



Confederation of Indian Industry
125 Years: 1895-2020



सूक्ष्म, लघु और मध्यम उद्यम मंत्रालय
MINISTRY OF
MICRO, SMALL & MEDIUM ENTERPRISES



COMPETITIVENESS OF ENTERPRISES

INNOVATION | GROWTH | PARTNERSHIPS

RETROSPECT 2019

24-25 September 2019

16TH GLOBAL SME BUSINESS SUMMIT, 2019 AN OVERVIEW

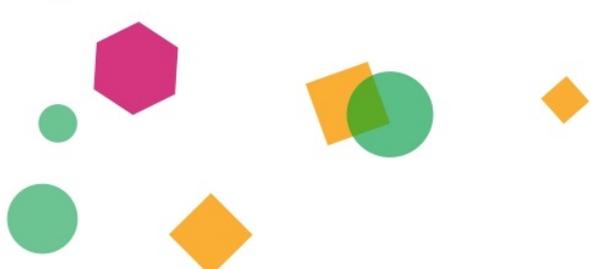


The 16th Global SME Business Summit held on the 24th and 25th of September 2019 at The Lalit New Delhi, witnessed the participation of over 700 participants from more than 25 countries. With the right amalgamation of information dissemination and opportunities of networking, the 16th edition of the Summit built on the competitiveness of the SMEs as envisaged through the theme for this year.

About 15 sessions were coordinated with the theme and more than 70 internationally acclaimed speakers were invited to discuss and deliberate on the potential opportunities, threats and the way forward for integrating SMEs with the global value

chain and contributing substantially to the 5 trillion economy in making.

The two-day Summit comprised of panel discussions on the key areas of SMEs integration with the Global Value chains, the way forward for SMEs to contribute to 50% GDP and the importance of adoption of contemporary technology for achieving the above - mentioned goals.



FROM THE HON'BLE MINISTER OF MSME, SHRI NITIN GADKARI



The Summit was inaugurated by **Hon'ble Minister of MSME, Shri Nitin Gadkari** who spoke on potential of the sector both for contributing employment and increasing the export numbers. Shri Gadkari shared his vision of catapulting the export numbers from MSMEs to 60% of total exports and creation of 5 crore new jobs from the sector. Mr Gadkari further added that sectors such as honey, bamboo, dairy, tourism, medical devices, and adventure sports, among many others have huge potential. He stated that efforts are underway in other areas including the diversification of the agricultural sector to energy and power, development of pollution free and indigenous technology, conversion of bio mass to bio energy and others to attract international investors. He stressed on the need of appropriate transport infrastructure for reducing the burden of cost of transport.

The Minister called for industry collaboration on developing policies for encouraging MSMEs in manufacturing. He added that the Government is going to launch an e-commerce portal soon, called "Bharat Craft" on the lines of Amazon and Alibaba, that would give a boost to Indian handloom and handicrafts products.



FROM THE HEAD-HONCHOS

“Dr. Arun Kumar Panda, Secretary, Ministry of MSME, spoke about the importance of technology adoption for MSMEs to stay ahead in the product race especially in the current dynamic market with shrinking trade boundaries. He apprised the participants of the efforts put in by the Government for providing an enabling environment for the MSMEs for technological adoption into production practices. Over 153 technology centres would be set up in the next 5 years, to help MSMEs adopt new emerging and futuristic technologies. In addition, initiation of a digital platform to help MSMEs to become part of the global value chain.”

“Mr. Chandrajit Banerjee, Director General, CII, stated that CII's Centre for Digital Transformation would help MSMEs tackle the multiple challenges they face and guide them in understanding their digital curve through skilling them in business processes to enhance their productivity and revenue. At the same time, CII was focused on providing opportunities to the MSMEs by stepping up its global connect through its international offices and 400 plus MoUs, Mr. Banerjee added.”



“ Mr. Shreekant Somany, Chairman, CII National MSME Council stressed on the role of innovation which he said was critical for MSMEs to face dual competition from their domestic as well as international counterparts. He further stated that with the help of the strong measures being taken up by the Government, the Indian MSMEs will be future ready. ”

“ Ms. Alka Arora, Joint Secretary, Ministry of MSME, stated that the Indian MSME Industry will reach new heights with the help of the various focused interventions that the Government has taken up including the digital portal. ”



SESSION HIGHLIGHTS

SESSION 1

LEAPFROGGING GROWTH THROUGH GLOBAL VALUE CHAIN

The session on leapfrogging growth through Global Value Chain sought answers to areas of improvement which can lead to better integration of SMEs with the GVCs. These included the need to relax the regulatory norms for exports and strengthening partnerships with foreign organizations that have expertise in technology and its application in production of premium products.

development; provision of knowledge services, especially at the cluster and micro level; access to finance and market linkages through greater involvement of banks and non-bank finance companies; the role of the private sector and technology boards in facilitating technology; infrastructure building through Public-private partnership (PPP) mode; branding and marketing; and effective policy and governance for ease of doing business measures. These policy initiatives together would help the MSME sector to enhance competitiveness, he added.



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Mr. Mishra laid out seven areas of focus for the all-round development of MSMEs that would help them integrate with global value chains. These include investment in skills and entrepreneurship for human capital

Mr. Arun Maira, Former Member, Planning Commission, stated that there were three ways in which the information and power asymmetries facing MSMEs must be removed – with the help of a big domestic assembler having access to technology who can build the entire ecosystem; direct connect between the producers and the buyers to reduce the power asymmetry; and empowering MSMEs through effective clusters. Mr. Maira also emphasized the need for building skills and the importance of Government policies in this context.

Mr. Rajesh Agarwal, Chief, Trade Facilitation and Policy for Business International Trade Centre, Geneva, stated that the productivity of MSMEs was a critical area and needs to be looked at carefully, whether in the area of finance or technology. Market information and big data analytics would also play a big role in fostering the growth of the sector, he added.

SESSION 2

CAN MSMEs CONTRIBUTE 50% TO INDIA'S GDP? THE WAY FORWARD

Key pointers for the discussions and deliberations on the way forward for 50% SME contribution to GDP:



Focus needs to be put on quality of the products and standardization



Empowering Non-Banking Financial Companies (NBFCs)



Infusion of capital markets for growth



Match-making in terms of requirements between SMEs and Global Companies



Government incentivization policies needs to be horizontal. Sector specific strategies needs to be developed rather than following generic approach for the entire sector



Ease of Doing Business is significant with India's rank improving substantially

Mr. Maira emphasized the need for building skills and the importance of Government policies for MSMEs.

SESSION 3



SHAPING UP MSME ECOSYSTEM THROUGH TECHNOLOGY, INNOVATION, FINTECH & ENTREPRENEURSHIP DEVELOPMENT

Key discussion points in the session on Shaping up MSME Ecosystem through Technology, Innovation, FinTech & Entrepreneurship development:

- Emerging technologies are changing the business ecosystem in three key ways: Information, finance and logistics
- Strong business ecosystems are needed for MSMEs to handle change successfully
- New technologies are changing models for providing services
- ICT-enabled services are easing out financial constraints
- Strengthening of existing networks of Technology Centers will help MSMEs in becoming more competitive
- Opening up new and utilizing existing R&D centers that are at the cutting edge of research and innovation is important
- Significant to use digital technologies and data analytic tools to enhance market access and customer experience
- Platform like TECH SAKSHAM, can be leveraged to bridge technological gap amongst MSMEs. The project will help the ecosystem address critical barriers such as awareness and cost of technology purchase, resources and manpower required to run the technologies, return on investments etc.

SECTOR SPECIFIC SESSIONS

Sector Specific and Country Specific sessions were also organized to cater to challenges specific to the sectors which are responsible for significant contribution to employment like Food Processing and Textiles and niche areas like Defence.

SESSION ON FOOD & FOOD PROCESSING

The session on food and food processing sought answers to increase the productivity of MSMEs engaged in the food processing sector. Ms. Ilse Van Dilj, Agriculture Attache, Embassy of Netherlands spoke about the benefits of Indo-Dutch collaboration through giving examples of increased productivity in temperature-controlled poly-houses set up by using Indian Infrastructure and Dutch technology for temperature control. The need for increase in government investment in logistics and infrastructure were also discussed. The session also deliberated on opportunities in the dairy processed food. Deliberation on ways to meet the envisaged goal of doubling farmers' income were also discussed. Few of the key points discussed in this direction were,

- Emphasis to be put on designing interventions to reduce post-harvest, processing and distribution losses of farm products in the country.

- Focus also needs to be given on product conformity with global standards and quality, logistics traceability and safety, quality of packaging and delivery
- Focused capacity building programmes needs to be organized for farmers for maintaining the constant quality of produce
- Assistance needs to be provided for establishing backward & forward linkages
- India and the Netherlands have established #StartUpLink, a platform to help startups from both countries.
- The Netherlands has partnered with Gujarat, Andhra Pradesh, and Odisha. The nature of these partnerships varies from state to state. "For instance, we have a partnership with Gujarat in the areas of logistics and harbour management.

TEXTILE 4.0 – OPPORTUNITIES FOR INDIAN TEXTILE & APPAREL INDUSTRY TEXTILES SESSION

The panel discussion on textiles focussed on weaving a new path for India's textile Industry. The road ahead compromised on the following key points,

- Productivity gap needs to be bridged

- Concomitantly, the man-made fibre industry can be made more competitive through removing the inverted duty structure – this will free up working capital and reduce cost of raw materials
- Enabling size and scale is perhaps the most important intervention that can be made
- Concerted policy efforts are needed to realize the job creation potential of the textile sector
- Circular economy and sustainable manufacturing needs to be promoted in the Garment industry
- Collective learning networks needs to be created through industry mentorship
- A Triple Helix Model of innovation needs to be followed for constant interaction between academia, industry and the Government to foster economic and social development
- Cluster approach can be leveraged to strengthen the existing capabilities of the sector
- For successful integration in the Global Value Chain (GVC), MSMEs must try to develop niche products and capabilities, continuously innovate and fully leverage export opportunities

GVC INTEGRATION OF MSMEs IN DEFENCE & AEROSPACE SECTOR

The session on Defence focussed on achieving self-reliance in the Defence Sector and reaching out greater inclusion of SMEs in defence manufacturing. The key points discussed for the road map were:

For successful integration in the Global Value Chain (GVC), MSMEs must try to develop niche products and capabilities



HIGHLIGHTS OF COUNTRY SESSIONS



SOUTH KOREA

- South Korea offers huge opportunity to collaborate and leverage their advance technical know-how. An opportunity to establish e-commerce platform for Korean and Indian MSMEs was discussed which will enable a global market access for both the participating countries. An MoU for collaboration in the SME sector was signed and exchanged.



SAUDI ARABIA

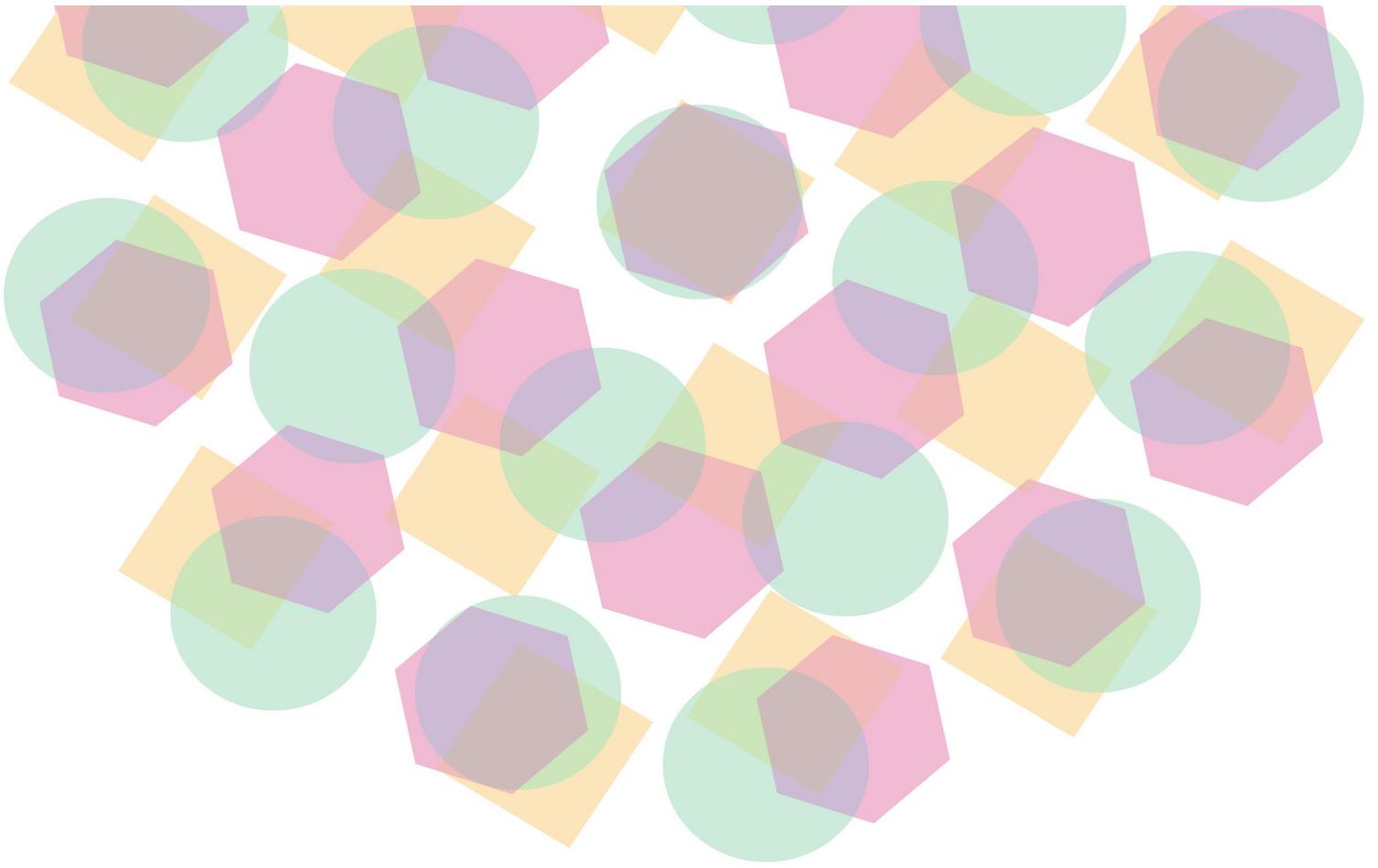
- The need for two-sided flow of investment in infrastructure and development were discussed. Opportunities for Indian SMEs in Saudi Arabia were also highlighted. Some of the key pointers emerged were,
- The projects coming up in Saudi Arabia are part of its 'Vision 2030' as it seeks to shift from an oil-based economy to an industrial manufacturing-based productive economy, which will open up new opportunities for Indian companies and professionals in various sectors like railways, hospitality, tourism, airport, housing, IT and entertainment.
- The 3.2 million strong Indian community is the largest expatriate group in Saudi Arabia and sends \$10 billion of annual remittances back to India



FRANCE

A strong delegation from France apprised the delegates on the recent collaborations between India and France. Potential opportunities for Indian SMEs were also discussed. Key highlights of the session were,

- The French carmaker group PSA, also known as Peugeot Citroen, recently signed an agreement with the Tamil Nadu government to set up a research and development center as well as manufacturing facilities in the state. There are other automobile manufacturers such as Renault, parts producer Valeo, and tire manufacturer Michelin who have set up their industry in India.
- Fast Forward, the UK's Pre-Accelerator Programme (FFWD for short) is an initiative backed by The Accelerator Network and Capital Enterprise to prepare start-up teams for first funding and successful application and entry to leading accelerators. The program may be leveraged with India Start-ups.
- In June 2019, the Indian Railway Station Development Corporation (IRSDC) signed a "Tripartite Agreement" with French National Railways – SNCF & the French Development Agency in India – AFD.
- 1,000 French companies in India with total business of \$20 billion, employing 3 lakh workers.



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