

July 4, 2011

**SUGGESTIONS/COMMENTS ON THE MINUTES OF 1<sup>ST</sup> MEETING OF THE SUB-GROUP ON “MARKETING & PROCUREMENT” HELD ON 21<sup>ST</sup> JUNE 2011**

**By: Anil Gupta, Immediate past President IIA**

With reference to the Minutes of the 1<sup>st</sup> Meeting of the Sub-Group on “Marketing & Procurement” held on 21<sup>st</sup> June 2011 at NSIC Okhla Industrial Estate, New Delhi under the Chairmanship of Dr. H.P. Kumar, CMD, NSIC received vide OM no. 6(1)/2011-Plg dated 23/6/2011, the following Suggesting/Comments are being submitted:

**2. (i) Marketing Development Assistants Scheme(MDA)**

Apart from the recommendations/suggestions stated at (a), (b),(c) & (d), we recommend that a target of supporting atleast 1% of MSMEs under MDA and International Cooperation Scheme per Annum during the 12<sup>th</sup> Five Year Plan may be set. As per 4<sup>th</sup> Census of MSME there are 75 Lacs MSMEs in Manufacturing Sector. As such 75000 MSMEs are proposed to be covered under MDA & ICS per year. Assuming an average assistance of Rs. 2.5 Lacs per unit for MDA & Rs. 50 thousand per unit for ICS, a budget provision of Rs.1875 Crores for MDA and Rs. 375 Crores for ICS per Annum during the 12<sup>th</sup> Five Year Plan may be made.

The Micro & Small Enterprises may be supported upfront instead of reimbursement because they do not have the capacity/capabilities to spend the entire money and then get it reimbursed.

MDA Support should be extended to sector specific fairs of the choice of MSME if participating individually.

**3. (i) Establishment of MSME Hatts**

MSME Associations/Private Investments with matching subsidy may also be encouraged rather than leaving it to the Government to setup the MSME Hatts.

**(ii) Creation of Special Purpose Vehicle (SPVs) for Marketing in clusters.**

The other marketing schemes like MDA, Brand Promotion etc can be channelized to individual MSME's through the SPV.

**(iii) Establishment of Quality Testing Laboratories.**

The support for setting up Testing Laboratories is available during 11<sup>th</sup> Five Year Plan through Ministry of MSME, however it has not picked up as desired. There is a need to review to existing scheme & implement a modified scheme by blocking the loop holes in it. We suggest that the support may be enhanced to 75% from the existing 50%.

**(iv) Setting up of MSMEs Display Centres and Exhibitions Halls.**

MSME Associations/Private Investments with matching subsidy may also be encouraged rather than leaving it to the Government to setup the MSME display Centre & Exhibition hall.

#### **4. Additional Recommendations**

- (i) Supporting establishment E-Kiosks in Govt, MSME Associations/Private Domain in the pattern of E-chaupal with grant/subsidy would help in enhancing the marketing capabilities of MSEs. These E-Kiosks will be involved in providing Market Intelligence, Market Requirements, Branding of Products, Advertisement of products & Creating E-tools E-Marketing B2B portals.
- (ii) NMCP to be allocated atleast Rs. 2000 crores & marketing & Design Clinic Scheme for product development should be strengthen.
- (iii) Supporting Workshops & Seminars organized by MSME Association & Cluster Groups for Market intelligence, Marketing Skill Development Training.
- (iv) Supporting MSME warehousing, distribution, retail in international market through subsidy.