

ANNEXURE – 7.59

a) Min. of MSME, GoI launched National Manufacturing Competitiveness Programme (NMCP)

To enhance the productivity and competitiveness of Indian manufacturing MSME sector, Government of India has launched National Manufacturing Competitiveness Programme (NMCP) under which 10 schemes have been finalized out of which 9 schemes are operational and available for the MSME sector while one scheme (Promotion of ICT manufacturing sector) is under final stage of approval.

Further, to have an inclusive growth of MSME sector, a task force was constituted on MSMEs, which has submitted its report. In the report, one of the recommendations is “The initiative taken under National Manufacturing Competitiveness Programme (NMCP) by the Ministry of MSME for technology upgradation and competitiveness such as application of Lean Manufacturing, Implementation of Quality Management system and Quality Technology tools, Design intervention for MSME sector, Scheme for Marketing Assistance etc. be further strengthened and the required flexibility in operationalising such initiatives should be encouraged. The adoption of ICT (Information and communication Technology) for MSMEs be encourage on higher priority to enable SMEs to compete in global market”.

Therefore, to meet the above objectives and recommendations for having an inclusive growth of MSME sector, MSME-DIs have to share their responsibility and play an important role in the implementation of the NMCP schemes. The brief detail of the scheme and the role of MSME-DI are as follows:

(1) Lean Manufacturing Competitiveness Scheme:

The scheme is being implemented on pilot basis to cover 100 mini clusters. Each Mini Cluster will form an SPV by a Group of about 10 MSME units, to which a Lean Consultant will be appointed. National Productivity Council has been entrusted the responsibility of National Monitoring and Implementation Unit (NMIU).

The MSME-DIs may assist National Productivity Council (NPC), in organizing the awareness programmes in identified clusters, formation of SPV and selection of consultants.

(2) Design Clinic Scheme to bring Design Expertise to MSME Sector.

The scheme consists of generating design awareness through Seminars, Workshop and Need Assessment Survey. Thereafter, Design projects will be undertaken by professional designers to assist MSME units in developing new products. The National Institute of Design (NID) has been nominated as nodal agency for the scheme.

The MSME-DI may assist NID, Ahmedabad, in organizing seminars, workshop in identified clusters including selection of designers/Design consultants.

(3) Setting up of Mini Tool Room under PPP Mode:

Under this scheme, mini tool rooms can be set up with a budget ceiling of Rs. 9 crore as viability gap funding (VGF) by Government of India under PPP mode. There is a proposal to set up about 15 such Mini Tool Rooms in various parts of the country.

The MSME-DIs may assist existing Tool Rooms to identify the needs of the industries in respective area for setting up of Mini Tool Rooms. In addition, the MSME-DIs may also involve in sensitization work which will be carried out by Transaction Advisor appointed for this purpose. The MSME-DI officials will also be involved in the construction and operation of Mini Tool Rooms as members of Governing Council / Project Board.

(4) Marketing Assistance and Technology Upgradation:

This is a new Scheme, recently launched to assist MSMEs to upgrade their marketing capabilities. The scheme has various components including proposals to set up Marketing Hubs in the premises of MSME-DIs.

The MSME-DIs may provide support to identified agencies in organizing awareness programmes on Technology upgradation on packaging, skills upgradation / development for modern marketing techniques, corporate governance practices, participation in the State/District Level Local exhibitions including reimbursement to ISO-18000/22000/27000 certification.

(5) Enabling manufacturing sector to be competitive through Quality Management Standard and Quality Technology Tools.

The Scheme has various components to encourage manufacturing MSME units in adopting Quality Management Standards and Quality Technology Tools.

The MSME-DIs may organize awareness programmes in the MSME manufacturing clusters and identify the QMS/QT tools, which can be implemented in the individual units.

(6) Technology and Quality Up gradation support to MSMEs.

The scheme has focused on generating awareness in the field of energy conservation as regards to manufacturing MSME sector. The scheme includes identification of energy intensive MSME clusters and performing energy audits.

The MSME-DIs may assist the agencies like BEE, TERI etc. in organizing the awareness programme on energy efficient technology, CDM, preparation of DPR and product certification etc.

The detailed guidelines of the above schemes are available on the official website of the DC(MSME) (www.dcmsme.gov.in)

b) Min. of MSME, GoI launched Scheme for Marketing Assistance & Technology Upgradation in MSMEs under the National Manufacturing Competitiveness Programme (NMCP)

Major activities under the Scheme:

The objectives of the scheme will be achieved by performing the following major activities for MSMEs through Government of India financial assistance in the manner laid down in these guidelines.

Activity – 1:- Technology Upgradation in Packaging

SSC supported by the office of the DC (MSME) will identify and approve MSME clusters/ units for participation in the activities mentioned below on the basis of the proposals received from the MSME DIs, Industry Associations, NGOs, state government and Technical Institutions. The sub activities are as under:

Fund sharing pattern

Sl. No.	Sub-Activities	Max. Cost provision	Physical target		
			2009-10	2010-11	2011-12
(a)	Awareness programmes on new packaging concepts & Technologies	Rs. 0.50 lakh per programme (GoI: unit:: 80:20)	nil	50 Nos.	50 Nos.
(b)	Cluster based studies on packaging status & needs for upgradation	Rs. 10 lakh per study (GoI: unit:: 80:20)	nil	10 Nos.	10 Nos.
(c)	Unit based interventions for specific packaging requirements in 20 clusters. (approx. 20 units per cluster)	Rs. 9.0 lakh for a group of 10 units. (GoI: unit:: 80:20)	nil	10 Nos.	10 Nos.

Activity - 2: Skill Upgradation/Development for Modern Marketing Techniques:

Objectives: The focus of this component will be on imparting training for upgrading the skills of cluster/product group members on modern marketing techniques such as use of internet, e-mail, on-line marketing techniques, use of website for marketing, need for branding etc. This includes designing and conducting specific need based skill development programmes for the employees of potential MSME clusters / product groups in adoption of modern marketing techniques.

Proposed activities and implementation methodology: SSC supported by the office of the DC (MSME) will identify and approve MSME clusters/ product groups for conducting the above activity on the basis of the proposals received from the MSME DIs, Industries Associations, NGOs and Technical Institutions. The training programmes will be designed

and organized by the specialized institutes/industry associations by utilizing the services of the competent faculties from the organizations like IITs, IIMs, Management Institutes, already working in this field and having relevant experience.

Fund sharing pattern

Activities	Max. Cost provision	Physical target	
		2010-11	2011-12
Designing and conducting specific need based skill development programmes for clusters for adopting modern marketing techniques.	Rs. 6.0 lakh per cluster. (GoI: unit:: 80:20)	10 Nos.	10 Nos.

Activity - 3: Competition Studies:

Objectives: To identify sectors in which the products are threatened by International competition due to marketing /branding strategies. The studies of product groups will aim at analysing the reasons for threat from outside products affecting local productions and ways and methods to counter these challenges.

Under this component, detailed studies will be conducted by competent agencies, in the perspective of World Trade Organisation (WTO), Free Trade Agreements (FTAs) etc. on threatened products bringing out reasons for invasion by foreign products affecting local productions and will suggest necessary marketing measures leading to better acceptability of local products into global market.

SSC supported by the office of the DC (MSME) will identify and approve MSME clusters / sectors for conducting the above studies on the basis of the proposals received from the MSME DIs, Industries Associations, NGOs and Technical Institutions. The services of the competent organisations such as IIMs, CII, FICCI, Management / technical institutes already working in the similar field would also be utilized for this activity. The agencies for conducting the study will be selected by calling open Expression of Interest (EOI) duly observing guidelines issued by Department of Expenditure.

Fund sharing pattern

Activities	Max. Cost provision	Physical target	
		2010-11	2011-12
Detailed studies on threatened product groups/ clusters bringing out reasons for invasion by outside products affecting local productions and ways & methods to counter these.	Rs. 8.0 lakh per study. (GoI: unit:: 80:20)	4 Nos.	4 Nos.

Activity - 4: Special Components for North-Eastern Region (NER)

Activity - 5: New Markets through State/ District level local exhibitions/ Trade Fairs:

Objectives: To provide marketing platform to manufacturing MSMEs through their participation in State / District level exhibitions being organized by State/District Authorities/Associations.

SSC supported by the office of the DC (MSME) will identify and approve manufacturing MSME clusters/ units for participating in State/District level local exhibitions/Trade Fairs on the basis of the responses received through the MSME DIs, Industries Associations, and NGOs.

Fund sharing pattern

Activities	Max. Cost provision	Physical target	
		2010-11	2011-12
To provide marketing platform to MSMEs through participation in State and District level exhibition being organized by State/District Authorities/Associations.	Rs. 3.0 lakh per Exhibition. (GoI:unit:: 80:20)	30 Nos.	36Nos.

Activity - 6: Corporate Governance Practices:

Objectives: The primary objective of this activity will be:

- To encourage MSMEs to adopt good Corporate Governance Practices for improving their competitiveness, reducing operational risk factors, overcoming barriers to trade, successfully meeting the challenges of globalization, accessing lower cost of finance.
- To create awareness among MSMEs for adoption of good corporate governance practices strengthening of accounts and audit procedures, transformation of company's structure, resource management, training, statutory corporate governance rating etc.
- To introduce a system of corporate governance to ensure the transparency, integrity and accountability of the management.

Proposed activities and implementation methodology:

Office of the DC (MSME) will identify MSME units for participating in this activity on the basis of request received through the MSME DIs, Industries Associations and NGOs.

Fund sharing pattern

Activities	Max. Cost provision	Physical target	
		2010-11	2011-12
To encourage MSMEs to adopt good corporate governance practices	Rs. 0.9 lakh per unit (GoI: unit:: 50:50)	200 Nos.	200Nos.

Activity - 7: Marketing Hubs

Objective: To provide facilities for manufacturing MSMEs for B2B meeting among MSMEs, wholesale and retail marketing of MSME products, exploring the export opportunities for the MSME products and to attract new customers and enhance the marketing reach of the MSMEs.

Proposed activities and implementation methodology:

In the initial phase of the project, it is proposed to setup 8 nos. marketing hubs in the premises of MSME- DIs, in the designated cities of the country which have substantial presence of prospective MSME clusters. These marketing hubs will preferably be selected out of the 12 cities i.e. Chennai, Bangalore, Mumbai, Indore, Jaipur, Agra, Guwahati, Ahmedabad, Delhi, Ludhiana, Thrissur and Kolkata. For operating these marketing hubs, the services of the available staff of the concerned MSME-DIs would be utilized.

The covered area proposed is about 500 to 600 sq. ft. per hub. The proposed expenditure details will be as under:

- a) For up-gradation/renovation/modification in the existing facilities/space (furnishing, fixtures, modern amenities, air conditioning, false ceiling, floor tiles etc.) to convert it into Marketing hub. - Rs. 30 lakh per hub (Only GOI contribution, no private contribution).
- b) For Furniture, Computers, Internet and Communication equipments. Rs. 5 lakh per hub. (Only GOI contribution, no private contribution).
- c) Recurring operating expenditure. Rs. 15 lakh per hub for two years. (GoI contribution 80% and private units 20 %). The recurring charges will be towards the cost incurred on arranging expo-events/exhibition for the purpose of B2B and B2C interaction. The private contribution will be received through participation fee as registration charges.

For the activity stated at (a) above the renovation/ refurbishment work in the institutes building will be done through CPWD against the allotment of funds made by this office upto a maximum of Rs.30 lakh.

Activity - 8: Reimbursement to ISO 18000/22000/27000 Certification

Objectives: To enhance the export and marketing potential, it is proposed for one time reimbursement of the expenditure to those units which acquire ISO Certification on Food & Safety, Health and IT parameters.

Proposed activities and implementation methodology: Office of the DC (MSME) will encourage MSME units for participating in this activity on reimbursement to ISO 18000/22000/27000 Certification.

The GOI assistance will be by way of one time reimbursement of expenditure to such MSME manufacturing units which acquire ISO 18000/22000/27000 Certification to the extent of 75% of the expenditure subject to a maximum of Rs 1.00 lakh in each case. About 300 units are expected to derive benefits under this component.

The reimbursement of charges will be towards; consultant fee, certification fee, training of MSME employees in ISO adoption if required, etc. The amount of subsidy/financial support if already received from the state govt./financial institution shall be adjusted against the admissible reimbursement under this scheme.

The detailed guidelines of the above schemes are available on the official website of the DC(MSME) (www.dcmsme.gov.in)