



भारत सरकार

GOVERNMENT OF INDIA



Merchandise EXIM Status Report of India's MSME Sector

**DIRECTORATE GENERAL OF COMMERCIAL
INTELLIGENCE AND STATISTICS, KOLKATA**

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Introduction

The Micro Small & Medium Enterprises (MSME) Sector has over the years significantly contributed in the process of nation building by way of producing a wide array of goods for domestic as well as global consumption and also in the form of generating large-scale employment opportunities at comparatively lower capital cost than large-scale industries which is a critical requirement for sustainable economic growth and social development. The NSS 73rd Round Survey (2015-2016) had estimated the existence of 6.34 crores unincorporated non-agricultural MSMEs (excluding construction sector) in the country engaged in different economic activities with estimated employment of about 11.13 crores workers (including part-time workers).

2. In accordance with the provision of Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 the Micro, Small and Medium Enterprises (MSME) are classified as below:

- a micro enterprise, where the investment in plant and machinery or equipment does not exceed one crore rupees and turnover does not exceed five crore rupees;
- a small enterprise, where the investment in plant and machinery or equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees; and
- a medium enterprise, where the investment in plant and machinery or equipment does not exceed fifty crore rupees and turnover does not exceed two hundred and fifty crore rupees.

3. Out of the total 6.34 crores enterprises, 31% enterprises were engaged in manufacturing, 36.3% enterprises were involved in trading activities (230.35 lakh enterprises) and remaining 32.7% enterprises were in 'other services' sector. Of the total 11.13 crore workers in MSME Sector as estimated under NSS 73rd Round Survey (2015-2016), 35% workers totaling to 387.18 lakh workers were engaged in trading activities sector with more workers concentrated in urban sector vis-à-vis-

rural.

5. The MSME sector has a significant contribution in India's merchandise trade segment also. Government of India has been making concerted efforts in order to enhance trade competitiveness and increase the share of MSME sector in India's export basket. In Financial Year (FY) 2022-23 India had recorded a total export value of USD 451070 million with total exports from Indian MSME Sector being USD 125525.8 million [Rs. 1008768 crores]. On the import front India had recorded a total import bill of USD 715968 million, with imports from MSME amounting to USD 107494.86 million [Rs. 863865.23 crores].

6. In order to develop a comprehensive overview about contribution of MSMEs specifically in India's Trade Segment and subsequently arrive at better policy solutions, DGCI&S, Kolkata in association/consultation with DGFT and M/o MSME, GoI has attempted a focused analysis based on primarily FY 2022-23 statistics which is presented as under.

Data Source

7. This analysis is based on the UDYAM Registered MSMEs, having valid Export-Import Licenses (IEC codes) provided by O/o DGFT. Hence, for the purpose of this report, data has been sourced from O/o DGCI&S, O/o DGFT and UDYAM Portal of M/o MSME. The period of study in this report is primarily FY 2022-23.

Count

8. The list of total Importer-Exporter as provided by DGFT based on UDYAM portal, consists of 2.78 lakh of registered entities in export and import segments. Out of that, around 72,775 distinct exporters and 68,905 distinct importers have traded during FY 2022-23 and the following analysis is based on this premise.

Methodology

9. (i) The UDYAM Portal Registered MSMEs having unique IE Codes have been validated from the DGFT IEC Database, since DGFT is the nodal office to provide IEC data.

(ii) The said data has then been integrated with the Export-Import database of DGCI&S to deduce inferences.

(iii) Tables and charts have been generated with the help of SQL and Excel Packages.

(iv) It is further iterated and clarified that this study defines Registered MSMEs as those MSMEs which are registered on UDYAM portal with valid IEC provided by DGFT.

(v) The monthly average rate provided by RBI has been considered as the Conversion Rate for computation of export and import values.

Limitation

10. The analysis in this instant report is primarily centered on goods/merchandise exported and imported by Registered MSMEs (under UDYAM Portal) with valid and active IE Codes (generated and provided by DGFT). Thus, the gamut of goods/merchandise which are otherwise produced by MSMEs [not registered under UDYAM Portal and/or not possessing valid IE Codes] and subsequently exported by non-MSME sector traders/trading houses could not be captured within the scope of analysis of this Report due to lack of direct administrative records.

This report has been prepared by DGCI&S officials Ms. Madhura Roy and Ms. Tamanna Sinha under the supervision of Shri. Ajay Baksi, DDG & HoD of DGCI&S.

Snapshot of contribution of Registered MSME (s) in India's Export and Import Domains from FY 2020-21 to FY 2022-23

	Exports by Registered MSMEs in USD million		
MSME Type	2020-21	2021-22	2022-23
Micro	16828.98	25185.58	29876.65
Small	33857.2	44183.78	45086.99
Medium	37694.06	49918.77	50562.10
Total	88380.2	119288	125525.8

From FY 2020-21 (the Covid-19 pandemic hit year) to FY 2021-22 exports by all three types of Registered MSMEs had experienced substantial rise. Subsequently between FY 2021-22 to FY 2022-23 the positive incremental trend has been maintained; however, the rate of increase has moderated down and in case of Small and Medium Enterprises the respective increments are minimal. In absolute value terms, the contribution of Medium Enterprises is the maximum followed closely by small enterprises in the export space.

	Imports by Registered MSMEs in USD million		
MSME Type	2020-21	2021-22	2022-23
Micro	5996.211	12481.06	20461.08
Small	31603.9	46030.73	42964.59
Medium	28321.31	41104.34	44069.19
Total	65921.4	99616.1	107495

From FY 2020-21 to FY 2022-23 imports by Micro enterprises have increased quite substantially. The medium enterprises segment experienced quite notable increment between FY 2020-21 to FY 2021-22; however, the trend in case of small enterprises is slightly different vis-à-vis other two segments as it experienced a substantial leap in imports between FY 2020-21 and FY 2021-22 followed by a moderate deceleration recorded in FY 2022-23. In both 2020-21 and 2021-22 small enterprises played the dominant role with slight alteration in 2022-23 when imports by medium enterprises played the dominant role. Imports by micro enterprises segment is close to half of imports by small enterprises segment in the year 2022-23.

On an overall basis based on the above tables, it is observed and concluded that, in the Registered MSME space between FY 2020-21 to FY 2022-23, there exists a positive Balance of Trade with Total Export Earnings exceeding Total Import Payments.

(A) Total Export by Registered MSMEs during FY 2022-23

Table: 1: Share of export of Registered MSMEs in Total Export of India during FY 2022-23

MSME Type	Export Value (USD mln)	Share in Total Export (%)	Export Value (INR cr.)	Share in Total Export (%)
MICRO	29876.65	6.62	240099	6.63
SMALL	45086.99	10.00	362334.4	10.00
MEDIUM	50562.1	11.21	406334.3	11.22
Total Export by Registered MSMEs	125525.8	27.83	1008768	27.85

CHART 1A: Percentage share of Registered MSMEs in Total Exports during 2022-23

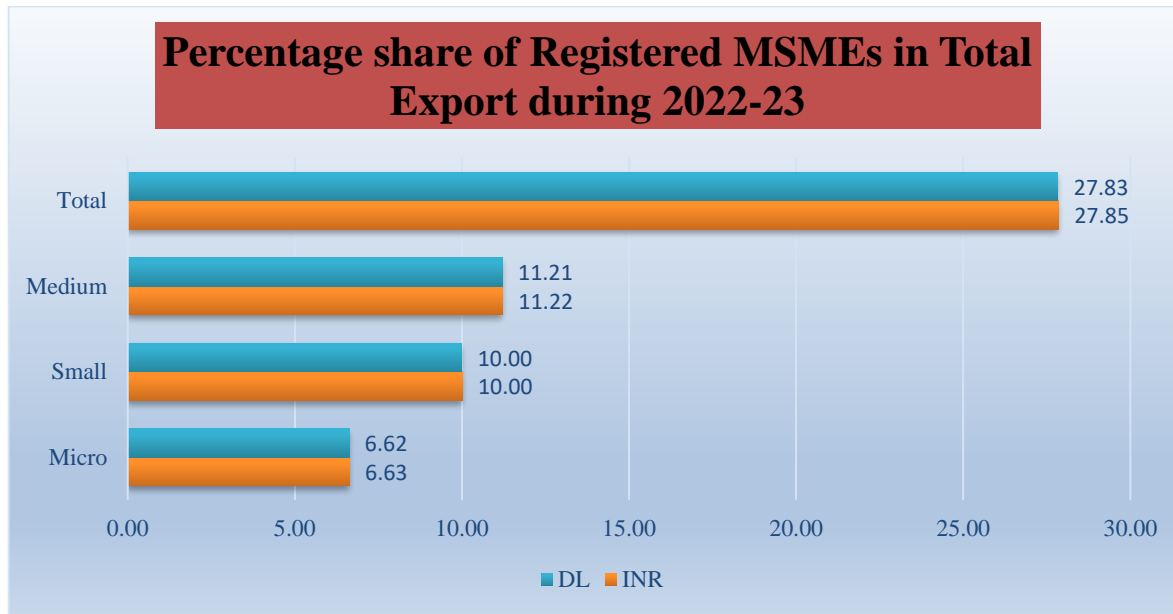


CHART 1B: Percentage share of Registered MSMEs in Total Exports from 2020-21 to 2022-23

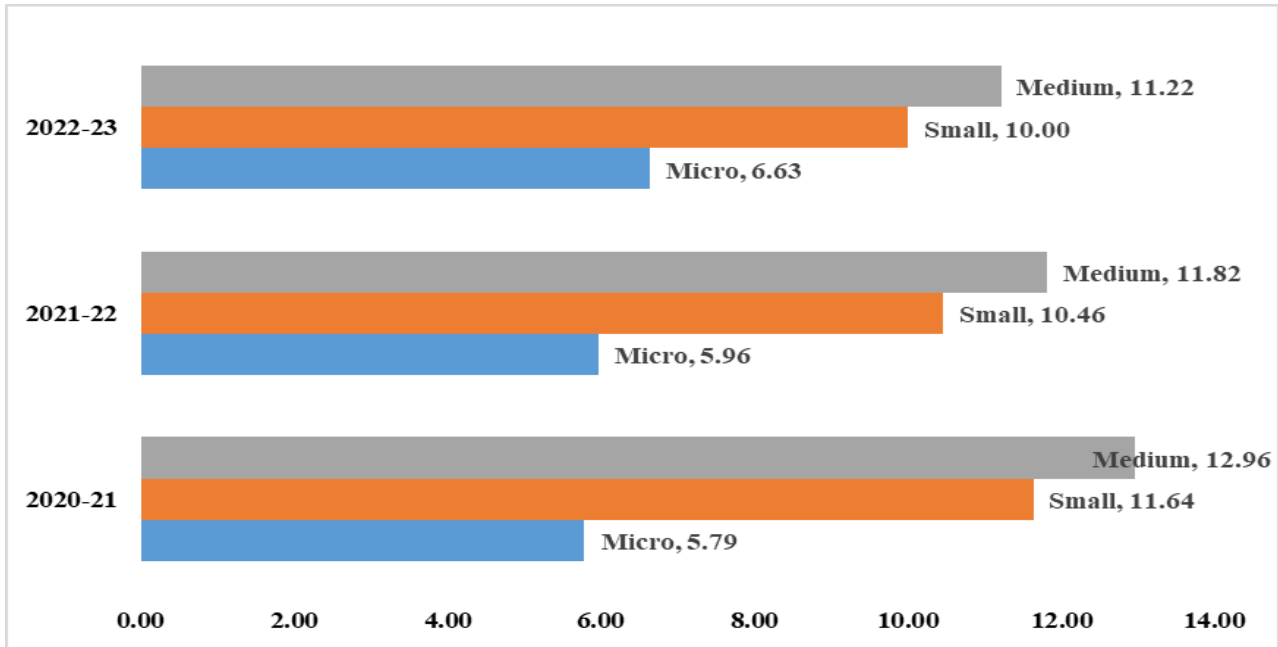
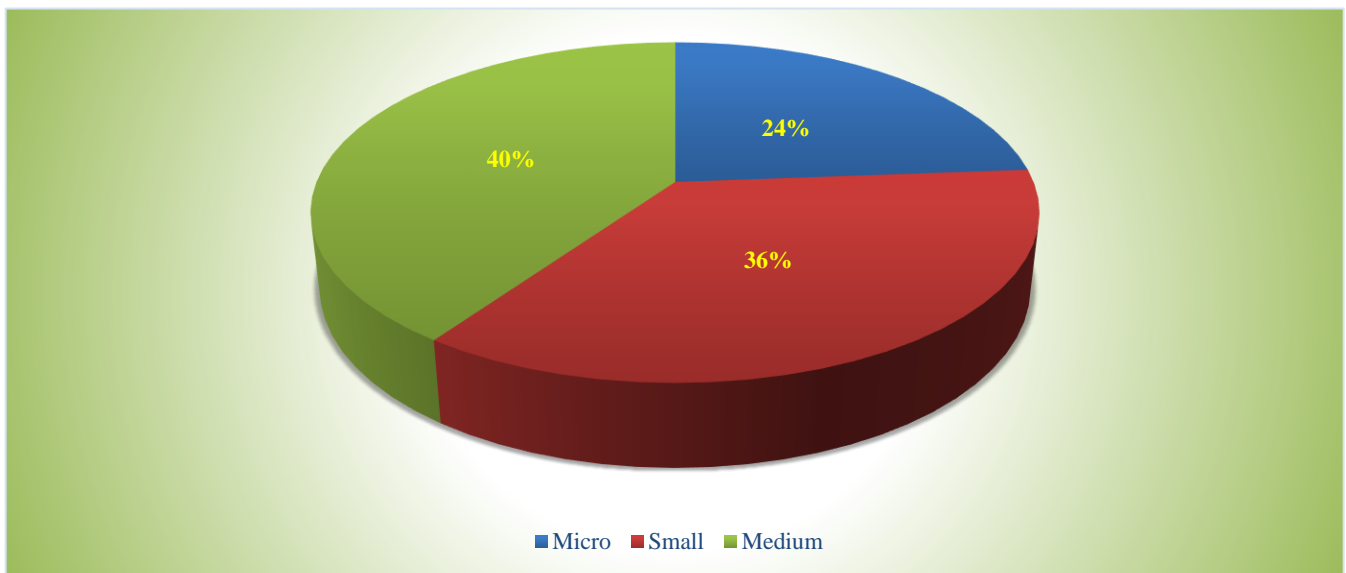


CHART 1C: Percentage Share of Different types of MSMEs in total export value generated by Registered MSMEs in FY 2022-23



(B) Total Import by Registered MSMEs during FY 2022-23

TABLE 2: Share of import of Registered MSMEs in Total Imports of India during 2022-23

MSME Type	Import Value (USD mln.)	Share in Total Import (%)	Import Value (INR cr.)	Share in Total Import (%)
MICRO	20461.08	2.86	164432.19	2.86
SMALL	42964.59	6.00	345278.05	6.01
MEDIUM	44069.19	6.16	354154.99	6.16
Total Import by Registered MSMEs	107494.86	15.01	863865.23	15.02

CHART 2A: Percentage share of Registered MSMEs in Total Imports during 2022-23

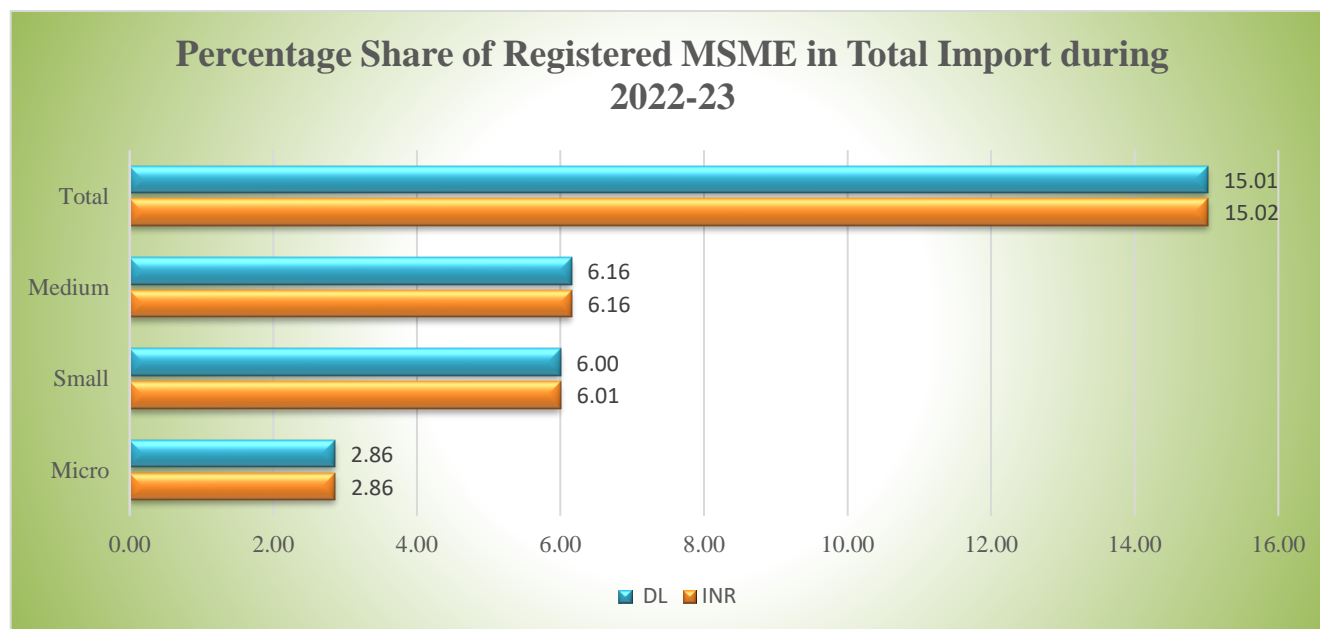


CHART 2B: Percentage share of Registered MSMEs in Total Imports from 2020-21 to 2022-23

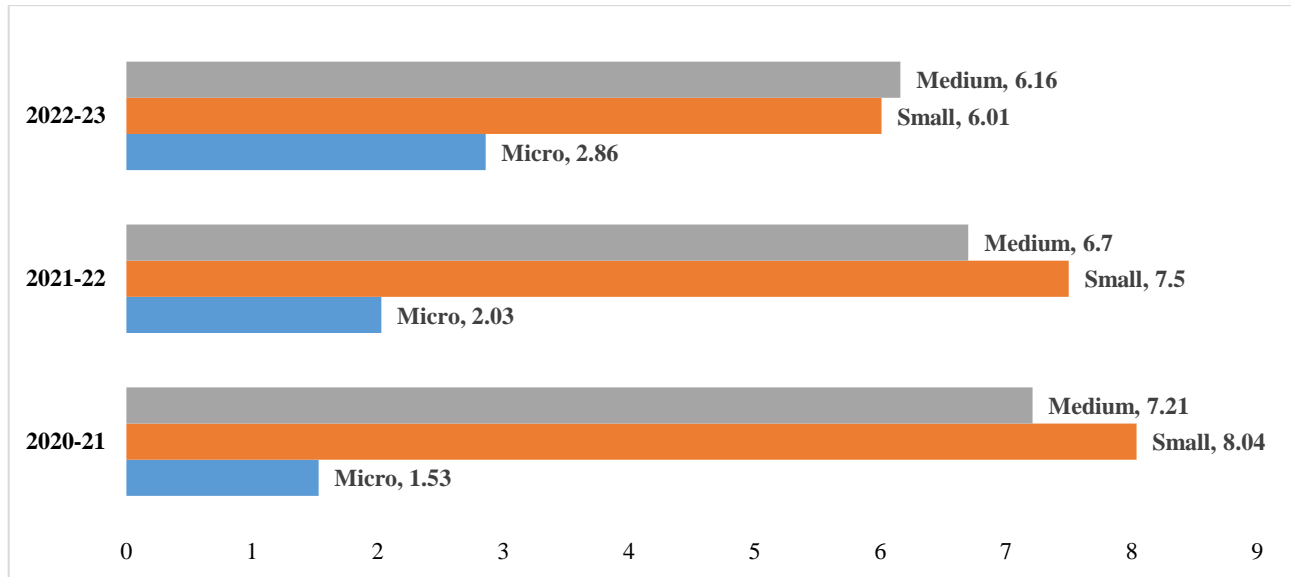
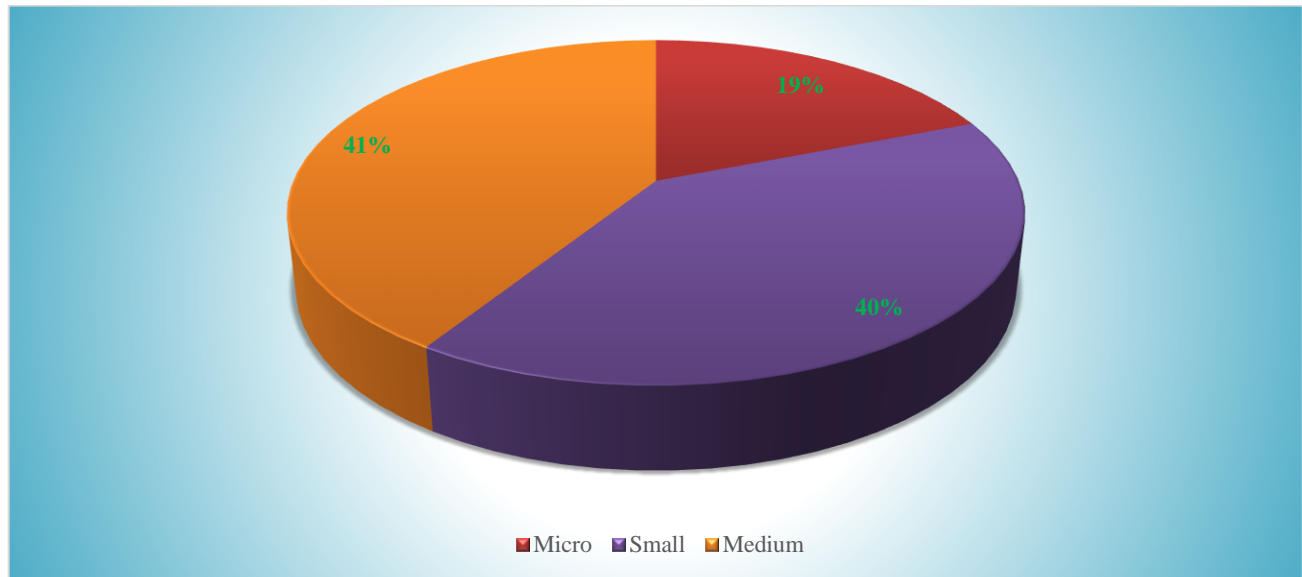


Chart 2C: Percentage Share of Different types of MSMEs in total import value generated by Registered MSMEs in FY 2022-23



In light of above facts and figures, it is concluded that

- In both Export and Import segments medium enterprises category have played the pivotal

role followed by small enterprises category and lastly the micro enterprises in FY 2022-23.

- In import segment, share of medium enterprises in total MSME imports (at 41%) is followed neck-to-neck by small enterprises category (at 40%).
- On an overall basis MSME Sector has a share of 15% in India's total imports; however, the sector has relatively higher share and contribution in India's export value basket to the tune of approximately 28% as per 2022-23 statistics.
- Between 2020-21 to 2022-23 share of Registered Micro enterprises in India's total exports and total imports has increased and the shares of both registered Small and Medium Enterprises have declined (ref: Chart 1B and 2B above).

STATE-WISE MSME EXPORT CLASSIFICATION

Table 3A: Top 10 States in terms of exports by Registered MSMEs (USD Million)

Sl. No.	State	Exports in USD mln (2022-23)
1	GUJARAT	26104.15
2	MAHARASHTRA	24249.66
3	TAMIL NADU	12928.84
4	UTTAR PRADESH	9897.84
5	HARYANA	9169.66
6	WEST BENGAL	6850.67
7	KARNATAKA	6336.34
8	ANDHRA PRADESH	5613.55
9	RAJASTHAN	4717.27
10	DELHI	3376.02
	OTHERS	16281.76
	Total Exports by Registered MSMEs (Country Level)	125525.8

Table 3B: Percentage Share of Exports by different types of Registered MSMEs in total Exports by Registered MSMEs during FY 2022-23- State-wise classification

State	Medium	Small	Micro	State-wise Combined Share of all MSME Types in Total Registered MSMEs of the country
GUJARAT	9.17	7.36	4.26	20.80
MAHARASHTRA	7.55	7.31	4.46	19.32
TAMIL NADU	3.66	4.04	2.61	10.30
UTTAR PRADESH	2.78	2.81	2.29	7.89
HARYANA	3.75	2.45	1.11	7.31
WEST BENGAL	1.34	2.20	1.92	5.46
KARNATAKA	2.60	1.69	0.76	5.05
ANDHRA PRADESH	2.11	1.14	1.22	4.47
RAJASTHAN	1.04	1.51	1.22	3.76
DELHI	0.40	0.92	1.37	2.69
Others	2.56	4.48	5.89	12.97
Total Share (MSME Type-Wise)	40.28	35.92	23.80	100

From Tables 3A and 3B it is observed that

- Gujarat and Maharashtra occupy the top slots in terms of total registered MSME export value followed by Tamil Nadu, Uttar Pradesh and Haryana.
- As in the case of overall exports Gujarat and Maharashtra are the consistent leaders, the same pattern holds true in case of Registered MSME Exports.
- Within top 10 states small MSMEs have higher share vis-à-vis micro MSMEs with slight exception in the case of Andhra Pradesh and Delhi.
- Tamil Nadu, Uttar Pradesh, Rajasthan, West Bengal & Delhi are states wherein small MSMEs have higher share vis-à-vis medium MSMEs.
- In case of Maharashtra the shares of medium and small enterprises are extremely neck-to-neck.
- In case of all remaining States/Union Territories (qualified as others), micro MSMEs have the highest share followed by small and medium enterprises.

COMMODITY-WISE MSME EXIM CLASSIFICATION

Table 4A: Share of Top 10 Commodities/Commodity Groups in MSME Export Segment in 2022-23

Sl. No.	Commodity Groups	Exports by Registered MSMEs (USD mln)	Percentage Share of Commodity Groups in Total Exports by Registered MSMEs
1	ENGINEERING GOODS	24654.52	19.64
2	GEMS AND JEWELLERY	15441.42	12.30
3	RMG OF ALL TEXTILES	10695.66	8.52
4	RICE	7804.87	6.22
5	ORGANIC AND INORGANIC CHEMICALS	7156.72	5.70
6	MARINE PRODUCTS	6027.93	4.80
7	DRUGS AND PHARMACEUTICALS	4839.57	3.86
8	COTTON YARN/FABS. /MADEUPS, HANDLOOM PRODUCTS ETC	4588.45	3.66
9	ELECTRONIC GOODS	4551.86	3.63
10	LEATHER AND LEATHER MANUFACTURES	3399.55	2.71
OTHERS		36365.19	28.97
Total Exports by Registered MSMEs		125525.75	100

As per Table 4A above, Engineering Goods and Gems & Jewellery have the most significant contribution in total export value generated by Registered MSMEs in FY 2022-23 followed by Textiles and Rice.

Chart 4A: Percentage share of major commodity groups (operating in MSME Sector) in total MSME Exports in 2022-23

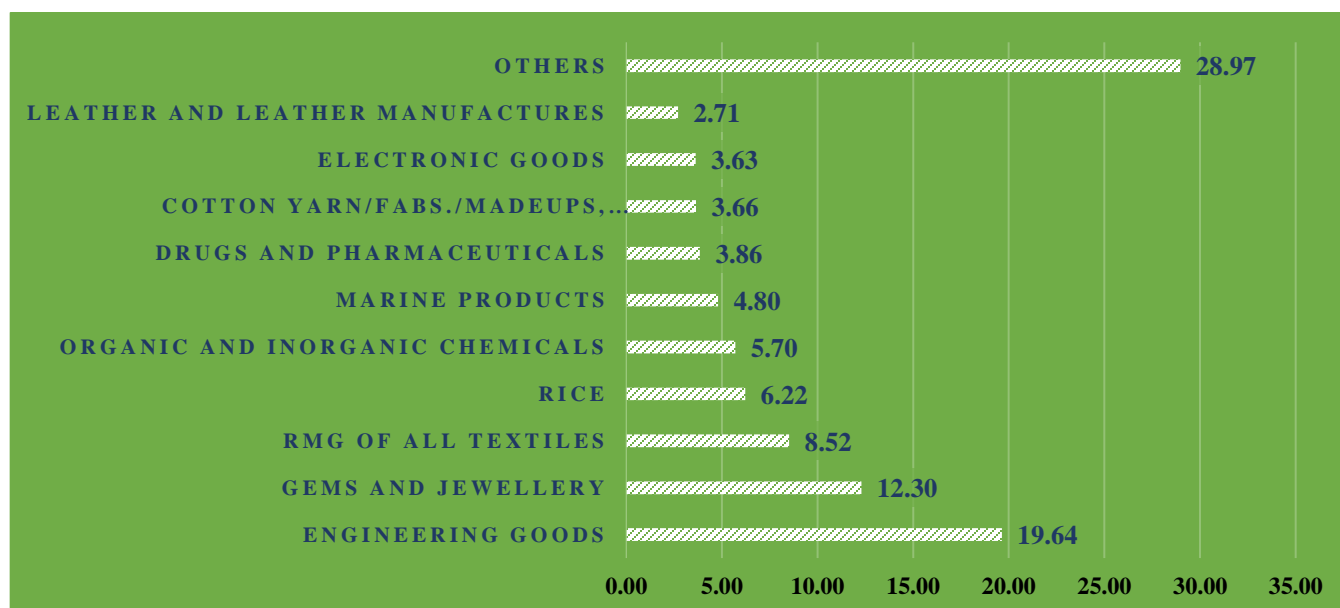
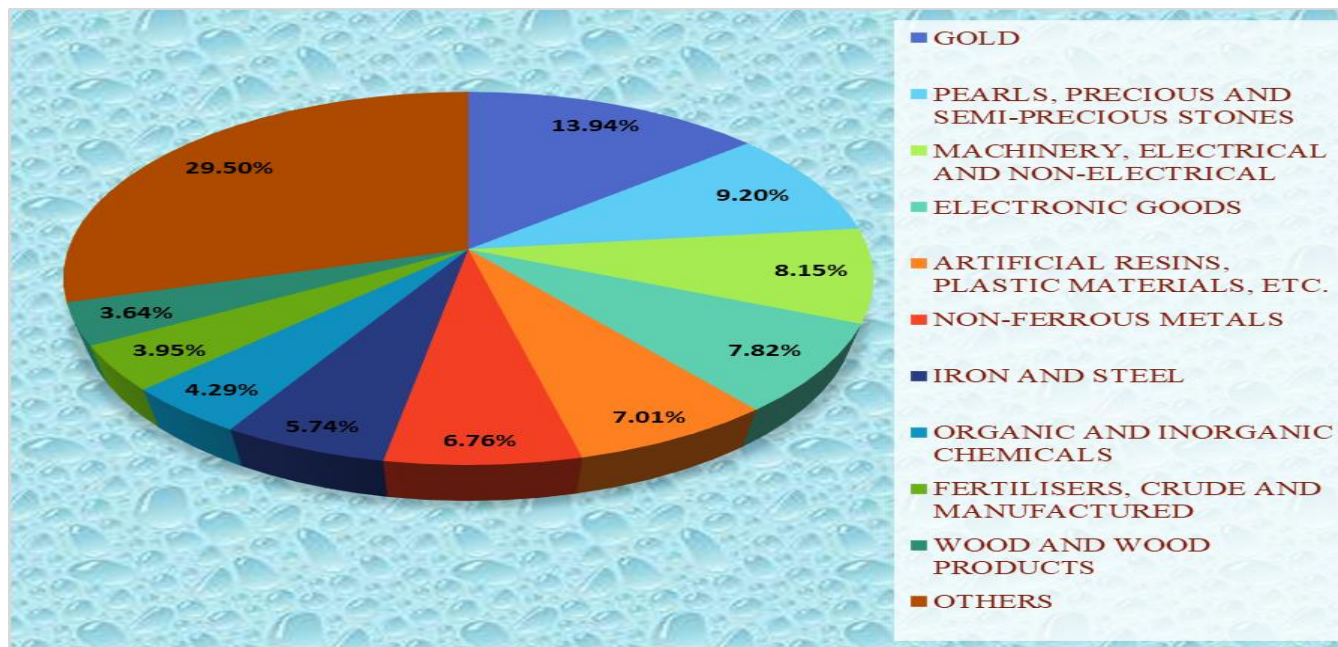


Table 4B: Share of Top 10 Commodities/Commodity Groups in MSME Import Segment in 2022-23

Sl. No.	Commodity Groups	Imports by Registered MSMEs (USD mln)	Percentage Share of Commodity Groups in Total Imports by Registered MSMEs
1	GOLD	14984.69	13.94
2	PEARLS, PRECIOUS AND SEMI-PRECIOUS STONES	9891.69	9.20
3	MACHINERY, ELECTRICAL AND NON-ELECTRICAL	8755.81	8.51
4	ELECTRONIC GOODS	8402.53	7.82
5	ARTIFICIAL RESINS, PLASTIC MATERIALS, ETC.	7535.36	7.01

Sl. No.	Commodity Groups	Imports by Registered MSMEs (USD mln)	Percentage Share of Commodity Groups in Total Imports by Registered MSMEs
6	NON-FERROUS METALS	7270.72	6.76
7	IRON AND STEEL	6167.23	5.74
8	ORGANIC AND INORGANIC CHEMICALS	4615.57	4.29
9	FERTILISERS, CRUDE AND MANUFACTURED	4244.35	3.95
10	WOOD AND WOOD PRODUCTS	3914.05	3.64
	OTHERS	31712.85	29.50
Total Imports by Registered MSMEs		107494.86	100

Chart 4B: Percentage share of major commodity groups (operating in MSME Sector) in total MSME Imports in 2022-23



- As per Table 4B above, Gold followed by Pearls, Precious & Semi-Precious Stones have the most significant contribution in total import value generated by Registered MSMEs in FY 2022-23.
- The commodity groups which fall next in line are Machinery, Electrical & Non-Electrical and Electronic Goods.

COUNTRY-WISE MSME EXIM CLASSIFICATION

Table 5A: Top 10 Countries in terms of Total Exports by Registered Indian MSMEs (in USD Million)

Sl. No.	Country	Export in USD mln. (2022-23)
1	USA	26456.09
2	UAE	9979.01
3	CHINA PR	5441.18
4	U K	4590.34
5	GERMANY	4161.13
6	BANGLADESH PR	4037.39
7	SAUDI ARAB	3078.28
8	HONG KONG	2870.25
9	NETHERLANDS	2822.33
10	ITALY	2522.44
OTHERS		59567.32
Total Exports by Registered MSMEs		125525.8

Table 5B: Percentage Distribution of MSME Types in Top 10 export destination for FY 2022-23

Sl. No.	Country	Medium	Small	Micro	Country-wise Combined Share of all MSME Types in Total Registered MSMEs of the country
1	U S A	9.85	7.49	3.74	21.08
2	UAE	2.48	2.79	2.68	7.95
3	CHINA PR	1.84	1.62	0.87	4.33
4	U K	1.31	1.62	0.73	3.66
5	GERMANY	1.27	1.43	0.62	3.31
6	BANGLADESH PR	1.01	1.11	1.10	3.22
7	SAUDI ARAB	0.93	0.94	0.58	2.45
8	HONG KONG	1.15	0.71	0.43	2.29

Sl. No.	Country	Medium	Small	Micro	Country-wise Combined Share of all MSME Types in Total Registered MSMEs of the country
9	NETHERLANDS	0.90	0.82	0.52	2.25
10	ITALY	0.78	0.82	0.42	2.01
OTHERS		18.77	16.58	12.11	47.45
Total Share (MSME Type-Wise)		40.28	35.92	23.80	100

- As per Tables 5A and 5B above, USA is our most significant export country partner w.r.t. goods/merchandise exported by Registered MSMEs with substantial exports to USA being routed by Medium and Small Enterprises.
- 21% of Registered MSMEs have exported to USA in 2022-23.
- Similar to overall export patterns USA plays the dominant role in MSME segment also as an export-country partner consuming a substantial part of merchandise produced by Indian MSME Sector (USD 26456.09 million).
- Next in line falls UAE with a total of 7.95% Registered MSMEs having exported their goods to UAE from India in 2022-23.
- China PR occupies the third-slot as an export-country partner with 4.33% Registered MSMEs recorded to have exported goods to China PR in 2022-23.

Table 6A: Top 10 Countries in terms of Total Imports by Registered Indian MSMEs (in USD Million)

Sl. No.	Country	Import in USD mln. (2022-23)
1	CHINA PR	25336.31
2	U ARAB EMTS	9412.50
3	SWITZERLAND	7493.12
4	U S A	7329.36
5	HONG KONG	3833.73
6	SINGAPORE	3464.50
7	BELGIUM	3148.89
8	KOREA RP	3124.88
9	GERMANY	2867.27
10	SOUTH AFRICA	2856.49
	OTHERS	38627.82
	Total Imports by Registered MSMEs	107494.86

Table 6B: Percentage Distribution of MSME Types from Top 10 import destinations for FY 2022-23

Sl. No.	Country	Medium	Small	Micro	Country-wise Combined Share of all MSME Types in Total Registered MSMEs of the country
1	CHINA PR	10.10	8.12	5.35	23.57
2	UAE	3.91	3.16	1.69	8.76
3	SWITZERLAND	0.60	6.31	0.06	6.97
4	U S A	3.20	2.50	1.12	6.82
5	HONG KONG	1.14	1.93	0.49	3.57
6	SINGAPORE	1.46	1.22	0.55	3.22
7	BELGIUM	1.70	0.90	0.33	2.93
8	KOREA RP	1.55	0.95	0.40	2.91
9	GERMANY	1.36	0.92	0.38	2.67
10	SOUTH AFRICA	0.54	2.07	0.05	2.66
	OTHERS	15.43	11.89	8.62	35.93
	Total Imports by Registered MSMEs	41.00	39.97	19.03	100.00

- As per Tables 6A and 6B above, China PR is our most significant import country partner w.r.t. goods/merchandise imported by Registered MSMEs with substantial imports being routed to India by Medium Enterprises followed by Small Enterprises.
- Almost 24% Registered MSMEs have imported from China PR in 2022-23.
- Next in line falls UAE with a total of 8.76% Registered MSMEs having imported goods from UAE to India in 2022-23.
- Similar to overall import patterns China PR plays the dominant role in MSME segment also as an import-country partner with an import value of USD 25336.31 million.
- In the MSME segment, India is a major importer of Gold followed by Pearls, Precious & Semi-Precious Stones and UAE, Switzerland are two of the major source countries which occupy second and third slots respectively in the list of lead importing country partners.
