

MSMEs boosting employment and economy in Uttar Pradesh

Micro, Small, Medium Enterprises (MSMEs) are the backbone of global economies. Uttar Pradesh, the second largest economy and the largest consumer base of the nation, contributes the most to job creation, economic growth and innovation with over 96 lakh MSME units. These enterprises provide jobs to millions of people, especially in rural and semi-urban areas.

The sector acts as a powerful force in alleviating unemployment and empowering local communities by offering livelihood opportunities across various industries, from manufacturing to services.

Under the able leadership of Hon'ble Chief Minister Yogi Adityanath, the state government has created a business-friendly environment. Uttar Pradesh's robust law and order framework has further boosted the state's industrial growth. The Micro, Small and Medium Enterprises Promotion Policy 2022 has made Uttar Pradesh one of the most vibrant hubs for MSMEs, driving employment generation and economic transformation.

Contribution to Economic Growth

The MSME sector's contribution to the state's GDP is notable. From handicrafts and textiles to food processing and manufacturing, MSMEs produce a wide array of goods and services, not only serving domestic markets, but also bolstering the state's exports, adding to the state's economic growth. Out of the total exports from the state, 46% contribution comes from MSME units. The CAGR registered in the MSME category has been 9.7% over the last 5 years, which is higher than the rate of growth of the overall economy.

Government Support to MSMEs

Recognizing the critical role of MSMEs, the state government has been proactive in rolling out various schemes and programmes to support the small businesses and local productions in the state. Uttar Pradesh Chief Minister Udyam Bima provides 5 lakh in benefits in case of disaster, offering financial security to MSME entrepreneurs.

Additionally, the Chief Minister Yuva Udyam Vikas Abhiyan offers interest-free loans up to Rs 5 lakh, aiming to support micro-entrepreneurs. Several schemes, such as Mukhya Mantri Yuva Swarozgar Yojana, have been introduced to promote entrepreneurship and self-employment by providing financial assistance and incentives, allowing local entrepreneurs to expand their businesses, increase production, and contribute to the state's economy.

The Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) helps MSMEs get loans without the need for collateral. The ODOP initiative aims to boost craftsmanship by promoting each district's unique products, fostering local entrepreneurship.

Under the new MSME Act, MSME units can start operations within 72 hours of application with the state government, to this end; the state government shall issue Acknowledgement Certificate to the units within 72 hours of application.

Reviving MSMEs

To help the struggling MSMEs, the Uttar Pradesh government has introduced the Raising and Accelerating MSME Performance (RAMP) scheme, providing financial assistance and operational support. The Udyam Sarathi App, offers comprehensive guidance on business-related information,

government schemes, and financial assistance, making it easier for budding entrepreneurs to navigate the market.

Inclusive Growth and Employment Generation

MSMEs in Uttar Pradesh are not just providing employment, but also promoting inclusive growth. They provide employment to over 1.65 crore people, including women and marginalized sections of the society. By reducing regional disparities and promoting local production, MSMEs have become a key player in the state's development.

Uttar Pradesh's MSME sector is the cornerstone of its economic success. With strong government support, financial aid, and innovation, these enterprises are thriving, creating jobs, and contributing to the state's growth. The integration of digital technologies, better access to finance and improved infrastructure are crucial for unlocking the potential of MSMEs. Strengthening connections between MSMEs and large industries can also fuel further growth and development. As MSMEs expand, they are helping position Uttar Pradesh as a major player in the global economy.