

Government is exploring new financial lending institutions to support small-scale units – Shri Nitin Gadkari

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Union Minister for MSME and Road Transport and Highways, Shri Nitin Gadkari today said that the government is exploring new financial lending institutions to support small-scale units in terms of financial support. Shri Gadkari said that government is working towards strengthening the NBFCs which will help small businesses to avail easy credit in the coming time.

He was speaking at a meeting via video conferencing with the Members of Calcutta Chamber of Commerce on impact of COVID-19 on MSMEs and the measures taken to address the challenges at hand.

Addressing the members, Shri Gadkari re-iterated that these are trying times as we are waging a war against COVID-19 pandemic as well as the economic instability caused by it. He requested all the stakeholders to work in tandem and urged the industry to maintain a positive attitude during this time to tide over this crisis.

The Minister also stressed on usage of PPE (masks, sanitizer etc.) and advised to maintain social distancing norms in personal life and at work places.

Apprising the representatives of recent announcement on Special Economic Package: Aatmanirbhar Bharat Abhiyan, he explained various support measures which has been announced for MSMEs such as collateral free automatic loan, distress fund etc. He said that all these measures will provide the required support to MSMEs to face the current economic challenges.

The Minister also informed them that there has been restructuring of 6 lakh MSMEs till March 2020 and the Ministry is aiming to cover additional 25 lakh until December 2020. He added that the current contribution of MSMEs in export is 48%, which may be increased to 60%. He further shared that currently 11 crore jobs have been created through MSMEs and this to be increased to 5 crores.

The Union Minister mentioned that special focus towards export enhancement is the need of the hour. He further added that there is need to reduce our cost on production, logistics etc. to become economically viable. The Minister shared that the Ministry of MSME is working on two booklets to cover details about last three year's export and import.

Some of the questions asked and the suggestions given included: issue of delayed payment needs additional thrust to ensure timely payment to MSMEs, interest subvention of 4% should be looked at to provide support to MSMEs and safeguard them from becoming an NPA, how banks can be incentivized for proper implementation of proposed measure etc.

Shri Gadkari responded to the questions from representatives and assured all possible help from the government.

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