

SPEECH IN SEMINAR ON MICRO, SMALL AND MEDIUM ENTERPRISE ORGANIZED BY FARIDABAD SMALL SCALE INDUSTRIES ASSOCIATIONS AT FARIDABAD ON 20-05-2011.

Hon'ble Shri Veerbhadra Singh, Union Minister for Micro, small and medium Enterprises, Sh. Uday Kumar Verma, Secretary, Ministry of Micro, Small and Medium Enterprises, Dr. H.P. Kumar, Chairman & Managing Director, The National Small Industries Corporation Ltd (NSIC), Shri Sushil Muhnot, Chairman & Managing Director, Small Industries Development Bank of India (SIDBI) and Shri Rajive Chawla, President, Faridabad Small Industries Association, Shri Lakhani, Shri Saluja, Shri T. Satyaprakash and other office bearers of FSIA.

At the outset I congratulate FSIA for providing a platform for MSMEs to raise issues and also provide solutions. Undoubtedly, the association is model for other associations for emulation. More than any thing else it represents strong 15000 MSME community. I am thankful fo Hon'ble Union Minister Shri Veerbhadra Singh for sparing his valuable time to guide the entrepreneurs and industrialists of Faridabad. I specially welcome Shri Uday Kumar Verma to this august event.

Today, our Government is aware of the fact that MSMEs are the real engine of growth. Even in economic development of Haryana they have played a significant growth. The sector contributes 8% of GDP, 45% of the manufactured output and 40% of the country's exports. More than anything else it provides jobs to 60 million people through 28.5 lac enterprises. We have a strong MSME community in the state with naturally developed clusters spread across the state. Faridabad light Engineering cluster, Panipat textile and home furnishing cluster, Ambala scientific instruments cluster, automobile clusters in Gurgaon and Panchkula etc. are some worth naming. It is very important to note that Haryana

has natural clusters and a small support can actually give very high returns in terms of increase in manufactured goods.

Haryana is the leader in various sectors like Automobile, home furnishings, rice processing, Agricultural implements etc. The state contributes 37% of the two wheelers and 50% of the cars produced in the country.

(Base Year 2009-10)					
Sr. No.	Item of manufacture	Name of the manufacturers in Haryana	Production in Haryana (in units)	Total production in India (in units)	% share
1.	Two Wheelers	<ul style="list-style-type: none"> • Hero Honda; • Suzuki Motorcycles; • Honda Motorcycles & Scooters Ltd 	15,92,463 1,90,824 5,20,587	1,05,12,889	37
2.	Cars	Maruti Suzuki Ltd.	10,18,365	19,26,484	50
3.	Tractors	<ul style="list-style-type: none"> • M/s Escorts Ltd. • M/s Action Construction & Equipment Ltd. • M/s HMT Ltd. 	55,000 4500 5500	4,50,000	15
4.	Mobile Cranes	<ul style="list-style-type: none"> • M/s Escorts Ltd. • M/s Action Construction & Equipment Ltd.; 	Not available	Not available	80
5.	Earth Movers/ Excavators	M/s JCB Ltd.	Not available	Not available	52

But, our 65% of the industrial production is from three districts of NCR. Thus I request the entrepreneurs to explore hinterlands in adjacent areas of NCR.

I also request that there are areas of very high potential in various sectors like Rice milling, where Basmati is a Geographic indicator. Kaithal alone exports roughly Rs.800 crores worth consignment.

Breakup of investment in Haryana (Monthly review of states, CMIE, March 2007)

Construction: 63.1%

Power Sector: 17.2%

Services: 8.2%

Irrigation: 0.2%

Manufacturing: 11.3%

It is a growing concern that manufacturing base is eroding slowly. The pressure from China is mounting. On one side more than 52% of the population is in the age bracket of 20-59 the employability is doubtful. The state is actually working on skill development projects. The government also understands that for any new enterprise the finance is also a major bottleneck. Haryana is one of the three states across the country to adopt cluster development. Thus we will provide all support to MSME sector and specifically industries association to plan their future. We are also going to fund the professional consultancy services for cluster development project. We are aware of the fact that unless we support our manufacturing sector to improve their competitiveness and improve our manufacturing base both our twin goals of employment base and higher revenue generation cannot be accomplished.

I concede that in last few years we could not utilize the grants and funds under MoMSMe to the fullest of satisfaction. But, now we plan to set up Common facility Centres at various places to support sectors like plywood, stainless steel utensils, pharma, agricultural implements, textile, garment etc.

We need to improve our competitiveness by improving various facilities like Tool room, raw material bank etc. A dies/tool prototype needs on an average two

months for delivery in NCR. The same is delivered within one week of getting the order in China. There are some European firms who deliver it within 24 hour of placing an order. The manufacturing being traditional strength of Haryana there is a need to have inbuilt capacity in such areas like die making. The state will not leave any stone unturned to provide support to our MSME community. The State government understands that developed industrial space is the most important criteria for planned industrial growth. This has to be supported by appropriate physical infrastructure. Today HSIIDC is the leader in the country in providing industrial infrastructure. The KMP pathway, DMIC corridor, multimodal logistic hub in Gurgaon-Rewari region are going to be reality shortly.

HSIIDC has taken up initiative for development of Industrial Modal Township at Faridabad over an area of about 1800 acres of land and the development works are in full swing. The IMT has been planned with provision of modern infrastructure facilities and other public utilities such as a wide road network, water supply and drainage system, electrical distribution network, sewerage treatment plant, transportation and communication facilities besides other associated facilities. I believe that IMT Faridabad, once set up, will serve as a milestone in meeting the industrial space requirements for expansion of the existing industries and attracting the fresh industrial investment from domestic entrepreneurs and foreign investors.

I congratulate both FSIA and SIDBI having come together to provide collateral free loans to members of FSIA. The credit rating and credit counseling both have become very important aspects of successful entrepreneurship. I request SIDBI to have such similar arrangements with other industries associations of Haryana to facilitate easy finance. The structured financial products are the need of the day. The area of supply of chain finance, particularly where exports is involved has lot of scope where SIDBI can involve itself for positive stimulus.

I also request the Hon'ble Minister to bless up by providing valuable guidance. I also request Shri Uday Kumar Verma the secretary, MoMSME, GoI to provide all possible support to our officers and industries associations in implementation of various schemes of Ministry.

I think the FSIA for providing an opportunity and also a platform for a structural agenda to stimulate MSME sector. I wish the association will continue to take such constructive agenda ahead.