International Journal of Academic Research
P-ISSN: 2348-7666: Impact Factor: 7.215
Homepage: https://www.ijar.org.in/
Volume-13, Issue-3(2), Jul-Sep-2026
This work is licensed under a Creative Commons Attribution 4.0 International License [CC BY 4.0]

VISION VIKSIT BHARAT @2047: A STUDY OF OPPORTUNITIES AND DIFFICULTIES FOR MSMES IN INDIA'S FUTURE

SHAIK GOUSIA
LECTURER IN COMMERCE, GOVERNMENT DEGREE COLLEGE FOR WOMEN MADANAPALLI.

Abstract
Micro, Small, and Medium-Sized Enterprises (MSMEs) are essential to India's economic development because they greatly boost industrial output, employment, and innovation. The MSME sector is poised for revolutionary growth as India aims to become a developed nation by 2047 under the Vision Viksit Bharat 2047 initiative. This study examines the prospects and challenges that will impact the future development of MSMEs. Digital transformation, financial inclusion, global market integration, and growth driven by sustainability are important prospects. But issues like complicated regulations, restricted capital availability, skill shortages, and obstacles to technology adoption continue to be major worries. The study explores the strategic interventions, government programs, and policy frameworks required to support MSMEs on their path to global competitiveness. The industry can make a substantial contribution to India's long-term economic vision by utilising innovation, digitalisation, and sustainable practices. In order to ensure that MSMEs play a crucial role in India's transition to a developed economy by 2047, this study offers insights for policymakers, industry stakeholders, and entrepreneurs to successfully navigate the MSME landscape.
Keywords: MSMEs, Vision Viksit Bharat @2047, Digital Transformation, Economic Growth, Sustainability.

1. Introduction

The foundation of India's economy is made up of Micro, Small, and Medium-Sized Enterprises (MSMEs), which employ over 110 million people and contribute about 30% of the country's GDP and 40% of its exports. The Vision Viksit Bharat @2047 initiative aims to make India a developed nation by 2047, and MSMEs will play a crucial role in determining the country's economic course. In order to achieve global competitiveness and sustainable growth, the industry must overcome both enormous opportunities and enduring obstacles. By examining the major opportunities and difficulties MSMEs in India will encounter over the next 20 years, this study seeks to understand their future. It also looks at the technological developments, policy frameworks, and tactical interventions that can help MSMEs prosper in a quickly changing economic environment.

1.1 The MSME Sector and its Expansion in India

The foundation of India's economy is made up of Micro, Small, and Medium-Sized Enterprises (MSMEs), which make substantial contributions to exports, industrial production, and employment. The industry has changed over time as a result of numerous legislative changes, technical developments, and shifting economic conditions. This section examines the current state of the MSME sector in India as well as its historical development.

1.1.1 Before 1947, or the Pre-Independence Era

In India, traditional small-scale industries (SSIs) like metalworking, textiles, and handicrafts flourished. Local businesses were impacted by the decline of indigenous industries caused by British colonial policies.

1.1.2 Early Industrialization and Post-Independence (1947–1991)

- 1948: The Industrial Policy Resolution highlighted SSIs' contribution to economic growth.
- 1951: SSIs were protected by the industries (Development and Regulation) Act, which classified industries.
- 1956: As part of the mixed economy model, the Second Five-Year Plan supported small-scale industries.
- 1970s–1980s: To help small businesses, the government implemented initiatives like priority sector lending and the Small Industries Development Bank of India (SIDBI).

1.1.3 Economic Reforms and Liberalization (1991–2006)

Economic liberalization in 1991 encouraged competition and foreign investment by reducing state control. The Micro, Small, and Medium Enterprises Development (MSMED) Act of 2006 gave MSMEs legal recognition by redefining them according to investment and turnover. Policies focused on technology and exports were implemented to help MSMEs enter international markets.

1.1.4 The Startup and Digital Revolution (2006–2020)

Startup India and Make in India programs encouraged entrepreneurship and innovation at the beginning of 2015. The Digital India initiative expedited the digital transformation of MSMEs by 2018. Small businesses were able to expand into new markets thanks to the growth of Fintech and e-commerce platforms.

1.1.5 Vision 2047 and Post-Pandemic Revival (2020–Present)

• 2020: Atmanirbhar Bharat (Self-Reliant India) and other government relief initiatives were prompted by the COVID-19 pandemic's disruption of MSMEs.
• 2022: To improve credit availability and scalability, MSMEs will be reclassified based on turnover.
• Present Focus: Aiming for Vision Viksit Bharat @2047, with a focus on global competitiveness, sustainability, and digitalization.

1.2 The Function of MSMEs in the Indian Economy

The foundation of the Indian economy is made up of Micro, Small, and Medium-Sized Enterprises (MSMEs), which make substantial contributions to GDP, employment creation, industrial output, and exports. The industry is acknowledged by the Indian government as a major engine of economic expansion, contributing significantly to inclusive development, innovation, and entrepreneurship.

1.2.1 MSMEs' contributions to the Indian economy

• GDP Contribution: According to the Ministry of MSME (2023), MSMEs account for about 30% of India's GDP. They improve domestic manufacturing and services and are essential to industrial production.
• Employment Creation: With more than 110 million workers, the industry is the biggest employer after agriculture. Handicrafts, textiles, food processing, and IT services are among the labor-intensive industries it supports.
• Manufacturing Growth and Industrial Output: MSMEs account for almost 45% of India's total manufacturing output. They serve as important suppliers to major industries like electronics, pharmaceuticals, and automobiles.
• Export Performance: Between 40 and 45 percent of India's total exports come from this sector. MSMEs are important to sectors like engineering goods, leather, textiles, and jewelry and gems.
• Innovation and Entrepreneurship: MSMEs support local businesses by encouraging grassroots entrepreneurship. Startups in the sector have grown rapidly thanks to government initiatives like Atmanirbhar Bharat and Startup India.
• Rural and Inclusive Development: By supporting rural industries, MSMEs contribute to the reduction of regional economic disparities. They give marginalized communities and female entrepreneurs opportunities.

1.2.2 Policy Initiatives and Government Support

To support the MSME sector, the Indian government has implemented a number of programs and policies, including: Financial Support & Credit Availability: MUDRA Yojana: Offers microbusinesses loans without collateral. The Credit Guarantee Fund Scheme (CGTMSE) provides loan guarantees to MSMEs. The Emergency Credit Line Guarantee Scheme (ECLGS) aids companies in overcoming financial difficulties, particularly in the wake of COVID-19.
• Digital India & MSME Digitalization Programs: Promotes the use of digital tools for expansion. MSME access to e-commerce platforms is improved by the Open Network for Digital Commerce (ONDC).
• MSME employees are trained through Skill India & Entrepreneurship Development Programs. The Cluster Development Program (CDP) improves competitiveness and infrastructure.
• Market expansion and export promotion: Zero Defect Zero Effect (ZED) certification guarantees international quality standards. Trade agreements and MSME export hubs offer incentives for access to international markets.

2. Literature Review

Numerous factors, such as their economic contributions, policy interventions, technological advancements, financial accessibility, and global competitiveness, have been extensively studied in relation to the growth and sustainability of Micro, Small, and Medium Enterprises (MSMEs) in India. In order to comprehend the opportunities and difficulties MSMEs face in the context of Vision Viksit Bharat @2047, this section examines the body of existing literature.

2.1 MSMEs' Role in Economic Development

Numerous studies emphasize how important MSMEs are to India's economy. The sector employs more than 110 million people and accounts for 30% of India's GDP and 40% of exports, according to the Ministry of MSME (2023). Particularly in rural and semi-urban areas, MSMEs play a crucial role in creating jobs and closing the

economic gap (Agarwal & Sharma, 2022). Additionally, MSMEs are crucial for promoting entrepreneurship and guaranteeing inclusive economic growth, according to NITI Aayog's Strategy for New India @75 (2021).

2.2 Governmental Initiatives and Policy Interventions

In order to assist MSMEs, India's policy framework has been constantly changing. Collateral-free loans, credit guarantees, and incentives for domestic manufacturing were all part of the Atmanirbhar Bharat Abhiyan (Self-Reliant India Initiative) (Government of India, 2023).
According to research by Kumar & Gupta (2021), MSME financing has improved as a result of these initiatives, but issues with procedural complexity and regulatory compliance still exist. Increasing domestic manufacturing and incorporating MSMEs into international supply chains have been made possible by the Production-Linked Incentive (PLI) Scheme (CII, 2023). However, a study by Mishra (2023) notes that MSMEs are unable to fully benefit from these schemes due to bureaucratic delays and a lack of awareness.

2.3 Adoption of Technology and Digital Transformation

Digitalization's impact on MSME expansion has been a popular topic of research. Business processes have been greatly impacted by the emergence of Industry 4.0 technologies, such as automation, the Internet of Things (IoT), and artificial intelligence (AI). According to research by Agarwal & Sharma (2022), MSMEs that use digital tools benefit from increased market reach, cost savings, and productivity. The goal of government programs like Digital India and the Open Network for Digital Commerce (ONDC) is to hasten MSMEs' digital integration (Government of India, 2023). Low digital literacy, a lack of funding, and resistance to change continue to be major obstacles in spite of these developments (KPMG India, 2023).

2.4 Access to Credit and Financial Inclusion

For MSMEs, financing access continues to be a persistent challenge. According to the Reserve Bank of India's Report on Trend and Progress of Banking in India (2023), more than 80% of MSMEs obtain their credit from unofficial sources, which raises the cost of borrowing. Small businesses now have easier access to credit thanks to the introduction of financial programs like CGTMSE, Stand-Up India, and MUDRA loans (World Bank, 2022). But according to Kumar & Gupta (2021), traditional banking systems frequently have strict collateral requirements, which makes it challenging for MSMEs to get loans. Peer-to-peer financing, digital lending platforms, and FinTech solutions have created new avenues for MSME credit access (KPMG India, 2023).

2.5 Green Growth and Ecology

MSMEs must adopt environmentally sustainable practices as global sustainability standards get stricter. Mishra (2023) investigates how MSMEs can maintain their competitiveness through the use of renewable energy, waste management, and green manufacturing. However, there are a number of obstacles, including high upfront costs, ignorance, and restricted access to green technology (CII, 2023). In order to promote sustainability-led MSME growth, the government is pushing for a circular economy and carbon-neutral policies (Government of India, 2023).

2.6 Export Opportunities and International Competitiveness

MSMEs are an essential component of the global trade ecosystem, accounting for 40% of all exports (Ministry of MSME, 2023). MSME expansion into foreign markets is greatly facilitated by trade agreements like the India-UAE CEPA, the India-Australia ECTA, and proposed free trade agreements with the European Union (World Bank, 2022). However, research by Kumar & Gupta (2021) shows that MSMEs are unable to fully realize their export potential due to logistical inefficiencies, non-compliance with international quality standards, and a lack of market intelligence.

3. Opportunities in Vision for MSMEs Bharat Viksit @2047

Vision Viksit Bharat @2047 is the Indian government's vision for a self-sufficient, technologically advanced, and globally competitive economy by 2047. Micro, Small, and Medium-Sized Enterprises (MSMEs) will be an essential pillar of economic transformation along the way. MSMEs have enormous potential to grow, innovate, and support India's long-term economic growth thanks to developments in digitalization, financial inclusion, sustainability, and international trade.

3.1 Industry 4.0 and Digital Transformation

For MSMEs, the integration of Industry 4.0 technologies like automation, blockchain, IoT, and artificial intelligence (AI) offers enormous potential. MSMEs can increase productivity, cut expenses, and improve product quality by implementing smart manufacturing. MSMEs will be able to increase their market share, digitize their operations, and use e-commerce thanks to programs like Digital India and ONDC (Open Network for Digital Commerce).

MSMEs will be encouraged to switch from conventional business models to cloud-based and AI-driven systems through government-backed initiatives. This change will assist companies in streamlining production procedures, improving customer experiences, and managing the supply chain.

3.2 Access to Credit and Financial Inclusion

Access to reasonably priced financing has been one of the main obstacles facing MSMEs. Financial reforms are anticipated to streamline credit disbursement through FinTech solutions, digital lending platforms, and blockchain-based transactions under Vision Viksit Bharat @2047. MSMEs will have easier access to capital thanks to government initiatives like MUDRA Loans, Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), and Emergency Credit Line Guarantee Scheme (ECLGS). Furthermore, the creation of AI-powered financial assessment tools and digital credit scoring systems will speed up loan approvals and lessen reliance on collateral.

Promoting alternative financing methods like crowdfunding, peer-to-peer lending, and venture capital will also open up new financial avenues for MSMEs to grow and scale their enterprises.

3.3 Promotion of Exports and Global Market Expansion

Indian MSMEs have a fantastic chance to play a significant role in global trade as globalization continues. The government is attempting to lower export barriers, streamline trade laws, and facilitate access to foreign markets. Important initiatives include:

• Export Promotion Councils and MSME Export Hubs to help businesses navigate international trade requirements;

• India-UAE CEPA and other Free Trade Agreements (FTAs) to facilitate smoother export processes.

• Financial assistance for earning international quality certifications (ISO, CE, FDA, etc.), which increase the competitiveness of MSME goods.

Additionally, MSMEs will be able to reduce trade complexity by streamlining customs clearance and documentation through digital platforms like e-Sanchit and ICEGATE. Additionally, e-commerce export platforms will increase revenue opportunities by giving small businesses a direct channel to customers around the world.

3.4 Sustainable and Green Manufacturing

For MSMEs, the emphasis on climate-friendly manufacturing and sustainability offers a new avenue for growth.

•MSMEs have a chance to shift to environmentally conscious production thanks to the emergence of green technologies, circular economy models, and carbon credit markets.

•Programs run by the government, like the Zero Defect Zero Effect (ZED) Certification, which encourages environmentally friendly production.

• Incentives for recycling waste, eco-friendly packaging, and energy-efficient production technologies; subsidies for implementing renewable energy sources like solar and wind power.

MSMEs can lower operating costs and gain access to global green funding and environmentally conscious consumer markets by investing in sustainable practices.

3.5 Industrial Clusters and Infrastructure Development

The Indian government is concentrating on enhancing industrial infrastructure to assist MSMEs under Vision Viksit Bharat @2047. Modern facilities and logistical advantages will be made available to businesses through the creation of MSME clusters, smart industrial hubs, and dedicated economic zones.

Important opportunities consist of:

•Plug-and-Play Industrial Parks: Providing MSMEs with operational infrastructure.

•Common Facility Centers (CFCs) offer access to state-of-the-art equipment, research and development facilities, and quality testing laboratories.

•Enhanced Supply Chain Connectivity and Logistics: Transportation expenses will be greatly decreased by faster networks via Bharatmala, Sagarmala, and dedicated freight corridors.

MSMEs can increase their production capacity, work with larger companies, and become more competitive in both domestic and international markets by participating in these industrial ecosystems.

3.6 Workforce Training and Skill Development

The expansion of MSMEs depends on having a skilled workforce. To give workers industry-relevant skills, the government intends to make significant investments in MSME-specific upskilling programs, Skill India, and vocational training.

Opportunities for skill development include:

•Automation-based and AI-driven training to get workers ready for Industry 4.0.
•Increasing the number of MSME-focused technical institutes to offer hands-on skill development.
•Working with universities and R&D centers to develop innovative business models.
•A skilled workforce will boost global competitiveness, productivity, and innovation, allowing MSMEs to grow their businesses more successfully.

3.7 Research and development (R&D) and innovation

In Viksit Bharat @2047, innovation will be a major factor in MSME success. MSMEs will be able to create innovative goods and services thanks to increased investment in R&D, technology incubation facilities, and startup ecosystems.

The government will:

• Fund R&D initiatives through programs like the MSME Innovative Scheme.
• Encourage public-private partnerships (PPPs) for collaborative research and innovation;
• Create Technology Business Incubators (TBIs) to assist new companies.

MSMEs can become global leaders in specialized markets by concentrating on product innovation and intellectual property rights (IPR).

3.8 Entrepreneurship by Women and Inclusive Development

It is anticipated that women-led MSMEs will be vital to India's economic future. The government is starting initiatives to assist female entrepreneurs, including:

• Financial assistance under the Stand-Up India Scheme.
• Programs for training female entrepreneurs in business.
• Opportunities for networking and market connections.

In addition to increasing economic growth, encouraging female entrepreneurs will advance inclusive and equitable development. With numerous opportunities in digitalization, finance, international trade, sustainability, infrastructure, skill development, R&D, and women's entrepreneurship, MSMEs in India are set for unparalleled growth under Vision Viksit Bharat @2047.

4. Obstacles to MSME Development in India

With their substantial contributions to GDP, employment, and exports, Micro, Small, and Medium-Sized Enterprises (MSMEs) are vital to India's economic growth. Despite their potential, MSMEs encounter a number of obstacles that limit their expansion and ability to compete. These difficulties include everything from market competition and technological limitations to budgetary restrictions and regulatory bottlenecks. In order to ensure the sector's long-term sustainability and contribution to Vision Viksit Bharat @2047, these challenges must be addressed.

4.1 Restricted Financial Access

Lack of sufficient funding is one of the biggest problems MSMEs encounter. Despite the government's various credit programs, the majority of MSMEs still have difficulty obtaining loans because of:

• Collateral Requirements: Many MSMEs are unable to meet the high collateral requirements set by banks and other financial institutions.
• High Interest Rates: When compared to large businesses, loans for MSMEs frequently have higher interest rates.
• Postponed Payments from Buyers: Due to postponed payments from major corporations and governmental organizations, many MSMEs experience a shortage of working capital.
• Limited Knowledge of Financial Schemes: MUDRA loans and the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) are two examples of government-backed financial assistance programs that many small business owners are not aware of.

4.2 Complicated Regulations and the Burden of Compliance

MSMEs in India work in a complicated regulatory environment with numerous licenses, registrations, and compliance standards, such as:

• GST Compliance: Regular modifications to the Goods and Services Tax (GST) laws lead to misunderstandings and higher compliance expenses.
• Labor Laws and Employment Regulations: Strict labor laws make hiring and managing employees difficult.
• Safety and Environmental Regulations: Adhering to environmental standards can be costly and time-consuming, particularly for small manufacturers.

• Multiple Government Approvals: Establishing a new MSME or growing operations necessitates approvals from multiple government agencies, which causes delays in the bureaucracy.

4.3 Absence of Digitalization and Technology Adoption

The efficiency and competitiveness of many MSMEs are constrained by their continued reliance on manual procedures and conventional business models. Among the main technological obstacles are:

• Low Knowledge of Digital Tools: A lot of MSME owners don't know how automation, cloud computing, and artificial intelligence (AI) can boost productivity.
• High Cost of Digital Transformation: Small businesses frequently lack the funds to purchase cutting-edge equipment and digital infrastructure.
• Cybersecurity Risks: Because many MSMEs lack proper cybersecurity defenses, they are susceptible to data breaches and cyberattacks.
• Limited Adoption of Digital Payments: Despite the rise in digital payments since the pandemic, many MSMEs still prefer cash transactions, which restricts their involvement in the formal economy.

4.4 Competition from Big Businesses and Market Access

The following factors make it difficult for MSMEs to enter both domestic and foreign markets:

• Lack of Branding and Marketing Capabilities: Small businesses find it difficult to establish their brands and compete with more established companies.
• Difficulties in Meeting Quality Standards: A lot of MSMEs have trouble meeting international product standards (like ISO certification), which limits their ability to export.
• Dominance of Large Corporations and MNCs: MSMEs are frequently outcompeted by large companies due to their superior financial resources and economies of scale.
• Dependency on Middlemen: In order to access markets, many MSMEs rely on middlemen, which lowers their profit margins.

4.5 Bottlenecks in the supply chain and inadequate infrastructure

MSMEs are severely impacted by inadequate infrastructure, especially in rural and semiurban areas. The following are important infrastructure-related issues:

•Inadequate Transport and Logistics: High transportation costs and poor road connectivity raise production costs.
•Unreliable Power Supply: In certain areas, manufacturing operations are disrupted by frequent power outages.
•Lack of Industrial Clusters: A lot of MSMEs don't work in well-established industrial hubs, which makes it difficult for them to collaborate and share resources.
•Difficulty in Obtaining Raw Materials: MSME profitability is negatively impacted by rising raw material costs and supply chain disruptions, such as post-pandemic shortages.

4.6 Lack of Training Programs and Skilled Labor Shortage

MSME growth depends on having a skilled workforce, but many small businesses face the following challenges:

•Limited Access to Skilled Labor: A lack of skilled workers is a problem for many MSMEs, especially in rural areas.
•Lack of Vocational Training Programs: Despite the existence of programs like Skill India, many MSMEs do not benefit because of implementation gaps.
•High Employee Turnover: Employees frequently leave MSMEs in search of higher-paying positions in larger companies or multinational corporations.
•Opposition to Upskilling: Due to financial concerns, many small business owners are reluctant to invest in employee training.

4.7 Limited Capabilities for Research and Development (R&D)

Business success is largely dependent on innovation, but most MSMEs lack the funding for R&D. One of the main obstacles is the high cost of research and development (R&D). It takes a lot of money to invest in new technologies, innovative products, and patents.

•Limited Cooperation with Universities and Research Institutions: MSMEs are less likely than large corporations to collaborate on research projects.
•Lack of Knowledge about Government R&D Incentives: Due to a lack of knowledge, many companies do not take advantage of programs like the MSME Innovative Scheme.

4.8 Effects of Global Uncertainties and Economic Slowdowns

MSMEs are particularly susceptible to pandemics, economic downturns, and geopolitical events. Among the difficulties in this field are:

• Supply Chain Disruptions: Significant disruptions have been caused by events like COVID-19 and the conflict between Russia and Ukraine.
• Changing Demand and Market Volatility: Consumer spending declines during economic downturns have a direct effect on MSME earnings.
• Currency Fluctuations and Inflation: Growing inflation and currency depreciation raise raw material costs and lower profit margins.
• Export Limitations and Trade Barriers: MSME access to foreign markets is restricted by global trade uncertainties like tariffs and nontariff barriers.

5. Strategic Interventions and Policy Suggestions for MSME Development

The foundation of India's economy, micro, small, and medium-sized enterprises (MSMEs) make substantial contributions to GDP, employment, and exports. Financial limitations, regulatory obstacles, a lack of technology adoption, and international competition are just a few of the difficulties the industry faces. For MSMEs to reach their full potential, an enabling environment must be created through strategic interventions and a comprehensive policy framework. The main policy suggestions and tactical actions that can support MSME expansion and be in line with Vision Viksit Bharat @2047 are described in this section.

5.1 Improving Financial and Credit Facility Access

For MSMEs to expand and continue operating, a strong financial ecosystem is essential. To lower the risk of lending institutions and promote more financing for MSMEs, the government should:

• Strengthen the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE).
• Lower Interest Rates for MSME Loans: Give MSMEs, particularly those in rural and semi-urban areas, subsidized credit.
• Support Alternative Financing Models: To give MSMEs additional funding options, support crowd funding, peer-to-peer lending, and venture capital.
• Make sure MSMEs are paid on time: Use the MSME Samadhan portal to impose severe penalties on big businesses and government organizations that fail to make payments on time.

Use FinTech for MSME Lending: Encourage AI-powered credit evaluation tools to make it simpler to obtain loans based on company performance rather than collateral.

5.2 Regulatory Framework and Compliance Simplification

For MSMEs, the current regulatory landscape is complicated and onerous. To make compliance easier, the government ought to:

• Establish a Unified MSME Compliance Portal, which would reduce bureaucratic delays by providing a single-window system for managing licenses, taxes, labor laws, and business registrations.
• Simplify GST Procedures: To lower compliance costs, give small businesses greater GST exemptions and streamlined tax filing procedures.
• Introduce MSME-Specific Labor Laws: To assist MSMEs in effectively managing workforce hiring, wages, and benefits, flexible labor laws should be created.
• Promote Quicker Business Setup: Shorten the time it takes for environmental clearances, land purchases, and business registrations to be approved.
• Digitize Compliance and Reporting: Automate compliance tracking and cut down on paperwork by utilizing blockchain technology and artificial intelligence.

5.3 Encouraging Industry 4.0 Adoption and Digital Transformation

Adoption of technology is essential to increasing MSMEs' competitiveness. The government should:

• Offer financial incentives for MSMEs to invest in automation, cloud computing, and AI-driven solutions in order to promote digital transformation.
• Increase Digital Literacy and Training: Create MSME Digital Skilling Centers to train workers and entrepreneurs in cybersecurity, AI, and e-commerce.
• Encourage MSME E-Commerce Integration: To improve online visibility and sales, increase participation in platforms such as ONDC (Open Network for Digital Commerce).
• Promote AI and IoT in Manufacturing: Provide small manufacturers with affordable automation solutions to boost output and cut waste.

• Strengthen Cybersecurity Measures: Give MSMEs cybersecurity grants to guard against online fraud and cyberattacks.

5.4 Increasing Market Access and International Trade Prospects

Policy interventions should concentrate on:

• Improving MSME Export Capabilities: Offer export subsidies and incentives for MSMEs to obtain international certifications in order to increase MSME participation in both domestic and international markets. To support international expansion, bolster MSME Export Hubs and Export Promotion Councils. Create special economic zones (SEZs) with top-notch logistics and tax advantages for MSMEs.

• Making use of free trade agreements (FTAs): To lower tariffs and non-tariff barriers, negotiate trade agreements that are favorable to MSMEs. Provide MSMEs with specialized trade facilitation assistance so they can join international supply chains.

• Strengthening Public Procurement Policies: Make sure that MSMEs receive 25% of government tenders. To increase MSME sales, make it easier to participate in GeM (Government eMarketplace). MSMEs can expand their operations and increase their export contributions with the support of a well-structured trade policy.

5.5 Enhancing Industrial Clusters and Infrastructure

Infrastructure support is crucial for increasing MSME productivity. Among the main suggestions are:

• Create MSME Industrial Parks and Clusters: Create intelligent industrial clusters with power supplies, shared facilities, and logistical assistance. To promote resource sharing among MSMEs, bolster the Cluster Development Programme (CDP).

• Enhance Transportation and Logistics: To expedite supply chain movement, invest in specialized MSME logistics hubs. By including MSMEs in Bharatmala and Sagarmala projects, freight costs can be decreased.

• Assure dependable power and internet access by offering MSMEs in manufacturing clusters discounted electricity rates. Increase the availability of fiber-optic internet in MSME areas that are semi-urban and rural. Improved infrastructure will lower expenses, boost output, and draw capital to the MSME sector.

5.6 Improving Workforce Training and Skill Development

The competitiveness of MSMEs depends on having a skilled workforce. The government ought to:

• Increase MSME-Specific Vocational Training Initiatives: Align Skill India initiatives with the needs of MSMEs. Encourage employer-driven training models and apprenticeship programs.

• Promote Public-Private Cooperation: Encourage MSME collaborations with academic institutions and technical centers. Provide tax breaks to MSMEs that spend money on staff training.

• Encourage Women and Rural Entrepreneurship: Through programs like Stand-Up India, offer financial support to MSMEs run by women. bolster microfinance options and self-help groups (SHGs) for rural business owners. MSMEs can improve their capacity for innovation and productivity by investing in workforce development.

5.7 Increasing Innovation, Development, and Research

MSMEs need to make investments in R&D and innovation to propel long-term growth. The following should be included in policy support:

•Government Innovation Funds and R&D Grants Boost MSME Innovation Programs and offer tax incentives for R&D spending. Encourage public-private research partnerships with top universities.

•Establish MSME Innovation Hubs: Create Technology Business Incubators (TBIs) to assist new businesses and product development. Provide MSMEs with assistance with patent and intellectual property (IP) protection. MSMEs can become globally competitive and make a substantial contribution to India's economic growth by streamlining regulations, improving financial access, encouraging digital adoption, bolstering infrastructure, and investing in skill development. By ensuring that small businesses drive innovation, job creation, and sustainable development, a comprehensive, pro-MSME policy approach will make India a global economic powerhouse by 2047.

6. Conclusion

The MSME sector is the foundation of India's economy, making a substantial contribution to exports, GDP, and job creation. MSMEs, however, continue to face obstacles despite their potential, such as restricted financial access, complicated regulations, gaps in technology, and market competition. A multifaceted approach is necessary to guarantee their sustainable growth and align them with Vision Viksit Bharat @2047. MSMEs will be able to prosper in a more competitive global economy if financial support is strengthened, compliance processes are made simpler, digital adoption is increased, infrastructure is improved, and market access is increased. India

can unleash the full potential of MSMEs and promote inclusive economic development by removing these obstacles through focused policy interventions.

The government, industry stakeholders, and financial institutions must work together proactively to create an MSME sector that is prepared for the future. To establish India as a global leader in the MSME sector, it will be essential to promote innovation, invest in skill development, and cultivate an entrepreneurial ecosystem. With the correct combination of financial assistance, technological integration, and policy changes, MSMEs can become important forces behind economic change and make a substantial contribution to India's goal of becoming a developed country by 2047. India can create jobs more quickly, increase exports, and guarantee sustainable growth by empowering MSMEs, opening the door to a robust and independent economy.

References:

1. Ministry of Micro, Small & Medium Enterprises. (2023). Annual Report 2022-23. Government of India. Retrieved from https://msme.gov.in
2. NITI Aayog. (2021). Strategy for New India @75. Government of India. Retrieved from https://www.niti.gov.in
3. Reserve Bank of India. (2023). Report on Trend and Progress of Banking in India 2022-23. Retrieved from https://www.rbi.org.in
4. Government of India. (2023). Vision Viksit Bharat @2047: Roadmap for Economic Growth. Ministry of Finance.
5. Agarwal, P., & Sharma, R. (2022). Digital Transformation of MSMEs in India: Challenges and Opportunities. Journal of Business and Innovation, 12(3), 45-60. 6. Kumar, S., & Gupta, V. (2021). Financial Inclusion and MSMEs
6. Kumar, S., & Gupta, V. (2021). Financial Inclusion and MSMEs: The Role of Fintech in India's Growth. Indian Journal of Finance and Banking, 9(2), 25-39.
7. Mishra, A. (2023). Sustainable Growth of MSMEs in India: A Path Towards Green Economy. International Journal of Business Sustainability, 15(1), 78-95.
8. Confederation of Indian Industry (CII). (2023). Future of MSMEs in India: Policy and Growth Roadmap. Retrieved from https://www.cii.in
9. World Bank. (2022). MSME Financing in India: Challenges and Solutions for Sustainable Growth. Retrieved from https://www.worldbank.org
10. KPMG India. (2023). The Role of MSMEs in Achieving India's Economic Vision 2047. Retrieved from https://home.kpmg/in