

EMPOWERING SMEs THROUGH PRIORITY SECTOR ADVANCES

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ABSTRACT

Small and Medium Enterprises are two legs of Industrialization process of a country. In the earlier days this concept was called as a small and medium enterprises, but after 2006 this concept was redefined, from that time onwards called as a Micro Small and Medium Enterprise (MSME), It plays a vital role for the growth of Indian economy by contributing 45 percent of industrial output, 40 percent of exports, employment opportunities for 60 million people, generating 1.3 million jobs every year and produce more than 8000 quality products for the Indian and international markets. SME's Contribution towards Gross Domestic Product in 2011 was 17 percent which is expected to increase to 22 percent by 2012. SMEs are the fountain head of several innovations in manufacturing and service sectors, by promoting SMEs, into rural areas becoming India will be developed. The Indian market is growing rapidly and Indian entrepreneurs are making remarkable progress in various Industries like Manufacturing, Precision Engineering Design, Food Processing, Pharmaceutical, Textile and Garments, Retail, IT, Agro and Service sector.

Although its commendable contribution to the Nation's economy, SME Sector does not get the required support from the concerned Government departments, Banks, Financial Institutions and Corporate, which is a handicap in becoming more competitive in the National and International Markets. SMEs faces a number of problems such as absence of adequate and timely banking finance, limited capital and knowledge, non-availability of suitable technology, low production capacity, ineffective marketing strategy, identification of new markets, constraints on modernization and expansions, non availability of skilled labour at affordable cost, follow up with various government agencies to resolve problems and so on. With this backdrop the present paper has been made an attempt to focus the empowering the exiting SMEs.

KEY WORDS: Small and Medium Enterprises, Credit, Priority Sector Advances