

Opportunities & challenges of Micro, Small and Medium enterprises

Dr.G. Santhoshi

Associate Professor,

Trinity College of Engineering & Technology

Karimnagar, T.S.

Introduction

Industrialization as recognized as one of the development strategies all over the world. In the process of industrialization resources, natural, capital, technological and human resources incentives provided by governments both central and state local. Choice of strategies and choice and technologies allocation of resources, intermediately goods and services to various categories of industries such as small medium (micro) tiny sectors as large industries plays an important role. The large vast area of Indian economy with its rural & agricultural oriented economy provides good opportunities and potentials to development to this sector. At present the activities of promotional and development of small scale, medium scale cottage household sectors are referred as (MSMES) micro small and medium enterprises has been recognized as an important part of industrialization. The scope of SMES as also broadened significantly under the MSMES act 2006 in some countries these are also called as (SMBS) small and medium sized business (USA).

Global context

The SMES played an important role an almost all the countries irrespective of their stages of economic development. Even in the case of present so called developed countries like japan, china, korea, thailand, malasia, tiwan, USA, and UK also gave due importance to this MSMES in the process of their development and they played a well recognized role.

Indian context

In Indian context this sectors is generally referred to as Micro, Small, Medium and tiny sector enterprises there are playing important role in the economic development of India.

This enterprises played considerable role especially in its agricultural rural sectors. This sector requires simple labor and managerial skills with small amount of capital and machinery and infrastructure facilities. In the words of Schumacher recording small enterprises “Small is beautiful with intermediately technologies and suits any economy this enterprises played good deal India during the early days of British Indian in providing employment rural people .Even by exploring some of its products like -silk coil industry .But due to the economic policy of imperial their called Home economy .This sector was neglected and slowly it lost its prestigious position

Suggestions

1. Credit Priority to this sector to be consolidated and easy availability and adequately in timing
2. They have to provide incentives to modernize their old machinery and plants.
3. Compulsory purchases these products by governments and stores where ever possibility Rich markets to be identified and developed for these products.
4. Proper information to be provided to regarding the availability raw materials credit, power in fracture and marketing etc.
5. Research and development activities to be under taken by government through a motivate projects and continuously.
6. Various covering polices to be clearly chalk out and implemented by government with integrated approach.
7. Export incentives to be encouraged.
8. Adequate training and helpful support to services to be provided where even necessary and required.
9. Integrated multi support system may be required with collaboration of government. Industry clusters, industry association and private institutions.
10. These sector required to empower to face the future challenges.

Conclusion

The Micro, Small and Medium Enterprise (MSMEs are an **important** sector and plays a critical role in the Indian economy. MSMEs will continue to play a very important and vital role in our economy where the twin problems of unemployment and poverty constitute a major development challenge. There are several challenges in the sector of MSMEs. If the Government, Bank and Financial Institutions will take proper initiatives in the sector of MSME and they will take pride while servicing the MSMEs, these challenges can be solved and the economic growth rate of India will be 8- 10% for the next decades.

Useful websites

Commissioner, Ministry of Micro, Small and Medium Enterprises:

<http://dcmsme.gov.in/>

MSME Development Institute, Agra

<http://www.msmediagra.gov.in/default.asp>

Federation of Indian Ministry of Micro, Small and Medium Enterprises

<http://msme.gov.in/>

Development micro and small & medium enterprises:

<http://www.fisme.org.in/>