



INDIAN INDUSTRIES ASSOCIATION

AN APEX BODY OF MICRO, SMALL & MEDIUM ENTERPRISES

(IN THE SERVICE OF MSME SINCE 1985)

PRESS NOTE

Indian Industries Association (IIA) demands separate MSME Policy in U.P .

Make in U.P can not happen without special push for MSME Sector

Indian Industries Association submits “White Paper on MSME Policy in U.P”

Indian Industries Association (IIA) an apex representative body of Micro, Small and Medium Enterprises (MSME), studied the Industrial Investment and Employment Policy of Uttar Pradesh-2017 and found that the policy is more inclined towards large scale investment and Industries rather than Small Scale Industries. It is a fact that bulk of the employment is generated in Micro, Small & Medium Enterprises (MSME's) rather than Large Scale Industries. Contribution of MSME sector is also almost equivalent to large scale sector in terms of manufacturing output and Exports in the state. Hence MSME Sector is required to be given more attention compared to Large Scale Sector which is missing in the current policy announced on 4th July 2017 said Mr Sunil Vaish in a meeting with Principal Secretary MSME & Export promotion U.P .

Indian Industries Association (IIA) therefore have demanded a separate “MSME Development Policy” in Uttar Pradesh. As per Annual Report of Ministry of MSME Government of India, 5238568 MSME Establishments exists in Uttar Pradesh giving employment to 11396965 persons. Assuming an average family size of 5 persons , MSME sector in U.P is feeding 5.7 Crore population which is more than 1/4th of the total population of the state. As such MSME sector forms the backbone of economic progress and overall development of the state. It is also noted that the U.P's contribution to the national economy is 8.4% which is half of its share in total population which is 16.5% . IIA proposes that the contribution of Uttar Pradesh to National economy should be at par with the share in population. MSME sector in U.P has tremendous scope for improvement and the development of MSME's will greatly contribute to bridge the gap.

The demand of IIA is supported by a “White Paper on MSME Policy in U.P” which is prepared by IIA after extensive research and study. The research was conducted for states in India , which are perceived as Industrially Developed, Industrially Developing, Industrially backward and Industrially Grooming (Prospective Developed) States. State like Gujarat, Haryana and Punjab, which have been known as the preferred destination for industrial setups now strategically inclined towards global outreach, yet protecting and promoting the interest of their MSME Entrepreneurs. Uttrakhand has attracted more units & industrialization is on high in the state because of its aggressive policy. State which are yet to make a mark on the national industrial landscape, such as Chhattisgarh and Rajasthan are aggressively showcasing itself as an emerging destination with a slew of incentives and policy initiatives for

Head Office : IIA Bhawan, Vibhuti Khand, Gomti Nagar, Lucknow-226 010

Tel.: +91-522-2720090, 3248178, Fax: +91-522-2720097, email : iaa@iaaonline.in, website : www.iaaonline.in



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attracting industrial investment.

The IIA study includes 15 states including Uttar Pradesh i.e. Gujarat, Tamil Nadu, Rajasthan, Andhra Pradesh, Madhya Pradesh, Chhattisgarh, Telangana, Karnataka, Utrakhand, Orissa, Kerala, Punjab, Haryana, Maharashtra & Uttar Pradesh. These states MSME centric policy were given detailed attention and benchmarked for analysing the best policy and practices across states. After benchmarking the best practices, direct inputs from the entrepreneurs and industry representatives were taken which was further enhanced by taking opinions of practicing professionals & advisors. Thirdly, the Expert Opinions bridged the identified gaps which may be of help to improve the policy.

IIA Delegation lead by the President IIA Mr Sunil Vaish have already met Principal Secretary MSME & Export Promotion Uttar Pradesh on 5th July 2017 and submitted this “White Paper on MSME Policy in U.P” to him. A copy of the White Paper has also been handed over to the Chief Secretary U.P while welcoming him on 5th July in his chamber at Lucknow. IIA also raised the concern on the functioning of Udyog Bandhu in the meeting with Principal Secretary MSME & Export Promotion . IIA is surprised to note that there is no mention of improving Udyog Bandhu functioning in the Industrial Policy announced on 4th July. The online single table system which was designed by IIA in 2006 for Government of U.P and was tailored to MSME’s needs is dysfunctional now and Nivesh Mitra portal is tailored for the needs of big investments & industries. IIA gave an offer to the Principal Secretary MSME & Export promotion to redesign an online system for the solution of the problems / grievances of MSME’s as well as to reestablish the online single table system for MSME’s . In order to give a push for Make in U.P objective of the State Government, IIA Offered to organize “MADE IN U.P” exhibitions within and outside the state in partnership with Department of MSME & Export Promotion U.P. Principal Secretary MSME & Export Promotion U.P assured IIA delegation to study the White Paper and the proposals submitted by IIA and then workout an action plan with IIA for implementing it in few areas to start with.

In IIA Delegation President IIA was accompanied by Mr K.K.Agrawal, General Secretary , Mr S.B.Jakotia, Treasurer, Mr Chetan Bhalla, Divisional Chairman Lucknow and Mr D.S.Verma Executive Director IIA.

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