Indian MSMEs can produce global brands through pursuit of quality

The COVID crisis is an opportunity for India to reduce reliance on imported goods where there is potential for local manufacturing. Government of India has taken a series of measures in the last few years to promote indigenous manufacturing of chemicals, electronic goods, pharmaceuticals, solar power equipments and certain consumer items. In recent years, Government of India increased import duty on some of these product categories to discourage imports and encourage domestic production of these goods.

The COVID crisis provided renewed thrust on government efforts to reduce dependence on foreign products. In a recent move, Government of India has made it mandatory for sellers to disclose the share of domestic value addition in goods sold through its Government e-Marketplace (GeM). GeM is an online platform that enables government departments and public sector undertakings to procure goods from small and large manufacturers registered on this platform. There are more than 6.5 crore micro, small and medium enterprises (MSMEs) in India producing and supplying at least 8000 different types of products across various sectors. The response of these MSMEs to this call for Self-Reliance is crucial for the overall success of the Atma Nirbhar Abhiyan. In recent years, the country has witnessed many MSMEs that have succeeded in locally producing goods that were previously imported and reduced India’s dependence on overseas suppliers. Following are some of the success stories in indigenization of supply chains in select sectors.

Success stories

Maharashtra based Vinati Organics, which began operation in 1989, enabled India reduce reliance on imports for specialty chemicals. The company, through its high standard manufacturing facilities in Ratnagiri and Raigad, manufactures two complex chemicals, viz. Isobutyl Benzene (IBB) and 2-Acrylamido 2 Methylpropane Sulfonic Acid (ATBS). Over the years, the company emerged a world leader in these two products and has established presence in more than 22 countries and is catering to clients in US, Europe and Asia.

Another example is the Ahmedabad-based AIA Engineering, which produces and supplies industrial equipments for crushing or grinding of raw materials used in mining, cement and power generation companies. With a humble beginning in 1979, the company has emerged as the second largest producer of hi-chrome casting, which is used in crushing mills, in the world. Today, the company, through its subsidiary, not only caters to local demand, but also exports to more than 75 countries globally.

There are many other companies in India that emerged from a humble beginning to become a leading supplier of goods in India and consequently reducing the country’s dependence on imports. One such company is the Pune-based Garware Technical Fibres, which produces and supplies highly complex nets used in fishing, aquaculture, farming, sports, safety etc. The company also manufactures coated fabrics, polymer ropes and geosynthetics. The company received awards from the Sports Goods Export Promotion Council for being the largest exporter of nets used in sports.
It may be seen from the above success stories that Indian companies are not only capable of meeting domestic demand, but they also have the potential to cater to the global demand, thereby earning the precious foreign exchange for the country. The above mentioned companies have built reputed global brands through rigorous pursuit of excellence in quality standards and R&D.

**Notifications**

**Press Information Bureau, Government of India**

Ministry aims to improve ease of doing business in GST system


Special liquidity scheme for NBFCs and HFCs


Updates on COVID 19


Udyam Registration portal for MSMEs


**RBI**

Amendment in Indian Stamp Act 1899