ROLE OF MICRO, SMALL AND MEDIUM ENTERPRISES (MSMES) IN INDIAN ECONOMY

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ABSTRACT

The Micro, Small and Medium Enterprises (MSME) sector has acquired a prominent place in the growth of the Indian economy. This sector is a nursery of entrepreneurship, often driven by individual creativity and innovation. This sector contributes 8 per cent of the country’s GDP, 45 per cent of the manufactured output and 40 per cent of its exports. The MSMEs provide employment to about 60 million persons through 26 million enterprises. Thus, MSMEs are important for the national objectives of growth with equity and inclusion. This paper analyzes the role and performance of micro, small and medium enterprises in Indian economy during the period from 2002 to 2011.

KEYWORDS: Micro, Small and Medium Enterprises, economic growth, employment growth, GDP, production, Export.