

# PSUs to buy 20% of total purchases from MSMEs

**fe Bureau**

**New Delhi, Feb 17:** In a bid to bolster the output of micro, small and medium enterprises (MSMEs), the government will launch a procurement policy which will make it mandatory for the public sector undertakings (PSUs) to buy at least 20% of their total purchases from MSEs. "We are preparing a Cabinet note to encourage the micro and small sector. The policy will be presented for Cabinet approval within one month," said the secretary of micro, small and medium enterprises ministry Dinesh Rai.

"The Committee of Secretaries (CoS) met on February 11 and agreed (to adopt the new policy). Now, there is a general consensus on it. Everybody has agreed for 20% procurement in three years," Rai added. The CoS was recently set up by the government for arriving at a consensus on the formulation of the procurement policy.

Referring to the concerns of the few government departments about the quality and standards of products manufactured by the MSEs, Rai said, "Look at the contribution of MSEs in the automobile sector. The MSE sector has always shown that they can match the best international quality."