

MSME procurement policy to become reality very soon: Minister

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The much-awaited Micro, Small and Medium Enterprise (MSME) Procurement Policy will soon become a reality, Dinsha J. Patel, Minister of State (Independent Charge) for Micro, Small and Medium Enterprises told in an exclusive interview to [SME Times](#) in New Delhi on Thursday. The minister said, "We have discussed the MSE procurement policy in a meeting seven days earlier, where we have discussed to finalize the policy as soon as possible. We would like to consider the issues of each and every ministry and we are doing that. And I hope that the cabinet will take it up very soon." The government is mulling to reserve 20 percent public procurement for micro and small enterprises (MSEs) under the MSME procurement policy. A task-force chaired by Prime Minister's principal secretary T.K.A. Nair had called for a compulsory procurement policy for MSEs. The task-force had submitted its report to Prime Minister Manmohan Singh in January. However, the ministry of MSME had already submitted the public procurement policy (PPP) to the cabinet, "We have submitted it to the cabinet and the union cabinet will take up the new procurement policy very soon," Patel added. The MSME share of estimated annual procurements, worth over Rs 1,70,000 crore, is now a mere 5 percent, or Rs 8,500 crore. It is expected if the government accepts the recommendation, MSMEs can have a potential Rs 34,000 crore slice of the overall purchases, including those made by public sector companies.