

Working on idea of land bank, social microfinance institution to help small businesses: Gadkari

Union Minister Nitin Gadkari on Monday said the government is working on the idea of a land bank and a social microfinance institution to help people run small shops and businesses. Addressing a virtual MSME conclave, the minister also said there is a need to think on how India can increase exports and reduce import dependence. Speaking about Chinese exports, Gadkari said 30 per cent of the entire global manufacturing is based in China and there are 10 major export categories that comprise 70 per cent of its overall exports, including fields like electrical machinery and equipment. "Now, this is the time...we should identify which are the fields where we can make import substitution, how we can develop the MSMEs and the industry by which we can take advantage of the economic situation in the world," said Gadkari, who is also the road transport and highways minister. During the webinar, the minister suggested that to make India a super economic power, "we have to think in the direction of how to increase exports from areas like agriculture, agro processing industries, handloom, handicraft, khadi and village industries". The minister told the participants that "we are working on the idea of a land bank and social microfinance institution which will be very helpful for entrepreneurs and persons who want to run small shops and businesses".

While discussing the Atmanirbhar Bharat Abhiyan as envisaged by Prime Minister Narendra Modi, he said handloom, handicrafts, khadi industries and agro-based industries should be encouraged, especially in 115 aspirational districts. "We will have to plan special policies for agricultural, rural and tribal sector because they have huge potential of creating employment." Gadkari further said loans of about Rs 1,20,000 crore have been disbursed to MSMEs out of the Rs 3-lakh crore Emergency Credit Line Guarantee Scheme (ECLGS). Quoting from a letter by Finance Minister Nirmala Sitharaman, Gadkari said she has explained that due to dual regulation and supervision, cooperative banks are currently not included as a member lending institution under ECLGS. "However, data regarding their financial position is being collected from scheduled state cooperative banks and urban cooperative banks for considering their inclusion as a member lending institution under the scheme in consultation with RBI depending upon the availability of headroom under the scheme," Sitharaman said in the letter, as quoted by Gadkari.

Gadkari said he feels headroom should not be a problem as disbursement of just Rs 1.20 lakh crore has taken place till now out of Rs 3 lakh crore. "So, I don't feel (there is) a problem of availability of headroom under the scheme. So, this is under consideration and I am expecting that the finance minister will take appropriate decision as early as possible," he said. Announced as part of the Rs 20-lakh crore government economic package to tackle the impact of COVID-19, the Rs 3 lakh crore MSME credit guarantee scheme was titled ECLGS.

He also expressed confidence that recent steps taken by the government to give relief to MSMEs will "accelerate the wheel of economy", and urged all chief ministers to issue directions for clearing MSME dues by their ministries/departments and public sector units on priority. Further, he asked all the stakeholders to do away with all kinds of fear and negativity and assured that the government is doing everything possible to make the country a super economic power.