

Extend SME stimulus for one more year, says task force

Our Bureau

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The Task Force on Micro Small and Medium Enterprises (MSME) has suggested a slew of measures including a year's extension of the stimulus package given to this sector, besides outlining several medium term institutional measures for the overall development of this sector.

The Chairman of the task force, Mr T.K.A. Nair, submitted the report on this sector to

the Prime Minister, Dr Manmohan Singh, on January 31 and it was released officially on Tuesday.

Some of the immediate measures proposed include earmarking additional public spending to the tune of Rs 5,000-5,500 crore over the next three to five years and strict adherence to the stipulated lending targets by the commercial banks for micro enterprises.

The additional public spend-

ing would be used to support the establishment of rehabilitation fund in the States, assist MSME in the acquisition and adaptation of modern clean technologies as well as promoting establishment of business incubators in education institutions of repute.

Creation of a separate fund with the Small Industries Development Bank of India (SIDBI) using the shortfalls against MSE credit targets for commercial banks has also been

mooted by the task force on MSMEs in its report.

As part of the medium-term legal and regulatory measures the task force has asked the Government to expedite the establishment of a Small and Medium Enterprise (SME) Exchange. Simplification of labour laws applicable to enterprises in the MSME sector in the next three years has been suggested since the transaction costs for complying with these laws are disproportion-

ately high for MSME units.

REHABILITATION FUNDS

The recommendations for medium-term institutional measures for the MSME sector include the setting up of an independent body at the national level by the Government for promotion and development of the sector.

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