses which are willing to rejuvenate their businesses and evolve with the changing times will be poised to leapfrog on the back of these unique opportunities.

To explore the opportunities, the Prime Minister of India announced a host of relief packages to help MSMEs to become 'Atmanirbhar Bharat' or self-reliant and grab these opportunities.

INFRASTRUCTURE : Focus on Physical & Digital

Development of nations, advancement of societies and progress of mankind is often weighed quantitatively through the parameters of infrastructural development. Be it the signs of globalisation or mapping governance priorities, the visual impacts are often in terms of buildings built, roads laid, operational airports, with contemporary indicators like pipeline network laid, digital connectivity infrastructure amongst many others.

The infrastructure sector as the "backbone of the economy". The spending on infrastructure has gone up from Rs 4.12 lakh crore to Rs 5.54 lakh crore. The infrastructure sector is critical for propelling India's growth and enjoys intense focus of the government.

e-Commerce

E-commerce has transformed the way business is done in India. The Indian E-commerce market is expected to grow to US\$ 200 billion by 2026 from US\$ 38.5 billion as of 2017. Much of the growth for the industry has been triggered by an increase in internet and smartphone penetration.

The Indian online grocery market is estimated to reach US\$ 18.2 billion in 2024 from US \$1.9 billion in 2019, expanding at a CAGR of 57%. India's e-commerce orders volume increased by 36% in the last quarter of 2020, with the personal care, beauty and wellness (PCB&W) segment being the largest beneficiary.

Propelled by rising smartphone penetration, launch of 4G network and increasing consumer wealth, the Indian E-commerce market is expected to grow to US\$ 200 billion by 2026 from US\$ 38.5 billion in 2017. Online retail sales in India is expected to grow 31% to touch US\$ 32.70 billion in 2018, led by Flipkart, Amazon India and Paytm Mall.

In India, smartphone shipments reached 150 million units and 5G smartphone shipments crossed 4 million in 2020, driven by high consumer demand post-lockdown.

Textile: Technical Textile

India already has a sizeable industry here. India's textile market is expected to touch USD 250 billion in the next two years.

Technical textiles is a fast-growing sub-segment that finds its usage in an array of sectors. The end use application of technical textiles is widespread and seen in industries such as agriculture, construction, sports apparel, healthcare etc.

Technical textiles, a sunrise sector, has become even more relevant during the Covid-19 crisis when the global manufacturing have come to a grinding halt and the ban on export of critical medical equipment including N95 face masks and protective gears, have made imports to India nearly impossible. India was entirely import dependent for PPE kits.

From manufacturing PPE kits in March, it soon rose to manufacturing 2.5 lakh a day in 60 days becoming the second largest manufacturer after China. Today, India stands to produce around 4.5 lakh PPEs and more than 1.5 crore masks a day.

Despite the economic slowdown and downturn in the overall demand for textiles due to Covid-19, the industry continues to be the second largest employer in India. By transforming a Covid-19 crisis to an opportunity, India has proven its ability to innovate and rise to the challenge with limited resources and time.

Technical textile accounts for approximately 13% of India's total textile and apparel market and contributes to India's GDP at 0.7%. There is a huge potential to fulfil a large demand gap as the consumption of technical textiles in India is still only at 5-10% against 30-70% in some of the advanced countries.

Therefore, it is even more essential for the government and industry to collaborate to boost technical textiles, a high value segment of this sector.

Auto and Auto-components:

Contributing 7.1 per cent of India's GDP, and expected to reach USD 251-283 billion by 2026.

Globally, Indian auto industry is the sixth largest by production.

Electric Mobility & Storage

India's vehicle ownership is still minuscule if one counts the number of cars. In Delhi, for instance, it is estimated that roughly 21 per cent people own cars and some 40 per cent own motorcycles. The 2011 Census found that roughly 10 per cent of urban Indians owned a car. Thus, there is a huge market potential.

Pharma & Healthcare

India is among the leaders in the global pharma industry, being the third-largest producer in terms of volume and at the 10th position in terms of value. A significant raw material base and availability of a skilled workforce have enabled India to emerge as an international manufacturing hub. It is one of the top manufacturers of generic medicines worldwide, with 20 per cent share in their global supply.

India is emerging as the epicentre of vaccine manufacturing. Top pharma companies in the country are supplying basic and advanced vaccines to nearly 150 nations. The state-of-the-art manufacturing facilities in India, that enjoy government support, have the largest capacity globally for manufacturing WHO-prequalified vaccines.

Specialty Chemicals & Hygiene Products

The chemical industry is today the largest and fastest growing component of Gujarat's manufacturing sector. Indian specialty chemical companies see a door opening for India. The global merchant market for specialty chemicals is about \$700 to 750 billion, and India exports just around 4% of it, while China has around 15% of the market. So there is lot of opportunity for Indian companies specifically for Gujarat MSMEs

Covid teaches hygiene lessons to the individual. This is opening new opportunities for the hygiene product manufacturers to develop innovative personal care products. Some of the major factors driving the growth of hygiene products market are rising concerns about personal hygiene and product innovations. Although, feminine hygiene products share the maximum market size, men's hygiene products are also growing in demand. This market is witnessing phenomenal growth since the past few years as a result of improvement in standards of living and the growth in public attention. Food, personal care items, especially hand sanitizers and disinfectants - the hero products of the pandemic - managing to push the industry to post positive growth.

Aerospace & Defence :

The Government in the past has created production capabilities in defence in form of Ordnance Factories and Public Sector Undertakings to cater to the requirements of our Armed Forces. However, there is a need to enlarge the role of Indian private sector as well to develop capabilities and capacities for production of various defence equipment's. Our Prime Minister has taken a very important initiative in form of Atmanirbhar Bharat in Defence and Make in India to promote and encourage domestic manufacturing of various items. The requirement for domestic production of defence equipment is more than for any other sector because it will not only save precious foreign exchange but will also address the national security concerns. There is a big opportunity in Indian defence sector for both domestic and foreign investors. Opportunities for machine tools and cutting tools industry, the Indian machine tools industry is strategically important to the defence industry as this industry offers expertise in areas of post-sales support and its ability to bridge the technological gap every year.

Digital & Internet Economy :

Technology is very diverse in its forms; one of its branches is Information Technology (IT), which acts as a boon for MSMEs. IT has a great impact on all aspects of life and it is transforming the global economy in terms of ways of doing business.

The ongoing COVID-19 pandemic has brought the world to a halt, with most people forced to stay and work in their homes due to government-enforced quarantines and lockdowns. In no other time in modern history has access to the internet been as important a form of communication to the average person. Platforms like Microsoft Teams, Zoom and webex Meeting are now household names, proving that digital technology is at the forefront of the so-called "new normal."

Even as we look ahead, it is certain that digital tools will shape the global economy in the wake of COVID-19, beyond the need for optimized systems of communication. The online food industry, for example, is seeing a boom with the expected rise of delivery platforms for both meals and groceries, such as amazon, Zomato, Swiggy and entertainment video streaming over-the-top (OTT) platforms such as Netflix, Amazon's Prime Video, Hotstar, and others.

State government of Gujarat digital initiative will reduce human interface and propel a paperless working system under the mission of 'Minimum Government, Maximum Governance'.

MSME National Awards Categories

- ▶ **Product/ Process Innovation/technology**
- ▶ **Outstanding Entrepreneurship (Manufacturing)**
- ▶ **Outstanding Entrepreneurship (Service)**
- ▶ **Lean Manufacturing Techniques**
- ▶ **Quality Products one each in Micro & Small Enterprises**
- ▶ **Export Awards**
- ▶ **Outstanding Performance Awards to States/UTs**

SUBMISSION & TECHNICAL CLARIFICATION

Mr. Ankush Bothra

☎ +91 9574854044

✉ ankush@knowledgechamber.org

SPONSORSHIP AND ASSOCIATION

Mr. Nirav Sinha

☎ +91 9016080681

✉ nirav@knowledgechamber.org