

MSMEs

..... The Technology Repositories

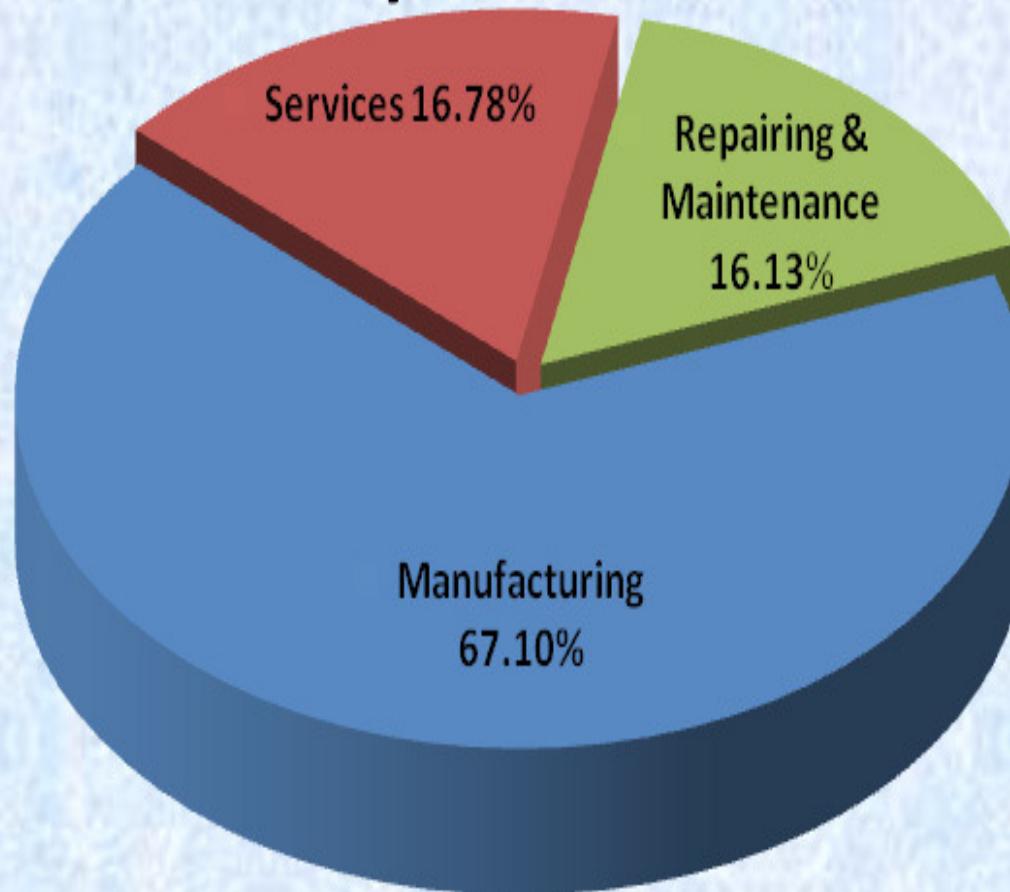
the MSMEs

- * Backbone to the Industry
- * Repository of Technologies
- * Higher Employment Generators at Lower Cost
- * Least Entry Barriers
- * Engine for Economic growth & Equitable Development
- * Most Inclusive / Socioeconomic requirements

The Figures Speak

- * SMEs Constitute over 90% of all Enterprises in most economies.
- * Contribution : 45% of Manufacturing output
- * Exports : 40 % of the total Exports of the country
- * Employment : 60 mn : Self & Wage Employment
- * Growth : Consistently Higher than the rest
- * Range > 6000 : Traditional to High Tech
- * Manufacturing 67% and service sector 33%
- * Micro Enterprises : 95%
- * Proprietary Ownership : 90%

Activity-wise MSMEs



PRODUCTS OF MSMEs *More than 6000 products*



Defence MSMEs

Defence

Home Land security

Military & Civil Aerospace

Issues & Challenges are Different

Defence SMEs : Issues

- * Defence Technology : Higher Costs of Acquisition, Upgrade
- * Licences : take Time, Efforts, Money,
even test Patience
- * Lack Assets and Resources to invest directly in R&D
- * High Initial Investments

Challenges

- * High-tech >>> Ultra-tech
- * Technology catch up : Obsolescence management
- * Very Long Journey before one sees the first \$
- * Skills : Retention
- * Allocation and Commitment of Reserves
- * Threat from Imports / Dumping
- * Global Integrators' Sustained Confidence
- * Scaling up : Investments / Global Exposure / Competition

What Govt can do : to Derive the best from MSMEs

- * Innovative Approach to attract new entrepreneurs
- * Long term outlook : Direction , Commitment
- * Regular Supply of Super-skilled Human Resources
- * Make Available Affordable Training Institutions
- * Affordable (Subsidized) Exposure to Global Markets
- * DRDO Acquiring Certain Identified Technologies and Licensing to MSMEs – Payments linked to Receipts
(as against reserving certain products)

MSMEs – the Vehicle

* to be Different :

- > Certainly NOT a Governmental set up
- > NOT Just an Industrial body
- > Of course NOT an Academic Institution

* an SPV – NOT with a Traditional Transitional Role

* Composition :

- > Draw from Govt / Industry / Institutions
- > Small / Highly Focused
- > Result Oriented but NOT Procedurally Limited
- > Friendly to SMEs and Foreign OEMs
- > Proactive / Accountable / Time Bound
- > a Vehicle to Bring Together OEMs & MSMEs

How DRDO can Help Sustenance of MSMEs

- * DRDO to Identify the Technology gaps – Specifically Crafted for SMEs
- * Acquire / Own the Technology / Designs / Drawings
- * DRDO to Hire out / Loan the Drawings to MSMEs
- * MSMEs will Capture the Orders & Execute
 - > the Hiring charges may be linked to Delivery / Receipts
- * Similar Model for DRDO developed Technologies

Win Win : MoD, DRDO & MSMEs

- * DRDO Knows the Technology gaps
- * Individual firms Need Not Invest on Technology
- * DRDO is the Best Bargainer – Price / Updating
- * Foreign OEMs will Deal with One Agency –
Credibility / IPRs / Implementation /
Convenience / Costs
- * Individual firms Hire the Technology / Designs /
Drawings
 - > Pay Only on Firm Orders
 - > Pay Only Hiring Charges
 - > Need Not worry about Obsolescence

Win Win : MoD , DRDO & MSMEs

- * DRDO being the Owner, can Improve / Indigenize /
Customize
 - > Individual firms need not invest
- * It is Competitive Environment
- * Individual firms Concentrate on Work & Delivery
- * For MoD too It is Cheaper / More Transparent
- * Even for Foreign firms , it is Much cheaper
- * MoD may Organize Centralized Regular Training :
 - > Technology Gaps – a Long Term Perspective,
 - > Intl. Def. Business Practices – Country Specific
Issues

Jai Hind