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MICRO, SMALL & MEDIUM ENTERPRISES

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Editor's Note / September – October 2026 / VOL.11 NO.9-10

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Editorial Contact:
India SME Forum R&D Group
108, Durga Chambers, Veera Industrial Estate, Off Veera Desai Road, Andheri West, Mumbai 400053.
Tel: +91 22 4113 99 99

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From The Editor



The Next Entrepreneurial Revolution: Learning to Let Go

For decades, we have celebrated the Indian entrepreneur as someone who does everything - creates, sells, manages, negotiates, solves problems and somehow keeps the business running. We admire this extraordinary ability to multitask. But perhaps it is time to question whether this is a strength we should continue celebrating.

The future belongs not to entrepreneurs who can do everything, but to those who can build enterprises where everything does not depend on them.

This requires a fundamental shift in our entrepreneurial culture, from ownership to institution-building, from managing transactions to creating systems, and from competing on price to competing on intelligence, reliability and innovation.

Artificial intelligence is accelerating this transition. A small enterprise can now access capabilities that once required entire departments. Digital infrastructure can simplify compliance, global platforms can connect producers directly with buyers, and new trade opportunities can make geography increasingly irrelevant.

But technology alone will not transform Indian entrepreneurship. The real transformation must happen in how entrepreneurs think, embracing collaboration over isolation, delegation over control, and long-term enterprise value over immediate turnover.

More importantly, India must move beyond counting MSMEs to creating MSMEs that count !

In this special combined September–October edition of BusinessWise, we bring together two complementary perspectives: the changing external landscape of procurement, exports, sustainability and market access; and the internal reinvention required of entrepreneurs navigating leadership, digital identity and AI. Publishing both issues as one volume allows us to explore this intersection more meaningfully.

As we celebrate Dussehra, perhaps the most important victory for entrepreneurs is over the limitations we unknowingly impose upon our own businesses.

Wishing our readers and their families a very Happy Dussehra!

May this festive season inspire us to build not merely bigger businesses, but better ones.



Sushma Morthania



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PUBLIC PROCUREMENT: THE MSME MANDATE

India has built one of the world's largest enterprise formalisation ecosystems and reserved a substantial share of public procurement for small businesses. Yet the challenge of finding competitive, technically qualified suppliers in critical industrial sectors persists. The next chapter of India's procurement story may have less to do with how much the government buys from MSEs — and more to do with the enterprises the country has yet to build.



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Free Sale and Commerce Certificates Now Auto Issued

The Directorate General of Foreign Trade (DGFT) has introduced two digital facilities to ease export paperwork. Free Sale and Commerce Certificates (FSC), needed for items not covered under the Drugs & Cosmetics Act, 1940, are now auto issued for eligible applications on the DGFT portal (www.dgft.gov.in), while cases needing verification still go to Regional Authorities. DGFT has also launched an Open Application Programming Interface (API) on the Trade Connect e-Platform (www.trade.gov.in/pages/certificate-of-origin). It lets exporters link their business software directly to the Certificate of Origin (CoO) system for Preferential and Non-Preferential CoOs, covering agreements like India-UK CETA and India-UAE CEPA. For MSME exporters, this means faster processing, less data entry and fewer delays.





BRICS Meetings in India Strengthen Trade and Intellectual Property Cooperation

India hosted the 18th Meeting of the Heads of Intellectual Property (IP) Offices of the BRICS countries, a three-day event in New Delhi that adopted Updated Operational Guidelines and covered streamlined patent examination, protection of traditional knowledge and better Geographical Indication (GI) commercialisation. At the BRICS Business Forum, Commerce Minister Shri Piyush Goyal called for stronger market access, diversified supply chains and simpler regulations, noting UPI is now accepted in 11 countries. Commerce Secretary Shri Rajesh Agrawal said intra-BRICS trade has grown from USD 84 billion in 2003 to nearly USD 1.2 trillion in 2024, with the Jaipur Consensus supporting affordable working capital for MSMEs. For MSMEs, this means better IP protection and easier access to BRICS markets.

Goyal Urges Auto Sector to Go Global

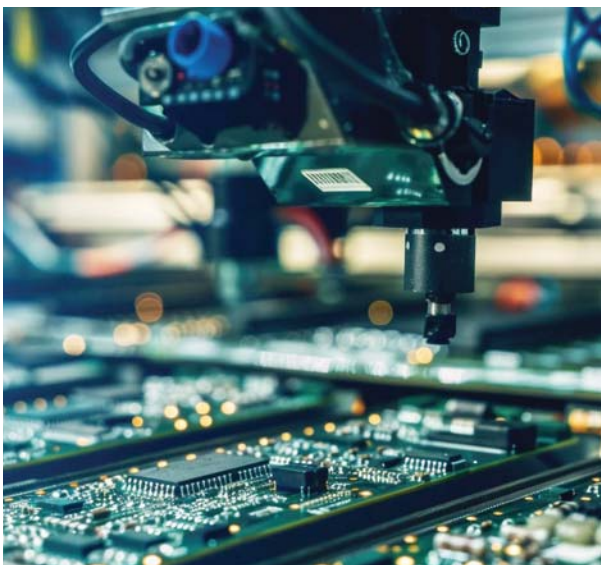
At an industry event, Commerce Minister Shri Piyush Goyal urged auto component manufacturers to expand globally and move up the value chain, noting the sector's trade stands at nearly USD 50 billion. He said, "The naysayers can say what they want, but 7.8% growth is a reality," highlighting India's economic momentum. He pointed to nine trade agreements covering 38 developed countries worth USD 60 trillion in GDP, offering new export opportunities. Goyal invited industry to set up dedicated auto component parks, saying, "We are a listening government. We want you to be talking." He also stressed indigenisation, safety and using AI for better quality control as the industry moves toward a USD 500 billion target.



Credit Guarantee Cover Now Live on TReDS to Ease MSME Working Capital Access



In line with the Union Budget announcement, the Ministry of Micro, Small and Medium Enterprises (MSME) has integrated the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) portal with the Trade Receivables Discounting System (TReDS), making guarantee cover available on three platforms: M1xchange, RXIL and DTX (KredX). The cover is 75% of the amount in default, with maximum exposure of Rs. 10 crores for an MSE buyer and Rs. 2 crores for an MSE seller, on a revolving basis. Both buyer and seller must be Micro or Small Enterprises (MSEs). Presiding over the roll-out, Dr. Rajneesh, Additional Secretary and Development Commissioner, Ministry of MSME, said the step turns the Budget announcement into on-ground impact by improving access to formal credit and helping address delayed payments. Invoice discounting on TReDS has grown from Rs. 40,000 crores to Rs. 3.5 lakh crore.



Government Eases Import Ban on High-Tech Electronic Components

The Government has temporarily allowed electronics companies to import select high-value components that are now being made locally, easing its earlier stance of blocking such imports altogether. Under the quota-and-time-bound mechanism, companies can import up to 50% of FY25 and FY26 volumes of inner-grooved copper tubes until November, 40% of refrigerator compressor imports until March 2027, and 30% of AC compressor imports (up to two-tonne capacity) also until March 2027. Zero-duty benefits under FTAs are gradually disappearing, narrowing the price gap for imported components. Companies must maintain month-wise import records for government authorities. A similar relief for smartphone component imports is also being considered.

Foundation Laid for Basmati and Organic Training Centre in Pilibhit



Union Minister Shri Jitin Prasada laid the foundation stone for a new Basmati and Organic Training Centre cum Demonstration Farm in Pilibhit, Uttar Pradesh, a joint project of the Agricultural and Processed Food Products Export Development Authority (APEDA) and the Basmati Export Development Foundation (BEDF). The centre will offer farmers training, quality seeds, organic inputs and technical support, alongside a dedicated Seed Multiplication Centre for authentic Basmati varieties. It will also provide capacity building for Farmer Producer Organisations (FPOs), entrepreneurs and startups on exports, along with organic certification guidance. Around 8,000 participants attended the ceremony, which included an exhibition with 23 stalls. Uttar Pradesh currently ranks seventh nationally in organic production and eighth in area under organic cultivation.

APEDA Boosts Agri Exports: GI Tur Dal, Ethnic Rice and Gulfood 2027

The Agricultural and Processed Food Products Export Development Authority (APEDA) has facilitated exports of GI-tagged Gulbarga Tur Dal from Karnataka to the Maldives, with farmers realising Rs. 82 per kg against the market price of Rs. 60, over 30% higher. It also supported the export of 18 metric tonnes of NPOP-certified ethnic rice from Tripura to Austria and the Netherlands, sourced from Farmer Producer Companies, with farmers expected to earn up to 40% more than in domestic sales. Further, APEDA signed an MoU with InD Events Dubai, confirming India as the Official Partner Country for Gulfood 2027, with a special focus on MSMEs, Farmer Producer Organisations (FPOs), startups, and women-led exporters seeking global buyers.

एपीडा
APEDA

GROWN IN INDIA
FOR THE WORLD

India's Auto Sector Eyes World Stage

Speaking at an industry event, Commerce Minister Shri Piyush Goyal urged the automotive industry to deepen localisation, boost R&D, and prepare to serve global markets, saying, "job roles may change, but jobs will grow" as AI adoption increases. He highlighted the India-EU trade deal, expected to be operational by March next year, alongside nine FTAs covering economies worth USD 60 trillion. He noted India exported around one million cars last year and said exports could potentially double every two years. Goyal outlined support through a Rs. 1 lakh crore R&D Innovation Fund, plug-and-play infrastructure for large projects, and efforts on critical minerals like rare earths to strengthen self-reliance under India's Atmanirbhar Bharat vision.





GeM and Textiles Committee Join Hands to Boost Recycled Textiles

Government e-Marketplace (GeM) and the Textiles Committee have signed a Memorandum of Understanding (MoU) to promote recycled and upcycled products made from textile waste, scrap and second-hand clothes through public procurement. The MoU was signed by Shri Ajit B. Chavan, Additional CEO, GeM, and Shri Kartikay Dhanda, Secretary, Textiles Committee. The Textiles Committee will identify, certify and recognise eligible producers, while GeM will create dedicated product categories, onboard sellers and provide training to last-mile upcyclers and recyclers. The initiative focuses on women, MSMEs, artisans and recyclers. Shri Mihir Kumar, CEO (GeM), said connecting certification, standardisation and market access will create reliable demand for products made from textile waste.

India-EU FTA Opens New Opportunities for MSMEs and Businesses

Commerce Minister Shri Piyush Goyal said the India-EU Free Trade Agreement, concluded after 25 years of negotiations, opens major opportunities for MSMEs, farmers, startups and manufacturers across a market of 2 billion people worth USD 24 trillion. Speaking at the India-Belgium High-Level Dialogue in Mumbai, he noted that tariffs on over 95% of goods traded between India and Europe will be scrapped or reduced. India's trade with the EU has already doubled to nearly USD 140 billion over the last decade. Goyal highlighted potential cooperation with Belgium in gems and jewellery, semiconductors, green hydrogen, defence manufacturing and food processing, calling the Port of Antwerp-Bruges a key gateway for Indian exporters into Europe.





Goyal Calls for Resilient, Globally Integrated Healthcare Supply Chains

Commerce Minister Shri Piyush Goyal, addressing the Bharat Health Global Expo 2026, urged India's pharmaceutical sector to move beyond generics toward greater R&D, biosimilars and biotechnology. He noted India must diversify pharmaceutical supply chains, especially for Active Pharmaceutical Ingredients, rather than depending on one or two geographies. Bulk drug parks are underway in Andhra Pradesh, Gujarat and Himachal Pradesh, alongside 100 new industrial parks planned for various sectors. He highlighted medical value travel, worth around USD 8 billion, as an area for growth, and said MSMEs can support indigenisation of medical device components while larger firms build scale, together strengthening India's position as a trusted global healthcare partner.

Delhi Cabinet Approves New Business Reform Bill

The Delhi Cabinet has cleared the Delhi Ease of Doing Business Bill, 2026, aimed at making it easier, faster and cheaper to run a business in the capital. Key features include a single-window online system for approvals, licences and clearances, deemed approvals if authorities miss deadlines, and a three-year exemption from routine inspections for newly registered enterprises. The Bill also introduces a negative-list system, so businesses can operate freely unless an activity is specifically restricted and ends repeated document submissions already available with government authorities. Enterprises already registered under GST, FSSAI or labour codes won't need separate registrations. The Bill will now be sent to the Ministry of Home Affairs for approval.





NITI Aayog Launches PACT and Electric Truck Marketplace

Shri Rajiv Gauba, Member, NITI Aayog, launched the Platform for Aggregating Clean Transport (PACT) and the Zero Emission Truck (ZET) Marketplace at the 5th E-FAST India Summit 2026. He noted heavy trucks make up just 3-4% of India's vehicle fleet but cause over a third of transport-sector carbon emissions, with only around 800 electric trucks sold in 2025. The new platforms aim to tackle fragmentation, high financing costs and weak corridor planning through demand aggregation and blended finance models. For logistics MSMEs and fleet operators, this opens new pathways to access financing and leasing options that could bring electric truck costs closer to diesel, especially along key freight corridors.



Coal Gasification Scheme Faces First Industry Test

The Ministry of Coal opened applications under its Rs. 37,500 crore financial incentive scheme for surface coal and lignite gasification, following the closure of the first application window. Approved by the Union Cabinet with a total outlay of Rs. 37,500 crores, the scheme aims to convert domestic coal and lignite into higher-value products like syngas, methanol, ammonia and urea, reducing dependence on imported feedstock. Companies like Talcher Fertilisers and NTPC have already applied. The Centre expects the scheme to attract Rs. 2.5–3 trillion in investments across 25 projects and generate around 50,000 jobs, supporting India's target of 100 million tonnes of coal gasification capacity by 2030.



CAG Proposes Unified Digital Platform for Transport Logistics

The Comptroller and Auditor General (CAG) has proposed a common digital platform to integrate road, rail and shipping, aiming to improve coordination and reduce compliance burden, especially for MSMEs. The platform would give stakeholders real-time visibility into a consignment's movement, helping cut delays and logistics costs. CAG has also proposed a dedicated regulator for the multimodal logistics ecosystem to fix accountability across the supply chain. Logistics costs for India's MSME sector remain among the highest at around 17%, even though MSMEs contribute nearly 45% of India's exports.

UK Recognises India's Carbon Credit Scheme Under CBAM

The United Kingdom has formally recognised India's Carbon Credit Trading Scheme (CCTS) as a qualifying carbon-pricing mechanism under its Carbon Border Adjustment Mechanism (CBAM), potentially easing the carbon-tax burden on Indian exports of steel, aluminium and cement. Following the India-UK Comprehensive Economic and Trade Agreement, importers of eligible Indian goods can now claim carbon price relief matching the price borne under CCTS, subject to verification requirements. This directly benefits Indian exporters to the UK and could also set a precedent for ongoing discussions with the European Union on a similar arrangement for its own CBAM.



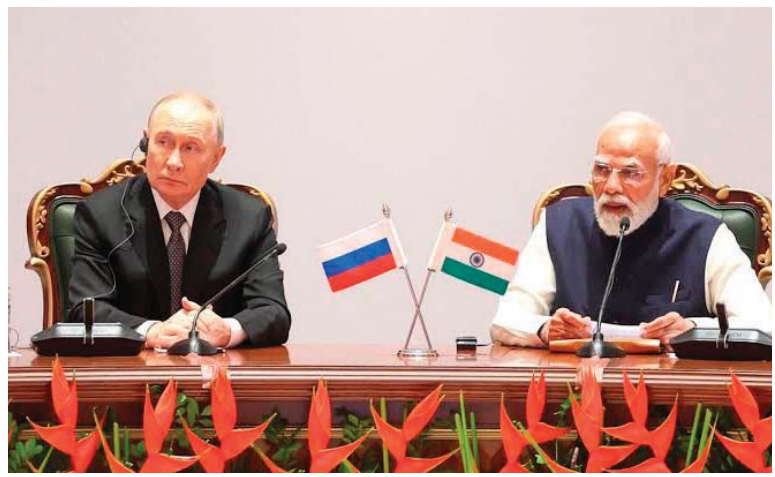


Bangladesh Resumes Wheat Imports from India as Hilsa Trade Faces Uncertainty

Bangladesh has resumed wheat purchases from India after India lifted its export ban, with importers booking more than 200,000 tonnes, the first significant sales since 2022. Delivered prices range from USD 305 to USD 326 a ton, and Indian wheat exports are forecast to more than quadruple to over 2 million tonnes in the 2026/27 season. Sri Lanka has also bought about 60,000 tonnes. Meanwhile, Bangladesh has stopped Hilsa imports from India and Myanmar after cancelling permits for 103 importers, raising concerns among Indian traders ahead of Durga Puja. India exported over 580 MT of Hilsa in the last two months, a first from Gujarat.

India, Russia Set Sights on $100 Billion Trade Target by 2030

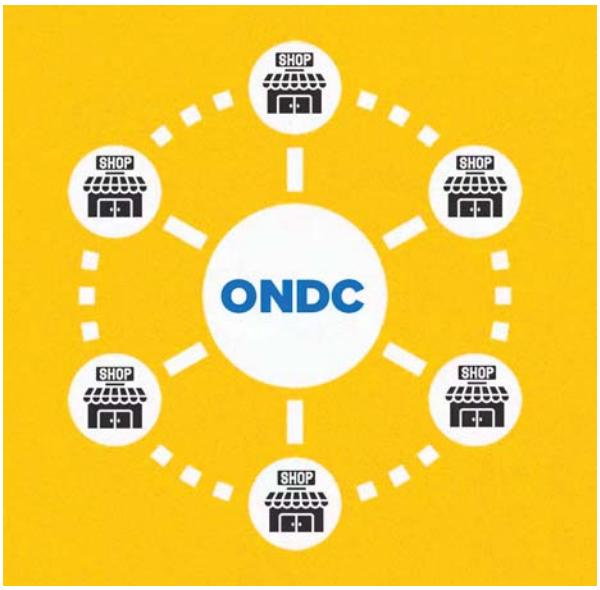
At the INNOPROM India 2026 Co-Chair Plenary, Commerce Minister Shri Piyush Goyal called for boosting India-Russia bilateral trade from around USD 60 billion to USD 100 billion, and two-way investment to USD 50 billion, by 2030. He highlighted strong growth in Indian exports of meat, fish, vegetables and spices to Russia, some up nearly 170%, showing rising demand from Indian farmers and MSMEs. India and Russia are also fast-tracking a bilateral investment treaty and negotiating a free trade agreement with the Eurasian Economic Union, expected to open new markets for MSMEs. Goyal urged Russian industry to manufacture in India, citing the country's skilled workforce and investment-ready industrial corridors.



New Technology Centre Inaugurated for MSMEs in Bengaluru

Union Minister of State for MSMEs, Sushri Shobha Karandlaje inaugurated a new Technology Centre at Devanahalli, Bengaluru, built at Rs. 156 crores on 10 acres of land provided by the Karnataka Government. Focused on Electronics System Design & Manufacturing, the centre offers MSMEs access to advanced tools like SMT lines, CNC machines and additive manufacturing, and is expected to train around 10,000 people annually. A similar Technology Centre worth Rs. 178 crore is planned for Belgaum, Karnataka.





ONDC Shifts Focus to Farmers and Locally Made Goods

The Open Network for Digital Commerce (ONDC) is shifting its strategy toward logistics, mobility and a more targeted approach to retail, moving away from directly competing with established e-commerce platforms. Its "Amazing India" programme now works with eight aggregators covering 1,500 Farmer Producer Organisations and over 50,000 farmers, while DigiHaat connects consumers with artisans, self-help groups and Indian brands through its "Swadeshi" marketplace. Farmers, artisans and rural producers saw an 11-fold rise in order volumes during 2025-26. ONDC also supports over 30 small fleet operators through FleetConnect and more than 80,000 merchants via its logistics network, offering MSMEs and rural producers a growing digital route to reach buyers.

India and China Move to Address Trade Concerns

Commerce Minister Shri Piyush Goyal met his Chinese counterpart Wang Wentao in New Delhi, with China signalling readiness to address bilateral trade and economic concerns following recent talks between PM Modi and President Xi Jinping. Discussions focused on India's widening trade deficit with China, which rose to USD 112.1 billion in 2025-26 from USD 99.1 billion the previous year, along with supply-chain vulnerabilities and Chinese restrictions on critical minerals. India remains heavily dependent on China for industrial inputs, machinery, electronics and pharmaceutical intermediates. Both sides agreed to work toward more balanced trade and facilitate meaningful, predictable market access for businesses in both countries.



India and Canada Begin Fourth Round of CEPA Talks

India and Canada began the fourth round of negotiations for the proposed Comprehensive Economic Partnership Agreement (CEPA), a five-day session covering trade in goods, services, rules of origin and technical trade barriers. Both sides aim to conclude talks this year, targeting bilateral trade of USD 50 billion by 2030. Two-way trade dipped 8.22% to USD 7.95 billion in 2025-26, down from USD 8.66 billion the previous year. Key Indian exports to Canada include pharmaceuticals, iron and steel, seafood, cotton garments and electronic goods, while main imports are pulses, pearls, semi-precious stones, coal and fertiliser.





India and Mercosur Expand Trade Pact, Adopt Digital Certificates of Origin

India and the four-member Mercosur bloc (Brazil, Argentina, Paraguay and Uruguay) launched negotiations to expand their existing Preferential Trade Agreement (PTA), which currently covers around 450 tariff lines from India and 452 from Mercosur. Trade between the two reached about USD 20.7 billion in 2025-26, with Indian exports up 4.16% to USD 8.4 billion. Alongside this, both sides signed a First Additional Protocol allowing electronic Certificates of Origin to carry the same legal validity as paper ones, easing customs procedures and reducing transaction costs. For MSME exporters trading with Mercosur countries, this move toward paperless certification means faster processing and lower compliance hassle under the PTA.

New UPI Rules Keep 96% of Transactions Free

A new UPI framework, introduced under the Payment and Settlement Systems Act, 2007, ensures all person-to-person transactions remain completely free, regardless of amount, while 96% of merchant transactions also stay unaffected. Merchant payments up to Rs. 2,000 remain free, as do all transactions by small merchants and street vendors earning up to Rs. 1 lakh monthly via UPI QR codes. A nominal 0.4% Merchant Discount Rate (MDR) will apply only to merchant transactions above Rs. 2,000, capped at Rs. 300 for payments of Rs. 75,000 and above. Essential sectors like railways, telecom, insurance, fuel and agri-inputs will attract a flat Rs. 5 charges, while capital market transactions face a 0.02% MDR, also capped at Rs. 300. Banks must ensure merchants don't pass these charges to customers, and a dedicated fund, backed by 5% of MDR collections, will support UPI adoption among small merchants. For MSMEs and small businesses, this means digital payments remain largely cost-free, protecting thin margins while strengthening the UPI ecosystem's long-term growth.



Commerce Ministry Seeks Five-Year Extension for RoDTEP Scheme

The Commerce Ministry has sought a five-year extension for the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme, along with a higher outlay for the current financial year. It has asked the Finance Ministry to raise the FY27 allocation to Rs. 23,000 crores from the budgeted Rs. 10,000 crores. Under RoDTEP, the government reimburses embedded taxes and levies on export inputs, helping keep Indian exports competitive globally. Launched in 2021 to replace the earlier MEIS scheme, RoDTEP has been extended multiple times in short spans of six months to a year. Exporters have long sought greater predictability, calling for a longer-term extension rather than repeated short-term renewals.





GST Council to Discuss Process Reforms in October Meeting

Finance Minister Smt. Nirmala Sitharaman said the GST Council's October 7 meeting will focus on process reforms under "GST 2.0," including issues related to e-invoicing and input tax credit (ITC) rules. Speaking at an event by the International Tax Research and Analysis Foundation (ITRAF) in Bengaluru, she said the previous Council meeting had focused on rate rationalisation, while process reforms were deferred to this one. She invited industry to submit specific representations on anomalies in the GST framework. For MSMEs, potential reforms like extending e-invoicing to all taxpayers and simplifying ITC provisions could mean easier compliance and smoother tax credit claims going forward.

PM Modi Chairs Semiconductor Roundtable Ahead of SEMICON India 2026

Prime Minister Shri Narendra Modi chaired a roundtable with senior executives from leading domestic and international semiconductor companies, a day before the inauguration of SEMICON India 2026 in New Delhi. He said India should aspire to be among the early leaders in emerging technologies and reaffirmed the government's commitment to a predictable policy environment. Discussions focused on R&D, talent development and preparations for new projects under SEMICON 2.0, with most participating companies already conducting or planning R&D in India. Companies like Applied Materials, Infineon, IBM, Micron and Tata Electronics are expected to participate in the three-day SEMICON event.



Government Eases RCMC Rule for Small Export Consignments



The Government has exempted export consignments valued up to Rs. 3 lakhs from requiring a Registration-cum-Membership Certificate (RCMC), easing compliance for new and small exporters. DGFT amended the Foreign Trade Policy to allow this relief, particularly benefiting exports through postal, courier and e-commerce channels. Data shows consignments up to USD 3,000 make up 43% of shipping bills but just 0.86% of India's total export value. For MSMEs, artisans and first-time exporters, this removes an upfront registration hurdle, letting them test overseas markets and build an export track record. Once consignments cross Rs. 3 lakhs, exporters can obtain RCMC to access wider export promotion support.



India's Textile Exports Rise 16.1% in August

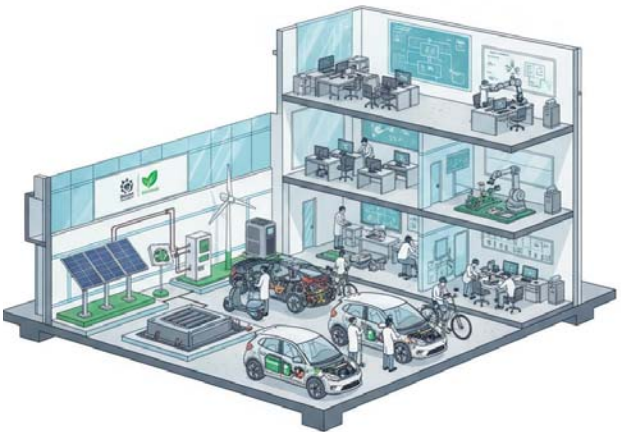
India's textile exports rose 16.1% year-on-year to Rs. 29,776 crores in August, up from Rs. 25,656 crore a year earlier. Cumulative exports for April-August reached Rs. 1.43 lakh crore, up 10.3%. Growth was broad-based: cotton yarn and handloom products rose 24.1%, man-made textiles grew 19.9%, and handicrafts (excluding carpets) surged 41.4%. Ready-made garments grew a steady 6.1%. Over the five months, handicrafts led overall growth at 44%, followed by cotton textiles at 18%. The sustained rise across segments reflects improved market access and diversification, positioning textiles as a key driver of manufacturing, employment and India's broader export growth.

India-New Zealand FTA Comes into Effect After New Zealand Passes Legislation



New Zealand's Parliament passed the legislation needed to give effect to the India-New Zealand Free Trade Agreement, paving the way for the deal to take effect in October. The agreement offers 100% duty-free access for Indian exports, including textiles, leather, gems and jewellery, engineering goods, pharmaceuticals and processed foods, as New Zealand's peak tariffs of up to 10% are eliminated. Bilateral trade in goods and services could double to Rs. 35,000 crore over four to five years, with New Zealand committing USD 20 billion in investment into India. Sensitive sectors like dairy, key agricultural commodities and sugar remain protected. Indian services gain access to around 118 sectors, along with 5,000 skilled-worker visas and 1,000 working-holiday visas annually. Commerce Minister Shri Piyush Goyal said the agreement would help offset trade disadvantages amid global tariff uncertainties.

New EV and Green Skills Lab Inaugurated in Bengaluru



MSDE Secretary Ms. Debashree Mukherjee inaugurated the Skills4Future EV & Green Skills Lab at the National Skill Training Institute, Bengaluru, a joint initiative of Shell India, the Directorate General of Training, MSDE and Edunet Foundation. The lab offers hands-on training in EV systems, battery technologies and diagnostics to prepare youth for careers in green mobility and clean energy. The Skills4Future programme has already reached over 290 institutes across five states, training more than 70,000 learners and setting up 20 Green Skills EV labs nationwide. In Karnataka alone, it has trained over 9,113 students across 101 ITIs, strengthening the state's talent pipeline for its growing green economy.

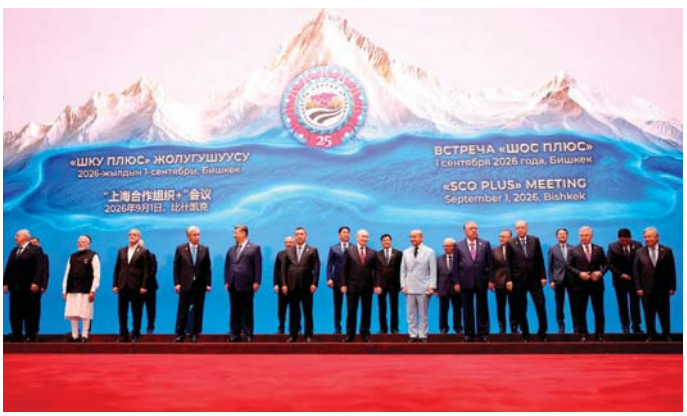
India-Nepal Committee Meets to Strengthen Trade and Check Unauthorised Trade



India and Nepal held a two-day meeting of their Inter-Governmental Sub-Committee on Trade, Transit and Cooperation in New Delhi, reviewing market access, customs cooperation and trade facilitation. Discussions covered agricultural products, pharmaceuticals, medical devices, AYUSH products, and improving rail and road connectivity, including Integrated Check Posts and land-port infrastructure. Both sides also focused on strengthening customs measures like electronic verification of Certificates of Origin and digitalisation to prevent misuse of preferential trade arrangements. India remains Nepal's largest trading partner, and the talks aim to further strengthen bilateral trade, transit connectivity and economic cooperation between the two countries.

SCO Ministers Meet in Tajikistan to Deepen Trade Cooperation

Trade ministers from Shanghai Cooperation Organization (SCO) member states met in Dushanbe, Tajikistan, to review economic cooperation and discuss lowering trade costs and strengthening supply chains. India, represented by Shri Yashvir Singh, called for simplified customs procedures, paperless trade and stronger connectivity, along with cooperation in agriculture, critical minerals, pharmaceuticals and renewable energy. India also stressed the need for accessible trade finance and digital payments to help MSMEs and startups participate more effectively in regional trade. Ministers adopted an Action Plan for 2026-2030 to guide multilateral trade cooperation among SCO nations, with the next ministerial meeting scheduled in Uzbekistan.



Centre Working on Rs. 9,000 Crore Package for Handloom and Handicraft Sector

The Government is working on a Rs. 9,000 crore, five-year package to help artisans and weavers build scale, preserve heritage crafts and boost exports, with the Expenditure Finance Committee having evaluated the textile ministry's proposal ahead of Union Cabinet approval. The sector employs about 10 million weavers and artisans, mostly women and vulnerable groups, but exports remain flat at Rs. 34,499 crores in FY26, up just 0.6% from Rs. 34,302 crores. The two major programmes currently carry a combined outlay of Rs. 410 crores. D.K. Nair, textile expert, said benefits must reach artisans directly, not middlemen. For small artisan enterprises, easier loans, cluster linkages and market access under new trade agreements could open real growth.





India Takes Part in East Asia Summit and ASEAN-India Economic Ministers' Meetings

An Indian delegation led by Additional Secretary Shri Nitin Kumar Yadav participated in the 14th East Asia Summit Economic Ministers' Meeting and the 23rd ASEAN-India Economic Ministers Consultation in Manila, Philippines. India's discussions focused on the ongoing review of the ASEAN-India Trade in Goods Agreement (AITIGA), aimed at addressing trade imbalances and making the pact more balanced, user-friendly and trade-facilitative for businesses. Bilateral trade between India and ASEAN reached USD 128.38 billion in 2025-26, with ASEAN accounting for 10.55% of India's global trade. The delegation also interacted with Indian businesses in the Philippines to understand the challenges they face in exporting goods and services, and joined the ASEAN-India Business Forum.

Government Sets Mandatory Quality Standards for Smartphone Screen Protectors

The Ministry of Electronics and Information Technology (MeitY) has added smartphone screen protectors as the 66th item to its list of products requiring compulsory registration under Bureau of Indian Standards (BIS) norms. From April 2027, screen protectors that do not meet specified requirements for thickness, dimensions, light transmission, defects, and strength, and do not carry the 'Standard' mark, cannot be manufactured, stored, imported, sold, or distributed in India. Goods meant for export are exempt. Low-cost imports meet over 90% of current demand. Mr. Pankaj Mohindroo, Chairman, India Cellular and Electronics Association, said the move will catalyse a Rs. 12,000-16,000 crore quality-driven industry, generate around 60,000 jobs and add about Rs. 2,000 crores in GST revenue. For MSME manufacturers, this opens a chance to compete against unorganised imports.



Piyush Goyal Pushes Data Centre Growth



Union Minister Shri Piyush Goyal chaired a CEO Roundtable on Ease of Doing Business for scaling India's data centre ecosystem, calling India the world's best location for setting up data centres. He noted that data centre investments worth around USD 200 billion are potentially coming into India, with hyperscalers accounting for over 80% of data centre absorption in early 2026. Discussions covered power availability, land access, faster approvals and regulatory reforms, including the National Building Code 2026 now recognising data centres as a distinct category. Senior officials from eight states and 46 data centre companies took part, aiming to position India as a trusted global hub for digital infrastructure and AI-driven growth.



India and UAE Hold 14th High-Level Joint Task Force Meeting

Commerce Minister Piyush Goyal and Sheikh Hamed bin Zayed Al Nahyan, Managing Director, Abu Dhabi Investment Authority, co-chaired the 14th India-UAE High-Level Joint Task Force on Investments in Mumbai. Bilateral trade reached USD 101.25 billion in FY 2025-26, with both countries targeting USD 200 billion by 2032. Key updates included Emirates NBD's roughly USD 3 billion stake acquisition in RBL Bank, a USD 11.5 billion joint investment intent for an aluminium complex in Odisha and plans to open an Invest India office in the UAE before year-end. Discussions also covered local-currency settlement, energy cooperation, and collaboration in AI, logistics and the startup ecosystem. Goyal called the UAE "a trusted friend and partner" in India's growth journey.

Centre to Ask Indian Banks' Association to Ensure UPI Merchant Charge Is Not Passed to Consumers

The Centre will ask the Indian Banks' Association (IBA) to run awareness campaigns and firm up a mechanism to ensure the proposed charge on select Unified Payments Interface (UPI) transactions is not passed on to consumers, according to two senior finance ministry officials. The outreach aims to clear misconceptions about the Merchant Discount Rate (MDR). A 0.4% MDR will apply to specified person-to-merchant transactions above Rs. 2,000, capped at Rs. 300 for transactions of Rs. 75,000 or above, while essential sectors like railways, telecom, insurance, fuel and farm inputs will pay a flat Rs. 5. The Centre also hopes the Goods and Services Tax (GST) Council will take a reasonable view on taxing the merchant fee. For small merchants, this offers clarity on charges.



Public Procurement: The MSME MANDATE

India has built one of the world's largest enterprise formalisation ecosystems and reserved a substantial share of public procurement for small businesses. Yet the challenge of finding competitive, technically qualified suppliers in critical industrial sectors persists. The next chapter of India's procurement story may have less to do with how much the government buys from MSEs — and more to do with the enterprises the country has yet to build.



Imagine a public-sector power company preparing to purchase specialised electrical equipment. The requirement is substantial, the specifications exacting and the consequences of failure potentially serious. The procurement team must identify suppliers who can manufacture to specification, demonstrate quality, meet delivery schedules and provide dependable technical support.

Now consider a small engineering manufacturer operating out of an industrial cluster. The enterprise has invested in machinery, developed a capable workforce and acquired some of the technical expertise required for institutional orders. It wants to enter the government supply chain, but lacks previous CPSE experience, certain certifications or the financial strength demanded by the tender.

The buyer needs dependable suppliers. The manufacturer needs an opportunity to become one.

Both have legitimate concerns. Neither necessarily has an easy solution.

This illustrative situation captures one of the more perplexing contradictions in India's public procurement landscape.

Over the past decade, India has created an extraordinary ecosystem of formally recognised enterprises. The combined Udyam and Udyam Assist universe has grown towards the scale of 100 million registrations, although this broad formalisation base should not be confused with an equal number of active, procurement-ready manufacturers.

At the same time, the government has mandated that at least 25% of annual procurement by Central Ministries, Departments and Central Public Sector Enterprises (CPSEs) should come from Micro and Small Enterprises (MSEs).

The opportunity is enormous. The institutional framework exists. Digital procurement infrastructure has expanded dramatically.

So why does the search for qualified, competitive MSE suppliers remain difficult in several important segments of industrial procurement?

And perhaps more importantly, why have we not used this enormous purchasing opportunity more systematically to create the next generation of Indian manufacturers?

A success story with an uncomfortable question

India's public procurement policy for MSEs represents an important shift in development thinking. Instead of supporting enterprises only through credit, incentives, training or subsidies, the government recognised that one of the most effective ways to encourage enterprise growth was to provide access to actual customers.

The policy, introduced in 2012 and made mandatory in April 2015, was strengthened in 2018 when the annual procurement target rose to 25%. Within this, 4% was earmarked for MSEs owned by Scheduled Caste and Scheduled Tribe entrepreneurs, and 3% for women-owned MSEs.

The numbers suggest considerable progress. Figures drawn from the Ministry of MSME's Sambandh dashboard, as cited in the research for this article, show that 190 reporting CPSEs procured goods and services worth approximately ₹2.40 lakh crore during FY 2025–26. Of this, approximately ₹1.16 lakh crore went to MSEs — an impressive 48.5% of reported procurement.

Nearly twice the mandated minimum. There were 2,78,127 reported MSE beneficiaries.

If procurement success were measured solely through aggregate percentages, there would be considerable reason for satisfaction.

But national averages have an unfortunate habit of concealing important differences.

A handful of large procuring entities can substantially lift overall performance even while other buyers struggle to meet their obligations. Similarly, high procurement volumes from familiar categories or established vendors do not necessarily indicate that new enterprises are gaining entry into more technologically demanding markets.

Public Procurement Framework for MSEs

Provision	Current Requirement
Overall annual procurement from MSEs	Minimum 25%
Procurement from SC/ST-owned MSEs	4%
Procurement from women-owned MSEs	3%
Items reserved exclusively for MSE procurement	358
Mandatory implementation of the policy	From 1 April 2015

FY 2025–26: Public Procurement through Reporting CPSEs

Indicator	FY 2025–26
Reporting CPSEs	190
Total reported procurement	₹239,721 crore
Procurement from MSEs	₹116,216 crore
MSE share of reported procurement	~48.5%
Minimum policy benchmark	25%
MSE beneficiaries	278,127



The figures also describe the reporting universe of the dashboard, rather than every public procurement transaction undertaken in India.

The distinction matters because the purpose of the 25% mandate was never simply to produce an attractive national percentage. Its larger promise was to use public purchasing power to broaden markets and accelerate enterprise development.

The question is no longer only whether government is buying enough from MSEs. It is whether those purchases are creating a larger, stronger and more diverse supplier ecosystem.

That is a much more demanding test.

The missing manufacturers

There is another dimension to the story that deserves greater attention.

India's expanding enterprise population is extraordinarily diverse. It includes neighbourhood businesses, service providers, traders, traditional manufacturers, artisans, technology ventures, family enterprises and businesses operating at various stages of formalisation.

All contribute to economic activity and employment. But they do not possess the same industrial capabilities. A Udyam registration can establish formal recognition. It cannot establish whether an

The purpose of the 25% mandate was never simply to produce an attractive national percentage. Its larger promise was to use public purchasing power to broaden markets and accelerate enterprise development.

enterprise manufactures industrial-grade switchgear, precision-machined components, specialised valves, process-control systems or other technically demanding products.

That requires an entirely different set of capabilities.

Many CPSEs operate in sectors where procurement is tied closely to engineering standards, industrial safety, operational continuity and equipment performance. For such buyers, the availability of a technically qualified supplier is often more important than the availability of another registered business.

This is where India's enterprise-development ambitions encounter a difficult reality.

We have made enormous progress in bringing businesses into the formal economy, but building a technically sophisticated manufacturer remains a far more demanding undertaking.

It requires machinery, engineers, skilled workers, testing facilities, quality certifications, dependable raw materials, finance and sufficient orders to justify investment.

Even where relevant manufacturers already exist, they may not meet the precise specifications, scale or approval requirements of a particular CPSE.

Consequently, the field of eligible suppliers can become surprisingly narrow.

This is particularly consequential in industrial categories such as electrical equipment, machinery, fabricated assemblies, automation, specialised components and technical services, where the procurement opportunity may be substantial but the number of qualified MSE bidders may be limited.

The precise extent of this gap needs a detailed buyer-wise and product-wise assessment. Aggregate procurement statistics cannot establish it on their own.

Nevertheless, the underlying dilemma is clear.

India cannot expect procurement reservations to automatically produce industrial capabilities that have not yet been developed.

Nor can it expect manufacturers to invest indefinitely in developing such capabilities without some visibility of future demand.And therein lies the vicious cycle.



The supplier who cannot get a first order

For a small manufacturer seeking to enter public procurement, the first institutional order can be the hardest to secure.

Tender conditions frequently need to establish whether a supplier possesses sufficient experience, financial resources and technical competence to execute a contract.

These requirements are not inherently unreasonable. Public procurement must protect public resources, ensure product quality and avoid disruptions to critical operations.

A defective component in a power installation or an unreliable industrial system can have consequences far beyond the value of the purchase order.

Procurement officers are therefore understandably cautious.Yet requirements relating to previous supplies, turnover and institutional experience can sometimes disadvantage otherwise capable smaller manufacturers, particularly when those conditions are not proportionate to the risks of the contract.

An enterprise may possess the machinery and know-how but lack previous experience supplying the particular buyer. Without the experience, it cannot qualify. Without qualifying, it cannot acquire the experience.



Meanwhile, buyers continue to depend on vendors with an established track record.

The result is a system that can unintentionally preserve the advantages of existing suppliers while making it difficult for promising new manufacturers to emerge.

This is not simply a problem of restrictive procurement rules. It is also a problem of how technical credibility is established.

Could a new supplier demonstrate capability through independently validated product testing, recognised quality certification, prototype evaluation or a supervised development order?

Could promising manufacturers be identified and prepared before major tenders are published?

Could the commercial risks of introducing new suppliers be managed without compromising technical integrity?

These questions go to the heart of how India can expand its industrial supplier base.

The objective should not be to make government purchasing less rigorous.

It should be to make the route to becoming a qualified supplier more accessible, objective and predictable.

A digital marketplace is not automatically an open marketplace

The Government e-Marketplace (GeM) has undoubtedly transformed the scale and visibility of public procurement.

Figures assembled for this article indicate that cumulative transactions had crossed ₹20.29 lakh crore by August 2026, with more than 3.83 crore orders processed.

GeM® Government e Marketplace

Efficient • Transparent • Inclusive

More than 12.40 lakh MSMEs were registered on the platform, and these enterprises had fulfilled orders valued at approximately ₹9.26 lakh crore.

These are formidable numbers and evidence of the tremendous possibilities of digital public infrastructure.

GeM: Scale of MSME Participation

Indicator	Position by August 2026
Cumulative GeM GMV	20.29 lakh crore
Total orders processed	3.83 crore +
MSMEs registered	12.40 lakh +
Value of orders fulfilled by MSMEs	9.26 lakh crore
MSME share of cumulative GMV	45.7%
Women-led MSMEs	2.27 lakh +

An enterprise based in a smaller industrial town can now discover institutional purchasing opportunities that might once have remained inaccessible. But there is an important difference between the ability to see a tender and the ability to compete successfully for it.

Digitisation does not automatically remove cumbersome documentation, restrictive specifications, disproportionate eligibility requirements or uncertainty surrounding technical evaluations.

A supplier may still spend considerable time and money preparing bids without understanding why it repeatedly fails to qualify.

In some cases, the difficulty may lie with the supplier's capabilities. In others, it may reflect tender design, unfamiliar procedures, avoidable documentation requirements or the absence of a fair pathway for new entrants.

The next improvement in digital procurement may therefore be less about adding more sellers to the platform and more about making the purchasing journey genuinely seamless.

Imagine a procurement environment where verified enterprise credentials, quality certifications and relevant compliance information can be reused securely instead of repeatedly submitted; where tender conditions are transparent and proportionate; where technical rejection reasons are clearly recorded; and where evaluation is insulated from avoidable human discretion.

Where suitable, appropriate stages of bidder evaluation could even be made more identity-neutral without undermining necessary technical verification or accountability.

Such a system would benefit honest procurement officers as much as small enterprises. Faceless procurement should not mean faceless accountability. It should mean that a supplier's capability and competitiveness matter more than familiarity, connections or administrative endurance.

For a country seeking to widen industrial participation, that distinction is fundamental.

Women entrepreneurs and the next frontier of procurement

The inclusion of women-owned and SC/ST-owned enterprises in procurement policy was an important acknowledgment that market access is not equally distributed.

The Sambandh figures cited for FY 2025–26 indicate procurement of approximately ₹9,079 crore from women-owned MSEs, representing around 3.79% of reported total CPSE procurement.

SC/ST-owned MSE procurement stood at approximately ₹3,986 crore, or 1.66%, against a 4% earmark. These comparisons require care because formal compliance assessments may involve applicable exclusions and adjustments, but the difference merits examination.

Enterprise Category	Policy Target	FY 2025–26 Reported Share
SC/ST-owned MSEs	4.0%	~1.66%
Women-owned MSEs	3.0%	~3.79%



Yet even where aggregate inclusion targets are achieved, another question deserves attention.

What kinds of enterprises are entering the government supply chain?

Women entrepreneurs have established businesses across food processing, textiles, consumer goods, packaging, services and many other fields.

These industries offer important opportunities. But India's aspirations for women's entrepreneurship should not stop with the categories where women-led enterprises are already most visible.

A woman entrepreneur manufacturing electronic assemblies, providing specialised engineering services or producing industrial components should have an equally credible pathway into public procurement. That will require more than encouragement to register on a portal.

Access to production technology, technical training, machinery finance, certification and connections with industrial buyers will be essential.

The same is true for expanding opportunities among SC/ST-owned enterprises.

The next generation of procurement inclusion should not merely widen



participation within existing markets. It should help entrepreneurs enter new and more valuable markets.

The hidden opportunity inside public-sector demand

Perhaps the most overlooked advantage of public procurement is that government buyers possess something small manufacturers desperately need: visibility of future demand.

Consider a CPSE that purchases a particular electrical component or fabricated assembly year after year.

Its purchasing teams may know the product specifications, likely order volumes, certification requirements and delivery expectations well before the next tender is published.

For a capable but relatively small manufacturer, this information could be transformational.

With sufficient advance visibility, the enterprise might be able to evaluate machinery investments, obtain certifications, improve its processes or develop a prototype.

An industrial cluster could organise shared testing facilities. A lender could evaluate financing needs. A technical institution could help manufacturers meet particular standards. Instead, supplier-development efforts frequently begin when the tender is already in the market — by which time the opportunity to upgrade an enterprise's capabilities has passed.

A predictable public-sector market can become a powerful incentive for investments in technology, quality and industrial capacity.

India could gain considerably by connecting its public-sector purchasing forecasts with industrial supplier development.

A power-sector CPSE, for example, could identify recurring procurement categories with limited qualified competition. Engineering clusters could be assessed for existing capabilities and the improvements required to become eligible suppliers.

The process would not guarantee contracts or replace competitive tendering. It would expand the number of enterprises capable of competing when the tenders eventually appear.

This is where public procurement can begin to serve a much larger purpose. Rather than merely purchasing what existing MSEs already produce, it can encourage MSEs to develop the ability to produce what the country needs.

A predictable public-sector market can become a powerful incentive for investments in technology, quality and industrial capacity.

That is an opportunity India should not underestimate.

When a purchase order becomes a financial challenge

Of course, winning the first contract does not end the difficulties facing a smaller enterprise. It may create new ones.

A sizeable institutional order often requires an enterprise to purchase raw materials, arrange production, hire workers, conduct testing and meet delivery commitments well before payment is received.

For a small manufacturer, the order may exceed its available working capital. The situation becomes more difficult when invoice acceptance or payment is delayed.

The MSMED Act provides important payment protections, including an outer limit of 45 days for agreed payment periods. But payment delays continue to be a significant concern across the small-enterprise economy.

The financing challenge exposes another weakness in how procurement and enterprise development are connected.

A verified government purchase order should improve an enterprise's ability to access working capital. An accepted invoice should be easier to finance through eligible banking or receivables-discounting arrangements.

Yet procurement, financing, production, invoicing and payment are often experienced by smaller enterprises as separate and sometimes cumbersome processes.

Better integration between procurement platforms, financial institutions and receivables-financing mechanisms such as TReDS could help.

For an MSE, the value of a government contract should be measured not only by the revenue it generates, but also by whether the enterprise can execute it profitably, receive payment predictably and use the experience to pursue larger opportunities.

Otherwise, even a successful tender can leave the business financially vulnerable.

What if we measured the enterprises created, not just the orders placed?

India's procurement performance is generally discussed in terms of percentages and purchase values.

These are necessary measures. They tell us whether public buyers are directing a prescribed share of expenditure towards MSEs.

But they tell us much less about what happens to the enterprises themselves.

How many manufacturers entered a new industrial product category because of an institutional procurement opportunity?

How many obtained their first major quality certification?

How many invested in modern machinery or expanded skilled employment? How many first-time suppliers became dependable repeat vendors?

And how many eventually became competitive enough to supply large private-sector companies or international customers?

These are the outcomes that determine whether procurement creates lasting economic value. Even the scale of existing spending suggests what might be possible. The approximately ₹1.16 lakh crore procured from MSEs by reporting CPSEs in FY 2025–26 is already a substantial market. The policy challenge is not simply to redirect more purchasing towards a fixed pool of suppliers, but to ensure that this demand supports progressively greater domestic manufacturing capacity and broader competition.

A manufacturer that upgrades its processes to meet the specifications of a public-sector buyer may find those same capabilities useful in private industrial supply chains.

An enterprise that builds experience supplying electrical components to one institutional customer may become better positioned to serve others.

Over time, such improvements can contribute to industrial diversification, skilled employment, import substitution where commercially viable, and export competitiveness.

The developmental value of a procurement order may therefore extend far beyond its invoiced amount.

But these outcomes need to be cultivated. They cannot be assumed.

Beyond the mandate: A mission worth considering

India's experience suggests that the next significant reform in MSE procurement may not be another increase in the reservation percentage.

It may be something more fundamental.

A coordinated effort to develop the enterprises capable of competing for the procurement opportunities already available.

India SME Forum sees merit in considering a National MSE Procurement Competitiveness Mission, built around the existing public procurement framework rather than creating another parallel mechanism. Such a mission could bring together the purchasing knowledge of CPSEs, the enterprise-development capabilities of the Ministry of MSME and NSIC, the digital infrastructure of GeM, the expertise of technical institutions, and the financing capacity of banks and other financial intermediaries.



The real breakthrough will come when a new generation of Indian manufacturers can enter government supply chains on the strength of their technical competence, build credibility through successful execution and eventually compete for orders far beyond the protection of procurement preferences.

Its purpose would be straightforward: identify where government demand is not being adequately matched by competitive MSE supply, develop the required capabilities, and make it easier for qualified new enterprises to enter and grow within institutional markets.

Importantly, this would not be another general entrepreneurship-awareness initiative.

It would begin with actual purchasing requirements.

If public-sector buyers consistently struggle to find sufficiently qualified MSE manufacturers in selected electrical, engineering or industrial component categories, that information should help shape targeted technology, certification, skilling and supplier-development interventions.

Where competent suppliers exist but face avoidable procedural obstacles, the focus should be on simplifying procurement and improving transparency.

And where enterprises secure contracts but encounter financing or payment difficulties, the priority should be enabling them to execute successfully and grow.

There is also an opportunity to evaluate such an approach through a carefully designed pilot involving selected CPSEs and industrial clusters.

Success could be judged by how many additional suppliers become technically qualified, how many new enterprises win and fulfil contracts, and whether competition improves in previously underserved procurement categories.

Ultimately, it is the enterprise outcomes that matter.

The next 25% story

India has much to be proud of in its MSE procurement journey.

The 25% mandate has created a substantial institutional market. Udyam has expanded enterprise formalisation. GeM has dramatically improved the visibility and accessibility of government purchasing. Sambandh has brought greater transparency to reported procurement performance.

These reforms have helped establish an infrastructure that would have been difficult to imagine little more than a decade ago.



But infrastructure is only an enabler. India's larger economic ambitions demand enterprises that can manufacture sophisticated products, compete on quality and price, deliver consistently and become part of modern industrial supply chains.

That cannot be achieved merely by multiplying registrations or increasing procurement percentages.

It requires a closer relationship between what government and public-sector enterprises need to purchase and what Indian small manufacturers are capable of producing. It requires procurement processes that are fair and transparent without compromising quality.

And it requires enterprises to be supported not simply to participate in institutional markets, but to become genuinely competitive within them.

The real breakthrough will come when a new generation of Indian manufacturers can enter government supply chains on the strength of their technical competence, build credibility through successful execution and eventually compete for orders far beyond the protection of procurement preferences. That would represent a much deeper achievement than compliance with an annual purchasing target.

India has already created the market through its 25% procurement mandate. The opportunity now is to use that market to create a new generation of competitive Indian enterprises.

Perhaps the most meaningful measure of success will be the day when thousands of enterprises that first entered public procurement because of a policy preference are winning orders simply because they are among the best suppliers available. bwise

India SME Forum's ViewPoint
The next phase of MSE public procurement should focus on building a stronger, more competitive supplier ecosystem alongside meeting the 25% procurement mandate. A National MSE Procurement Competitiveness Mission could help align CPSE demand with targeted interventions in technology, quality certification, access to finance and supplier development, enabling more MSEs to qualify for and successfully execute institutional orders.

THE PRICE OF QUALITY

For years, India's small businesses won export orders by being cheaper than others. That is no longer enough. Buyers around the world now want proof of where materials come from, on-time delivery, rule-following and some design skill, along with a fair price. Tariff swings and competition from countries like Vietnam have made the pressure even greater. Government steps like GST reforms and new trade agreements help, but each business must build its own systems to earn trust. Cheap gets business into the conversation, but reliability wins the order.



For many years, India's biggest selling point was simple: be cheaper than everyone else. Small businesses built their whole strategy around this one idea - do the same work, but charge less. That strategy is now losing its power as a standalone advantage. Buyers around the world are starting to say no to low-priced suppliers who can't meet other basic needs, like fast delivery, proper quality checks, or clear proof of where their materials come from.

Cheap gets you into the conversation, but reliability wins the order. This article shows what buyers really mean by "reliable" and how small businesses can build that trust step by step.

This shift did not happen overnight. But it has been building for years, and recent global events have made it harder to ignore.

Being Cheap Was Never Only India's Advantage

Here's a fact many people forget: India was rarely the cheapest country to buy from. In many labour-intensive products, Bangladesh, Vietnam and Cambodia have generally offered lower labour costs than India. What kept India in the game was not rock-bottom pricing - it was having enough factories,

skilled workers, and suppliers to handle large orders reliably.

But even that strength is now under pressure from two sides at once. On one side, exporters in some sectors face duties on the raw materials and components they import. On the other side, Indian goods have faced sharp swings in US tariffs. In August 2025, the US applied a combined 50% duty on most Indian goods - a 25% reciprocal tariff plus a 25% penalty linked to India's purchases of Russian oil - with a small list of exemptions. The oil-related duty was removed in February 2026, and the US Supreme Court later struck down the emergency-powers tariffs altogether. Since 24 July 2026, a 10% Section 301 duty applies to a large share of Indian exports, on top of regular duties. A small business cannot fix this problem just by cutting its price further. The costs are hitting it from both directions, and there is limited room left to adjust.

Tariffs Tested How Well Exporters Could Adapt

When the US sharply raised tariffs on Indian goods in 2025, it did more than just raise prices. It appears to have exposed differences between exporters: some were able to find new buyers and meet new rules quickly, while others struggled to adjust. SIDBI's MSME Outlook Survey for April-June 2025 found that nearly 40% of MSME exporters said they were directly or indirectly affected by tariff-related issues.

The Indian government also responded with some changes. It simplified the tax system through GST reforms, replacing four tax slabs with two main rates from 22 September 2025 and removing a minimum refund threshold that affects small exporters using courier and postal modes. Ministers said the reforms would lower input costs for MSMEs and exporters. These steps suggest policymakers are trying to ease costs and compliance burdens for exporters, though price is only one part of the competitiveness challenge.

Something surprising also happened during this period. China itself became one of India's fastest-growing customers for electronics. Big companies like Foxconn, Tata Electronics, and Motherson, which assemble electronic products such as iPhones in India or make parts for them, started sending components and sub-assemblies back to China as part of their supply chain. Apple's Indian vendors exported a record $2.5 billion of such components to China in FY26, against electronics exports to China of about $920 million in FY25. This tells us something important: among the winners in today's global trade are companies that are deeply connected to modern, high-quality manufacturing systems - not simply the ones offering the lowest price. For small businesses, the relevance is direct: such supply chains select component makers on quality, documentation and delivery performance as well as cost, and smaller suppliers that can meet those standards can become part of them.

Buyers rarely tell you why they left. They simply choose a more reliable supplier next time. Is your business ready to earn that trust, order after order?





What Buyers Really Mean by "Reliable"

This is the heart of the issue. After the pandemic, and after recent problems with global shipping and trade routes, buyers around the world now use the word "reliable" to mean very specific things. It is worth breaking these down one by one, along with what a small exporter can do about each:

First is traceability. Can a supplier prove, with real documents, exactly where their raw materials came from? This matters a lot for industries like medicine, food, and clothing, where buyers face pressure from their own governments to avoid unsafe or unethical sourcing. A small exporter

can start with batch-level records, supplier declarations for key raw materials, and a simple digital log that can be produced quickly during a buyer's audit.

Second is on-time delivery. Buyers don't necessarily want the fastest supplier. They want a supplier who gives an honest delivery date and always meets it, so they can plan their own business around it. Practical steps include quoting realistic lead times, tracking every order digitally from raw material to dispatch, updating buyers proactively, and scoring its own suppliers on punctuality - a small exporter's reliability is only as good as its supply base.

Third is following the rules. Environmental protection rules, fair labour rules, and safety standards are no longer optional extras. In many markets, especially Europe, these rules are now a basic requirement just to be considered for a deal. Compliance advisors report that US and EU buyers increasingly shortlist small suppliers on audit readiness, certified processes and documentation. Exporters can pursue relevant certifications, such as ISO 9001 for quality management or a recognised social-compliance audit, and keep test reports, inspection records and declarations of conformity organised. The cost is real but manageable: an older Indira Gandhi Institute of Development Research (IGIDR) survey of 135 textile and clothing exporters found that small firms spent about 1.3% of turnover on meeting such standards, against about 0.6% for large firms.







"The future of Indian exports should not be defined by how cheaply we manufacture, but by how much value we deliver to global customers. Indian MSMEs must move beyond cost competitiveness and focus on product quality, technological transparency, exceptional customer service and reliability. China Plus One may create the opportunity for India, but quality, service and trust will determine whether we become the first choice for global buyers."

- Mr. Aditya Maurya
Director,
Amera Exports Private Limited

Being cheap is not enough anymore. Buyers now want quality, on-time delivery and proof that they can trust you. Here is how Indian MSMEs can keep up.

Fourth is design and technical skill. Can a business help improve or design the product, or does it only follow instructions exactly as given? Buyers increasingly want partners who can contribute ideas, not only manufacture to specification. Clear product documentation, specification sheets and sampling support, along with suggestions that cut cost or defects, show a buyer that a supplier can add value.

A business that is cheap but weak in all four of these areas is increasingly likely to be screened out early, no matter how attractive its price looks on paper.

Other Countries Are Building Their Own Strengths

Some of this pressure on Indian businesses comes from other countries that are also pursuing the "China Plus One" strategy, in some product categories more successfully than India. This strategy means global companies moving some of their manufacturing

out of China and into other countries, to reduce risk.

Vietnam recorded $38.4 billion in registered foreign investment in 2025, of which about $27.6 billion was actually disbursed. Its appeal rests partly on proximity to Chinese supply chains and on trade agreements such as its EU pact, in force since 2020. In the US market the picture is mixed: India currently faces a 10% Section 301 duty, while Vietnam, China and several others face 12.5%, though this could change. Vietnam's advantage therefore depends on the product and the market.

This suggests India tends to do well in areas where it already has strong, proven skills - for example medicines, gems and jewellery, textiles, and increasingly, engineering goods and electronics. It may struggle more in simple, low-cost products where price is close to the only thing that matters.

A more careful reading of the data is this: price alone is not what decides where Indian exporters succeed. India tends to win where its skills and systems already match what today's buyers want. For example, Tamil Nadu's electronics exports rose 36% to $19.9 billion in FY26, driven by smartphones and telecom equipment and anchored by large contract manufacturers and the supplier networks around them.

When the Cheapest Option Is No Longer the Best

When a business fails to meet these newer expectations, it can simply lose the order - and often, it loses it quietly. Buyers don't always explain their reasons. They just quietly choose a different supplier the next time an order comes up, without any dramatic announcement.

This is actually the biggest danger for India's small businesses today. A tax or tariff is a visible cost that a business can plan around, negotiate, or absorb over time. But losing a buyer's trust is very different - it cannot be fixed simply by offering a lower price. A discount cannot easily make up for a missed deadline or a failed audit, and once a buyer stops trusting a supplier, that relationship is very hard to rebuild.

Cheap Is Not Dead. It's Just Not Enough Anymore

None of this means that price has stopped mattering. Buyers still compare costs carefully, and no business can survive by ignoring cost discipline. Cost competitiveness remains essential, but it must now be combined with quality, reliability, compliance and delivery performance. Today, being affordable is just the entry ticket into the conversation - it is no longer the winning move by itself. To actually win the order, a business now needs more: proven quality, earned trust, and a genuine ability to deliver exactly what was promised, on time, every time.

Indian small businesses can no longer win orders just by being the cheapest. Global buyers now look for traceability, compliance and delivery you can count on. Find out what it takes to stand out.





This moment is both a warning and a real opportunity for Indian businesses. The government is trying to help through measures that bear directly on exporters: the GST changes noted above; the EU-India trade agreement, concluded in January 2026, which gives preferential access across most EU tariff lines; and the UK-India agreement, in force since 15 July 2026. These lower the cost of entering new markets, but they do not change what buyers in those markets expect. But no government policy can build a proper quality-check system inside a hundred-worker factory, or set up the digital tracking system a medicine exporter needs to satisfy strict European buyers. That work has to happen inside each individual business.

The Indian businesses that succeed over the next ten years will not be the ones with the lowest price tag on their invoice. They will be the ones that understood early on that being "reliable" now matters more to buyers than simply being "cheap" and who took the time and effort to build the systems needed to prove it, order after order. bwise

India SME Forum's ViewPoint

The low price alone can no longer win orders for small businesses. Buyers now look for quality, on-time delivery, proper records and compliance, along with a fair price. The organisation believes MSMEs can meet these demands, but many need support to do it, such as easier access to credit, affordable help with certifications and audits, and training in digital tracking. In its view, government schemes and new trade agreements will open doors, but each business must build its own systems to earn buyers' trust. The organisation urges MSMEs to start now and treat reliability as their biggest strength.



Indian MSMEs in Tokyo

Fifteen Indian MSMEs, ten of them led by women, put their crafts, textiles and toys in front of Japanese buyers at the Tokyo International Gift Show 2026. Under the "Made Best in India" Pavilion, they met retailers, answered tough questions on pricing and quality, and took home feedback no market report could give. Find out what the buyers asked for and what it takes to turn a good first meeting into an export order.

India SME Forum–facilitated delegation of 15 selected Indian MSME exhibitors participated at the Tokyo International Gift Show 2026, showcasing India's diverse craft, design and lifestyle enterprises to international buyers. This report documents participation, on-ground experiences, commercial prospects, market learnings and next steps.

Delegation purpose and India SME Forum's role

India SME Forum facilitated the collective participation of 15 selected Indian MSMEs under the Ministry of MSME's International Cooperation Scheme. The delegation's objective went beyond showcasing products: it sought to give enterprises first-hand exposure to international buyer expectations, enable market conversations and begin building potential export relationships in Japan and the wider Asian region.

The common "Made Best in India" Pavilion provided a collective identity for participating enterprises and a platform to display their products alongside international exhibitors. Scheme-linked support helped reduce participation barriers; any reimbursement or financial assistance remains subject to applicable scheme provisions and approvals.

India's Representation at the Exhibition

The delegation comprised enterprises from Himachal Pradesh, Haryana, Gujarat, Maharashtra, Andhra Pradesh, Rajasthan and the Kashmir Valley. Their products included GI-tagged Etikoppaka lacquered wooden toys,





Japanese visitors were drawn to the originality of Indian heritage products, but they asked just as closely about finish, specifications, minimum order quantities and delivery schedules.

Kashmiri Pashmina with Sozni and Kani work, Kullu woollens, Sanganeri block prints, Kutch Ajrakh stoles, Sadeli inlay work, Mata ni Pachedi art, gems and jewellery, statues, wall art, educational toys and upcycled goods.

Ten of the 15 participating exhibitors were women entrepreneurs. For these enterprises, the fair offered an opportunity to personally demonstrate their work, negotiate with buyers, assess feedback and gain confidence in engaging across borders. Editorial addition required: insert the verified names, enterprises, states and product categories of all 15 exhibitors in a concise delegation roster.

Three days on the exhibition floor

Between 2 and 4 September, exhibitors presented their collections to visiting retailers, distributors and prospective buyers. Conversations moved quickly from craftsmanship and product stories to commercial questions: materials, sizes, prices, minimum order quantities, customisation, packaging, samples and delivery schedules. Such direct interactions gave participating enterprises valuable feedback that ordinary market reports rarely capture.

Buyers showed interest in distinctive products for contemporary gift, home and lifestyle retail. Exhibitors saw that heritage and originality can attract attention, but commercial acceptance also requires consistent finish, reliable quality, precise specifications and market-appropriate presentation.

Official Interactions and International Learning

The pavilion was inaugurated by Mr R. Madhu Sudan, Deputy Chief of Mission at the Embassy of India in Tokyo, together with Dr Pramyesh Basall, First Secretary (Commerce). Mr Lukumwena Nseda, Ambassador of the Democratic Republic of the Congo, also visited the pavilion. These interactions provided wider visibility for the delegation and helped situate Indian MSMEs within an international business environment.

Commercial outcomes: an encouraging first step

Collectively, exhibitors recorded approximately ₹3 crore in prospective business opportunities and more than ₹2 lakh in direct sales to visitors. The prospective amount reflects leads and commercial interest—not purchase orders or realised export revenue. Conversion will depend on follow-up quotations, samples, negotiated terms, compliance and fulfilment capabilities.

The most durable outcome may be the set of buyer connections and product-specific feedback





secured during the exhibition. ISF and participating MSMEs can use these insights to prioritise serious inquiries, refine export offers and develop longer-term relationships.

Exhibitor experiences and voices and business attracted

The source article describes exhibitor experiences in aggregate but does not contain attributed, verbatim testimonials. The following spaces should be filled only after collecting and approving genuine participant quotations.

“The exhibition helped me refine and develop my products, and it was a wonderful experience overall. I look forward to participating in more such opportunities.”

Ms. Amruta Karnavat, Beauart-Happiness Handmade, Maharashtra

“The exhibition gave me valuable insights into how participants from other countries interact and do business, and it was a great learning experience. It was an excellent opportunity, and the connections made can be further developed into business.”

Ms. Shilpanjani Dantu, GulabTribe LLP, Andhra Pradesh

“Our overall experience at the Tokyo International Gift Show was excellent, and the exposure it provided was invaluable. The team at India SME Forum was extremely helpful and supportive throughout.”

Mr. Bhavya Sanwal, Areya Packaging Pvt Ltd, Gujarat

Principal learnings for Indian MSMEs

- **Product-market fit matters:** craftsmanship attracts interest, but designs, sizes and assortment should reflect Japanese customer needs.
- **Presentation is part of the product:** professional catalogues, attractive packaging, accurate labels and clear specifications strengthen buyer confidence.
- **Operational readiness is essential:** minimum order quantities, consistent quality, pricing, lead times and repeatability must be worked out in advance.
- **Compliance cannot be an afterthought:** relevant Japanese requirements for toys, food, cosmetics, textiles and other categories must be checked before making commitments.
- **Business relationships require patience:** punctuality, responsive communication, samples, follow-up and, where possible, Japanese-language sales materials improve the prospect of conversion.

Opportunities for Indian MSMEs in Japan

The Tokyo interactions indicate promising market-entry avenues for well-prepared enterprises, especially distinctive handicrafts, home décor, artisan textiles, gifts, educational toys and sustainable or upcycled lifestyle products. The source also identifies prospective opportunities in food and agricultural products, wellness and personal care, engineering components, and IT and design services; these are broader sector opportunities rather than confirmed leads from this delegation.

For product-based exporters, the most practical pathway is to identify suitable importers or distributors, adapt product specifications and presentation, verify import compliance, offer commercially viable sample assortments and begin with manageable orders before scaling. Japanese buyers' attention to quality and reliability makes readiness as important as creativity.



The real test of Tokyo is the work that follows: sending samples and quotations on time, tracking each lead, and reporting actual orders separately from prospective business.

Follow-through: turning contacts into contracts

- Prepare one consolidated lead register per exhibitor, recording buyer details, products discussed, interests and promised actions.
- Classify inquiries by stage: information requested, sample requested, quotation requested, negotiation and confirmed order.
- Send requested catalogues, technical details, pricing, MOQs and samples promptly; confirm logistical and import responsibilities.
- Identify gaps in packaging, product finish, documentation and export compliance, and offer targeted support.
- Track conversion at 30, 60 and 90 days; report actual orders and realised export value separately from prospective business.

Pre-readiness of delegations by ISF

The delegation illustrates how a structured, collective platform can help smaller enterprises enter unfamiliar international markets. What helped was the pre-departure buyer orientation, Japanese-language product sheets, sample and price readiness, buyer appointment coordination, systematic contact capture and post-show mentoring. These are a result of enhancements drawn from the reported learnings from previous delegations.

Conclusion

Tokyo International Gift Show 2026 provided a valuable bridge between India's entrepreneurial strengths and international retail opportunity. Fifteen enterprises secured exposure, feedback and new commercial prospects; ten participating women entrepreneurs gained direct experience in an overseas business environment. The next measure of success is not exhibition footfall alone, but the capacity to convert buyer interest into repeatable, compliant and commercially sustainable exports. bwise

WHAT BUYERS WANT

Is your biggest competitor already someone you have never met, in a country you don't sell in? In a world where buyers compare Panipat, Dhaka and Hanoi on one screen, this article shows how Indian MSMEs can win global orders, and what the government must fix to win them.



The bazaar has burst its banks. For India's small enterprises, the question is no longer who sells nearby, but who reaches the buyer first, and what the entrepreneur and the State must do to ensure that it is them.

There is an old Indian habit of measuring competition in lanes and lorries: the shop across the road, the mill in the next town, the rival who poaches one's best karigar. For generations, that yardstick sufficed. It no longer does. The purchase manager in Hamburg or Chicago who orders cushion covers, castings or cutlery does not consult a map; she consults a screen, upon which Panipat, Dhaka, Hanoi and Guangdong sit as neighbours, distinguished only by price, quality and the volume of paperwork.

This is at once the menace and the promise of our age. The menace is that the rival is now faceless, distant and formidable. The promise is that the same screen which exposes the small Indian manufacturer to the world also exposes the world to him. India's MSMEs are already the backbone of its industrial economy. Whether that backbone bends or straightens will increasingly depend on where its enterprises choose to compete.



The Rival Without an Address

The new geography of competition is visible both at home and abroad. China has become India's largest trading partner, while Indian manufacturers face intense competition from countries such as Bangladesh and Vietnam in global markets.

The apparel industry illustrates the challenge particularly well. India's share of world apparel exports remains well below that of Bangladesh and Vietnam, while the average Indian garment unit operates at a much smaller scale. The lesson for an MSME is not simply that its competitor is cheaper. It is that scale, productivity, compliance and the ability to serve a buyer reliably can matter as much as the product itself.

And the rulebook is changing alongside the marketplace. Carbon requirements, rules of origin and shifting tariffs are becoming part of the cost of doing business internationally. A small manufacturer that once needed to know only its product and its local market may now need to understand the carbon footprint of its production, the origin of its inputs and the documentation required to claim a tariff preference.

The map of competition is therefore no longer drawn by distance. It is drawn by the ability to meet the buyer's requirements.

The map of competition is therefore no longer drawn by distance. It is drawn by the ability to meet the buyer's requirements.

Where the Doors Are Opening

Yet it would be defeatist to cast the Indian entrepreneur as a bystander.

MSME exports have grown sharply in recent years, and the number of exporting MSMEs has increased substantially. India's expanding network of trade agreements is also creating new opportunities. The India–UK agreement, for instance, provides preferential access for a wide range of Indian exports, while agreements with EFTA and Oman create additional openings.

Sources:
• Finnovate Blog, "India FY26 Trade Data: The Deficit Is Higher, but Not the Real Story" (FY26 trade deficit, exports and imports) • Business Vibes of India, "India's textile contribution remains low at global level; Bangladesh, Vietnam much ahead" • Small Industries Development Bank of India (SIDBI), "Understanding Indian MSME Sector: Progress and Challenges", May 2025



"India has become one of my preferred sourcing destinations for textiles, pharmaceuticals, and agrochemicals, thanks to competitive pricing, better compliance, and trade bodies that connect buyers with credible suppliers. Competition remains strong, though: China leads on scale and speed, Vietnam and Bangladesh excel in textiles, and Turkey and Indonesia move faster on logistics and approvals in agro and nutraceuticals. I see India emerging in nutraceuticals, medical devices, and sustainable packaging. My advice to MSMEs is that reliability matters as much as cost, so deliver on time, communicate openly, and keep certifications in place. For the government, faster approvals, easier land access, stronger logistics, and simpler tariffs and customs will help MSMEs scale and compete globally."

- Mr. Victor Yao Nyakey
Quainford T Ventures, Ghana





"India not only has quality products but also the prices are fair. As a business mind, what we are looking for is quality product, sustainability of the product, and also the pricing. Also, the Government of India is supporting the supply chain and export chain by supporting the MSMEs that are actually doing something and this is important. So, let them not waste time. They should come to the world!."

- Mr. Floyd Chimbulu
Nexus Point Enterprise Pvt. Ltd.,
Zambia

For an MSME, however, a trade agreement matters only when it changes a commercial decision. The relevant question is not whether India has signed an agreement. It is whether my product can enter that market at a competitive landed cost; whether I meet the applicable rules of origin; whether I have the required certification; and whether I can deliver consistently.

That distinction matters because many of the sectors at the heart of India's MSME economy - textiles, leather, marine products, gems, carpets, handicrafts and engineering goods - operate in markets where even a modest tariff advantage can influence a buyer's choice.

The opportunity is also much larger than India's existing export base suggests. A NITI Aayog-hosted study has noted that the domestic market for several MSME-dominated product categories represents only a small fraction of the corresponding global market. The problem, therefore, is not necessarily a shortage of demand. It is the ability to reach and serve that demand.

The enterprises that understand this shift will not merely enter new markets. They will help redraw the map on which Indian business competes.



What Stands in the Way

A door, however, is not a doorway until someone walks through it.

India's exporting MSME base remains small relative to the country's enormous enterprise population. Digital commerce illustrates the gap. Indian small businesses have access to global customers through online platforms, but the scale of cross-border e-commerce remains far below that of Chinese MSMEs.

The first obstacle is therefore not ambition. It is a capability.

A small business may have a good product but lack the certification a foreign buyer expects. It may find a buyer but struggle with documentation. It may receive an order but lack working capital to fulfil it. It may win one market and then discover that a sudden freight shock or tariff change has made the economics unviable.

Compliance is becoming particularly important. Europe's carbon border mechanism has entered its definitive phase, bringing carbon-related reporting and verification into the commercial equation for affected exporters. For an MSME, this means

• ORF (Observer Research Foundation), "The CBAM Challenge for India's Steel MSMEs": • ORF, "Beyond Tariff Cuts: Can the India-UK CETA Deliver for MSMEs?": • Press Information Bureau (PIB), press note (NoteId 159588): • Datarank India, India MSME statistics • Business Standard, "CBAM explained: Why Europe's carbon tax matters for India's exporters": • ECGC Limited, "RELIEF Intervention" (support for exporters):

that environmental data can no longer be treated as a concern for large corporations alone.

Then there is the paradox of origin. Preferential market access depends on rules of origin, while many Indian industries rely on imported inputs. An MSME can therefore find itself simultaneously competing with a foreign manufacturer and depending on that same country's supply chain.

Beneath all of this lies the dull enemy: friction.

If an entrepreneur has to navigate multiple portals, understand unfamiliar documentation, reconcile payments and chase certificates, the transaction cost can become enough to discourage the first export order. Digital systems such as e-CoO 2.0 and provisions allowing self-declaration under some trade agreements point in the right direction. But the ultimate test is whether the entrepreneur experiences them as simpler.

The central shift is simple: MSME must stop treating exporting as an occasional opportunity and begin treating global market access as a capability to be built.

What the MSME Must Do Differently

The response does not require every small enterprise to become a multinational overnight. It requires a change in the way it thinks about the market.

Choose markets deliberately. Instead of beginning with the familiar question - "Where can I sell?" - start with "Where does my product have an advantage?" Compare tariffs, demand, logistics and rules of origin before approaching a buyer.



Certify before the buyer asks. Quality, safety, environmental and product certifications are increasingly part of market access. Waiting until a foreign customer demands them can mean losing the order before the business has even begun.

Sell through screens as well as agents. E-commerce can reduce the distance between a small Indian producer and an overseas customer. The objective is not merely to list a product online, but to build the systems needed to fulfil small international orders reliably.

Hunt in packs. A small Indian unit may not be able to match the scale of a large overseas factory. Several enterprises working together, however, can share testing facilities, procurement, logistics, technology and even international marketing. Clustering can turn smallness from an individual constraint into collective capacity.

Guard cash and diversify customers. An export order is valuable only if the business can finance production, absorb delays and survive a payment shock. Trade finance, insurance and mechanisms such as TReDS can therefore be as important to an exporter as finding the customer itself.

Climb the value chain. Import competition should not always be read as a reason to retreat. It can also reveal where domestic supply chains have gaps. The MSME that produces a reliable component, specialised input or higher-value intermediate may find a stronger opportunity than one competing only on the finished product.

The central shift is simple: an MSME must stop treating exporting as an occasional opportunity and begin treating global market access as a capability to be built.

• IMPRI, India-UK Comprehensive Economic and Trade Agreement 2026, trade and investment cooperation • PIB, "Union Budget 2026-27: Building Champion MSMEs" • Tribune India, editorial on anti-dumping duties • PIB, "Micro, Small, and Medium Enterprises Form the Backbone of India's Industrial Economy: Economic Survey 2025-26": • Business Standard • Forbes India

What the State Can Do

The same shift is required from the government. India has built an increasingly substantial architecture of credit, trade agreements, digital platforms and export-support programmes. The next challenge is not necessarily another scheme. It is making the existing architecture easier for a small firm to use.

Trade Connect help-desks embedded in export clusters, guidance in regional languages and genuinely time-bound processing can make the difference between a scheme existing on paper and an entrepreneur using it.

Policy must also avoid creating a permanent incentive to remain small. Support should help firms cross thresholds rather than punish them for doing so. Access to growth capital, technology and market development should increase as an enterprise becomes more capable of competing.

Carbon compliance deserves similar attention. Small suppliers cannot be expected to absorb the cost of a new global regulatory requirement without affordable access to measurement, verification and cleaner production.

And when global shocks arrive, support must be faster than the shock itself. Freight disruptions, geopolitical tensions and sudden trade restrictions can destroy the economics of an export order in weeks. A resilient export ecosystem needs mechanisms that help viable small firms manage temporary shocks without abandoning international markets.

Finally, the government must measure what matters. Better integration of export, tax and enterprise data can help identify which MSMEs are exporting, which are trying to export, where they are getting stuck and what support actually changes outcomes.

That is the new geography of competition. The competitor, then, has no pin code. Neither, increasingly, does the customer.



The Address That Matters

Every economy is, in the end, a theory about what counts as near. For generations, the Indian small entrepreneur was taught that near meant the neighbouring lane. Licence, quota and habit conspired to keep him there, and he responded, as he always has, with ingenuity: the jugaad that the world now admires in its management textbooks. What he has lacked is not cleverness. It has been scale, certainty and the ability to navigate systems designed increasingly for a world without borders.

That world is already here. The buyer in Birmingham does not necessarily care whether a supplier is from Moradabad, Guangdong or Dhaka. The buyer cares whether the product meets the specification, arrives on time, carries the necessary certification and makes commercial sense.

That is the new geography of competition. The competitor, then, has no pin code. Neither, increasingly, does the customer.

For the Indian MSME, the challenge is no longer simply to become bigger than the firm next door. It is to become visible, reliable and competitive enough for a buyer thousands of kilometres away to choose it. The enterprises that understand this shift will not merely enter new markets. They will help redraw the map on which Indian business competes. bwise

India SME Forum's ViewPoint

India's MSMEs must be enabled to compete on capability, not protected from competition. Global market access should be built as a lasting competence, through certification, collective action, sound finance and compliance readiness, rather than pursued as an occasional opportunity. We therefore urge the government to make existing schemes and trade agreements simpler to use in practice, through cluster-level support, regional-language guidance and time-bound processes, while ensuring that incentives reward growth rather than penalise it. Our shared aim is a partnership in which enterprises invest in readiness and the State removes friction, so that Indian MSMEs are visible, reliable and competitive in every market they choose to enter.

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ENABLING REPEAT BUSINESS

Every missed follow-up is a potential sale slipping away. AI is helping MSMEs find those lost opportunities, remember every inquiry and turn customer interest into business before it is too late.



As MSMEs grow, the challenge is no longer simply finding customers. It is remembering, understanding and following up with every opportunity before it disappears.

For an MSME, a new enquiry can arrive in many forms. It could be a WhatsApp message from a distributor asking for a quotation, an email from an industrial buyer seeking product specifications, a phone call about delivery timelines or a website enquiry from a potential customer who has never purchased from the business before. Each one represents a possibility: a new order, a repeat purchase, a larger account or the beginning of a relationship that could continue for years. Yet the larger a business becomes, the more difficult it can be to manage these opportunities

As MSMEs grow, the challenge is no longer simply finding customers. It is remembering, understanding and following up with every opportunity before it disappears.

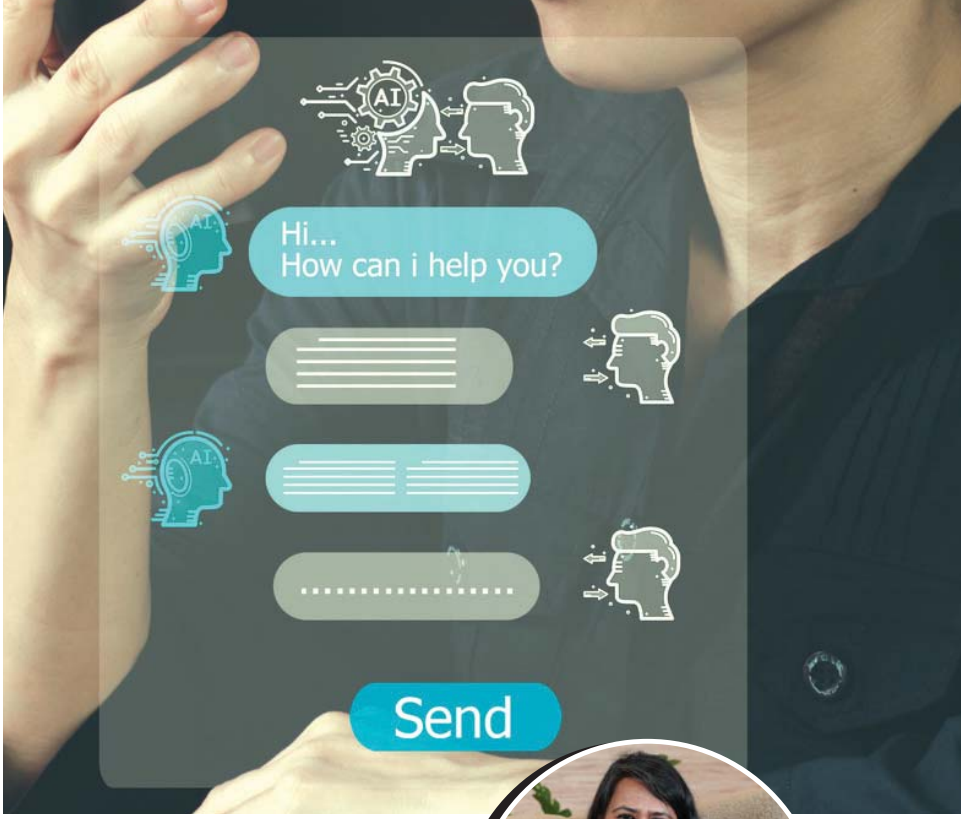
with the same personal attention that was possible when the customer base was smaller.

Consider what happens after a typical enquiry. The owner sees the message, asks someone to prepare a quotation and then moves on to production, suppliers, payments, employees and the many other demands that compete for attention during the day. The quotation may eventually be sent, but the follow-up could happen several days later, or not at all. A salesperson may remember that a customer was interested, but not exactly what was discussed. An important requirement could remain buried inside a WhatsApp conversation, while the customer's previous orders and payment history sit somewhere else. None of these situations necessarily means that the business has a weak product or an uncompetitive price. Sometimes, the opportunity is simply lost because nobody followed up at the right time.

When Growth Makes Memory a Business Risk

This is one of the less visible challenges that comes with the growth of an MSME. A business may become increasingly successful at generating enquiries while becoming less capable of managing them systematically. The entrepreneur who once knew every customer personally may now be handling dozens of enquiries every week, while also managing production, inventory, suppliers, employees, finance and compliance. As the number of customers and employees increases, information becomes distributed across people and platforms. The salesperson knows what was discussed on the last call, the owner remembers the price that was offered, the accounts team knows whether the customer has paid and the production team knows when the order can actually be delivered. Everyone has a part of the relationship, but there may be no single place where the complete customer journey can be seen.

This is where Customer Relationship Management, or CRM, becomes relevant. At its most basic level, a CRM system brings customer information into a central record, allowing a business to track enquiries, conversations, quotations, orders, purchase history, follow-ups and service interactions. Its significance, however, goes beyond simply storing information. A quotation can trigger a reminder for a salesperson to follow up, an unanswered enquiry can be flagged for attention and a repeat customer can be identified when the business expects another order. Instead of relying entirely on the memory of an entrepreneur or employee, the business begins to create a process around the customer relationship.



A business may become increasingly successful at generating enquiries while becoming less capable of managing them systematically.

The Customer Journey Is Getting Lost Between the Platforms

For many small businesses, managing customers through phone contacts, notebooks, spreadsheets, WhatsApp and email is perfectly workable in the



"For MSMEs, growth is often lost in the gap between customer intent and business action. AI can close that gap helping businesses recognise intent, prioritise opportunities and respond at the right moment. At the same time, digital payments are becoming more than a transaction rail; they create a real-time view of business activity and cash flows. When customer context and transaction signals come together responsibly, MSMEs can not only sell smarter, but also build a stronger financial footprint and improve their ability to access capital. The opportunity with AI is not more technology, it is fewer missed moments of growth."

- Ms. Mankiran Chowhan
Managing Director,
Salesforce



early stages. The problem emerges when these methods have to support a much larger customer base. The information does not necessarily disappear; it becomes fragmented. A conversation remains in one person's phone, a quotation sits in an email, an order is recorded in an accounting system and the customer's previous requirements are remembered by an employee who may not always be available.

Consider a distributor who sends an enquiry for 500 units, receives a quotation and then stops responding. In a manual system, the salesperson has to remember to follow up, find the original conversation and understand what was discussed before making the next call. A CRM can record the enquiry, link the quotation to it and schedule a follow-up. If the customer eventually responds with a different requirement, that interaction can remain part of the same customer history. Over time, the business can begin to identify which enquiries are still pending, which quotations are converting, which customers are ordering regularly and which relationships may require attention.

The global CRM market itself reflects the scale of this transition. Fortune Business Insights estimates that the market, valued at **US$112.91 billion in 2025**, will reach **US$126.17 billion in 2026** and could grow to nearly **US$321 billion by 2034**, representing a compound annual growth rate of 12.4%. For MSMEs, however, the significance lies less in the size of the technology market and more in the changing role of CRM. What was once primarily a system for maintaining customer records is increasingly becoming a tool for sales automation, customer retention, lead management and analytics.

From Recording Customers to Understanding Them

The next stage of this evolution is being driven by Artificial Intelligence. Traditional CRM systems helped businesses organise customer information; AI can increasingly help them understand that information and determine where attention may be required. An AI-enabled CRM can analyse customer interactions, summarise conversations, assist with routine responses, identify patterns in buying behaviour and help sales teams prioritise leads.

For a small manufacturer supplying components to industrial buyers, this could mean that an enquiry followed by a quotation automatically generates a reminder if the buyer does not respond within a defined period. If the same customer returns several weeks later with another requirement, the salesperson can access the earlier interaction rather than reconstructing the history from multiple messages and emails. The system is not replacing the salesperson's relationship with the customer; it is helping ensure that the salesperson has the information needed to manage that relationship more effectively.

The potential applications extend beyond new enquiries. Customer data can reveal changes that are difficult to identify when information remains scattered across invoices, spreadsheets, emails and individual phones. A distributor whose purchases have gradually declined may need attention. A customer whose order volumes have increasewd steadily could represent an opportunity for a larger relationship. A retailer who regularly buys one product may also have a requirement for another. A customer who normally places an order every few months may be approaching the point at which a reminder could be useful.

The businesses that are able to capture information, respond consistently, recognise changes in customer behaviour and follow up at the right moment can turn a larger customer base from a source of complexity into a source of opportunity.

The growth of AI-powered CRM reflects how quickly this shift is taking place. The Business Research Company estimates that the global AI-in-CRM market will grow from **US$11.04 billion in 2025 to US$15.06 billion**



in 2026, and is projected to reach **US$51.67 billion by 2030.** The applications behind this growth include sales automation, customer service, personalised marketing, customer data analysis and lead scoring.

For an MSME, however, the relevance of these developments is not measured in market valuations. It lies in whether AI can reduce the amount of time an entrepreneur or sales employee spends searching for information, preparing routine communication, remembering follow-ups and sorting through customer records.

The Next Sale May Already Be in the Customer Base

Growth is often associated with finding new customers. Yet an MSME's existing customer base can contain opportunities that are much easier to miss. A customer who has been buying every month for three years, a distributor who places an order every quarter or a retailer who consistently purchases one product has already provided the business with valuable information through their buying behaviour. When that information is properly captured and analysed, the business can begin to understand not only what the customer bought in the past, but when they may need to buy again and where the relationship could potentially grow.

Traditional CRM systems helped businesses organise customer information; AI can increasingly help them understand that information and determine where attention may be required.

This is where CRM and AI can change the nature of customer management. Instead of waiting for a customer to send the next enquiry, the business can begin identifying patterns that suggest when attention may be required. A customer whose purchases have gradually declined could be contacted before the relationship weakens further. A customer whose order volumes are increasing could be approached about a wider requirement. A buyer who repeatedly purchases one product could potentially be introduced to another.

Salesforce's research has found that sales representatives spend about **70% of their time on non-selling activities,** while its survey also found that 83% of sales teams using AI reported revenue growth, compared with 69% of teams not using AI. For a large corporation, reducing administrative work may improve the productivity of an entire sales department. For an MSME, where the owner or a small team may be responsible for a large number of customer relationships, the effect can be much more immediate. Time spent searching through messages or preparing repetitive responses is time that could otherwise be spent speaking to customers, developing new accounts or negotiating orders.

What Customers Notice Is Not the Technology

There is another reason CRM and automation are becoming more relevant. Buyers today are accustomed to quick responses, digital order confirmations, delivery updates and personalised communication from larger digital businesses, and those expectations do not necessarily disappear when the buyer deals with an MSME.

Customers may understand that a small business does not have the resources of a multinational company, but they still expect the quotation to arrive when promised, questions to be answered and delivery information to be communicated. From the customer's perspective, it does not matter whether a follow-up reminder was created manually by an employee or automatically by software. What matters is that the business responded when it needed to.

For Indian MSMEs, this makes the question of AI adoption less about adopting technology for its own sake and more about identifying where technology can remove a recurring business bottleneck. If enquiries are frequently missed, the starting point could be enquiry capture. If quotations are being sent but not followed up, automated reminders may address the problem. If repeat orders are being forgotten, reorder alerts could help. If employees spend considerable time responding to the same routine questions, AI-assisted communication could reduce that workload.

AI Adoption Can Start With One Business Problem

The idea of implementing AI across an entire business can sound expensive and complicated, particularly for a smaller enterprise. It does not have to happen that way. The more practical starting point may be a single problem that repeatedly consumes time or results in missed opportunities.

A Meta–nasscom study found that **94% of surveyed MSMEs recognised AI's potential to drive business growth, while 87% believed it could improve overall productivity.** At the same time, 91% wanted AI technologies

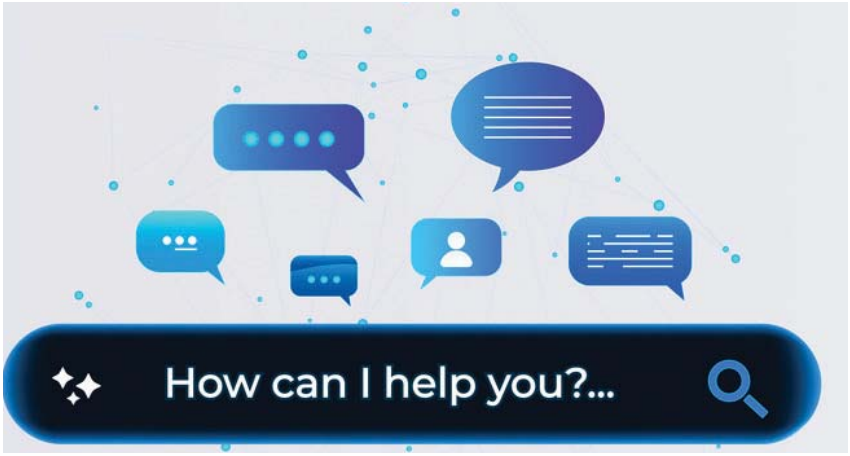
to be accessible and affordable, 72% highlighted the need for AI training and 45% called for industry-specific use cases that demonstrate how AI can deliver tangible benefits.

These findings point to a distinction that is important for MSMEs. The value of technology is ultimately determined by what it changes inside the business. A CRM system that merely creates another database may add administrative work rather than reduce it. An AI tool that produces impressive summaries but does not improve response times or customer follow-up may have limited practical value. The more useful measures are whether response times are improving, whether more quotations are being followed up, whether more enquiries are converting into orders and whether the business has better visibility into the customers it already serves.

The Competitive Advantage May Be the Customer You Remember

The World Economic Forum's AI Playbook for India's MSMEs estimates that AI could unlock **more than US$500 billion in economic value for India's MSME sector.** Given the sector's scale, the potential implications extend well beyond individual businesses. MSMEs contribute nearly **31.1% of India's GDP and employ more than 390 million people**, according to the report. Improvements in productivity, customer acquisition and retention across such a large business base can therefore have an impact that goes beyond the technology itself.

Yet the most meaningful change may be surprisingly simple. AI does not have to replace the entrepreneur's relationship with the customer, and CRM does not have to turn sales into an entirely automated process. The entrepreneur will still be the person who builds trust, the salesperson will still negotiate the order and employees will still handle the conversations that require judgement and human understanding. What technology can do is take greater responsibility for the groundwork around those relationships: remembering what was discussed, identifying what requires attention, bringing information together and ensuring that important follow-ups do not disappear into an inbox or WhatsApp thread.



Because in a market where products, prices and suppliers are increasingly easy to compare, the opportunity that MSME remembers to pursue may be the one that becomes its next order.

For an MSME, growth therefore creates a new challenge. It is no longer enough to generate more enquiries if the business cannot manage them with the same discipline as it did when the customer base was smaller. The businesses that are able to capture information, respond consistently, recognise changes in customer behaviour and follow up at the right moment can turn a larger customer base from a source of complexity into a source of opportunity.

The competitive advantage may ultimately have little to do with having the most sophisticated AI system. It may come from something much more fundamental: being the business that remembers the customer, understands the history of the relationship and makes the next call at the right time. Because in a market where products, prices and suppliers are increasingly easy to compare, the opportunity that an MSME remembers to pursue may be the one that becomes its next order. bwise

India SME Forum's ViewPoint
AI-enabled CRM as an important opportunity for MSMEs to move from simply managing customers to building more systematic, responsive and scalable businesses. For India's MSMEs, the value of AI lies not in replacing people, but in reducing repetitive work, improving follow-ups and helping entrepreneurs make better use of the customers and opportunities they already have. ISF believes that enabling MSMEs with practical technology, knowledge and capabilities is essential to strengthening their competitiveness and supporting sustainable growth.

Sources: World Economic Forum, "Transforming Small Businesses: An AI Playbook for India's MSMEs" (2025); Meta–nasscom, "New Insights to Help India's MSMEs Use AI to Drive Growth" (2024); Fortune Business Insights, "Customer Relationship Management Market" (2026); Research and Markets, "AI in Customer Relationship Management Market Report 2026"; Salesforce, Small & Medium Business Trends and State of Sales research.

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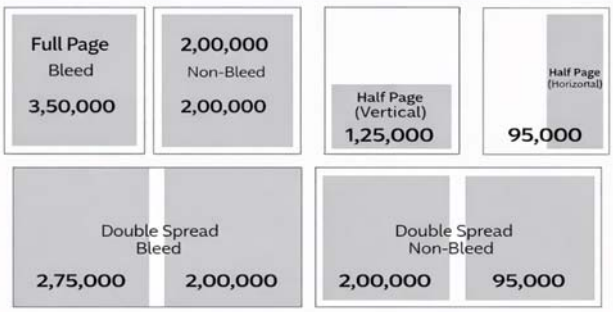
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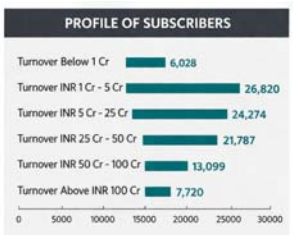


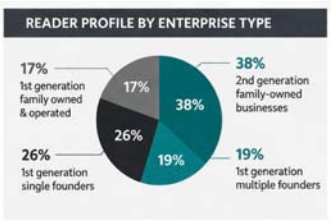
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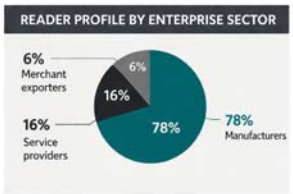
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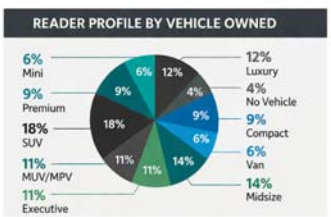
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Sustainability for Exports

By **Mr. Khurram Naayaab**, General Manager - CSR & Head-Governance,
Mr. Anil Agarwal, Foundation, Vedanta Limited



Sustainability is now a non-negotiable market requirement for Indian MSMEs mandated by international regulations like CBAM and CSRD. Though facing capital and expertise constraints, MSMEs gain measurable value through cost savings, market access and enhanced reputation. Success stories from Tiruppur textiles and agri-processing prove scalability. Strategic transformation requires government support, affordable finance, capacity-building and technology transfer to position MSMEs as reliable partners in globally conscious supply chains.

Introduction

Micro, Small, and Medium Enterprises (MSMEs) are the backbone of the Indian economy. Contributing nearly 31.1% to India's Gross Domestic Product (GDP), around 45% of manufacturing output, and more than 48% of exports, the sector plays a pivotal role in employment generation, innovation, and industrial development. With over 97 million enterprises spread across rural and urban India, MSMEs are deeply embedded in domestic and international value chains.

However, the global business landscape is undergoing a significant transformation. Sustainability has moved from being a voluntary corporate initiative to becoming a core business imperative. International buyers, investors, regulators, and consumers are increasingly demanding environmentally responsible, socially inclusive, and ethically governed supply chains. Concepts such as Environmental, Social, and Governance (ESG) standards, carbon neutrality, circular economy, responsible sourcing, and human rights compliance are now influencing purchasing decisions worldwide.

For Indian MSMEs, this transition presents both challenges and opportunities. While resource constraints often make sustainability adoption difficult, integrating sustainable practices can enhance competitiveness, improve operational efficiency, unlock new markets, and strengthen resilience against future regulatory changes.

The Growing Importance of Sustainability in Global Supply Chains

Global supply chains have become increasingly scrutinized for their environmental and social impacts. Large multinational corporations are under pressure from regulators, investors, and consumers to ensure sustainability throughout their supply networks.

Regulations such as:

- The European Union Carbon Border Adjustment Mechanism (CBAM)
- Corporate Sustainability Reporting Directive (CSRD)
- UK Modern Slavery Act

require companies to ensure responsible sourcing and transparent reporting across their value chains.

As a result, global corporations are extending sustainability expectations to suppliers, including MSMEs. Whether supplying automotive components, textiles, engineering goods, pharmaceuticals, electronics, or food products, MSMEs are now expected to demonstrate compliance with environmental and social standards.

For Indian exporters, sustainability is no longer a differentiator; it is increasingly becoming a prerequisite for market access.

Sustainability Challenges Faced by Indian MSMEs

1. Limited Financial Resource

Most MSMEs operate on thin margins and limited access to capital. Investments in renewable energy, waste management systems, water recycling infrastructure, or ESG reporting mechanisms often appear unaffordable.

A small textile unit in Tiruppur may recognize the need for a zero-liquid-discharge treatment plant but struggle with the significant upfront capital requirement.

MSMEs are the backbone of the Indian economy



2. Lack of Technical Expertise

Many smaller enterprises are unfamiliar with concepts such as carbon footprint assessment, life-cycle analysis, ESG reporting, green procurement, or science-based targets.

Unlike large corporations with dedicated sustainability teams, MSMEs often lack internal capacity to design and implement sustainability programs.

3. Regulatory Complexity

Sustainability-related regulations vary across countries and industries. Understanding compliance requirements for multiple export destinations can be overwhelming.

For example, an MSME exporting automotive components to Germany may need to comply with environmental disclosure requirements while simultaneously addressing labour and human rights expectations within its supply chain.

4. Technology Constraints

Many MSMEs continue to rely on outdated manufacturing equipment that consumes more energy and generates higher emissions. Transitioning to cleaner technologies requires both technical assistance and financial support.

5. Supply Chain Visibility

Small enterprises often operate in fragmented supply chains, making it difficult to trace raw materials, monitor suppliers, and maintain sustainability records demanded by international customers.

Why Sustainability Makes Business Sense

Despite these challenges, sustainability generates substantial business value.

Improved Operational Efficiency

Energy efficiency, process optimization, and waste reduction can significantly lower operating costs.

A foundry adopting energy-efficient furnaces or a manufacturing unit installing solar rooftop systems can reduce electricity costs while lowering greenhouse gas emissions.

Access to Global Markets

Increasingly, international buyers prefer suppliers that meet sustainability standards. Compliance can enable Indian MSMEs to participate in procurement programs of leading global corporations across sectors such as apparel, electronics, automotive, and consumer goods.

Enhanced Reputation and Brand Value

Businesses demonstrating environmental responsibility and ethical practices build stronger relationships with customers, communities, employees, and investors.

Improved Access to Finance

Banks and financial institutions are increasingly introducing green finance and sustainability linked lending products. MSMEs with strong sustainability credentials may gain better access to capital.

Future Regulatory Preparedness

Organizations that proactively adopt sustainability measures will be better positioned to manage forthcoming environmental and trade regulations.

Success Stories of Indian MSMEs Embracing Sustainability

1. Tiruppur Textile Cluster: Water Sustainability

The textile hub of Tiruppur in Tamil Nadu offers a compelling example of collective sustainability action.

Faced with severe environmental concerns related to wastewater discharge, textile units collaborated to establish common effluent treatment plants and adopt Zero Liquid Discharge (ZLD) systems. Today, many companies recycle a substantial proportion of their wastewater, reducing freshwater dependency while maintaining export competitiveness.



The transformation helped the cluster retain access to international markets that increasingly prioritize sustainable sourcing.

2. Solar Adoption by Manufacturing MSMEs

Thousands of MSMEs across Gujarat, Maharashtra, Rajasthan, and Tamil Nadu have installed rooftop solar systems.

For energy-intensive industries such as ceramics, engineering components, and food processing, solar adoption has reduced energy costs while improving environmental performance.

Morbi's ceramic manufacturers, for instance, have increasingly invested in cleaner energy solutions to remain competitive in export markets.

3. Green Leather Manufacturing in Tamil Nadu

Leather exporters supplying global fashion brands have adopted cleaner production processes, wastewater treatment systems, and resource-efficient technologies.

These initiatives have helped meet stringent environmental expectations of European and North American customers while reducing pollution and resource consumption.

For Indian exporters, sustainability is no longer a differentiator; it is increasingly becoming a prerequisite for market access.



4. Sustainable Agri-Processing Enterprises
Several food-processing MSMEs are embracing sustainable sourcing, water conservation, renewable energy, and traceability systems.

Export-oriented spice, tea, coffee, and organic food producers increasingly leverage sustainability certifications to access premium international markets.



The Role of Large Corporations in Driving MSME Sustainability

Large corporations can play a crucial role in accelerating sustainability across supply chains.

Supplier Development Programs
Many global companies provide training, technical support, and capacity-building initiatives to help MSMEs improve sustainability performance.

Shared Technology Platforms
Digital platforms can enable suppliers to track emissions, resource consumption, and compliance metrics more effectively.

Sustainable Procurement Incentives
Organizations can reward high-performing suppliers through long-term contracts, preferred vendor status, and collaborative partnerships.

Knowledge Transfer
Large companies possess expertise in sustainability reporting, carbon management, renewable energy, and circular economy practices that can be shared with smaller suppliers.



For Indian MSMEs, this transition presents both challenges and opportunities.

For example, automotive manufacturers increasingly work with component suppliers to reduce emissions across the value chain, creating mutual benefits for both parties.

Digital Transformation as an Enabler

Technology can significantly accelerate sustainability adoption among MSMEs.

Internet of Things (IoT)

Smart sensors can monitor energy use, water consumption, emissions, and equipment performance in real time.

Artificial Intelligence
AI can optimize production processes, reduce material waste, improve resource efficiency, and forecast maintenance requirements.

Blockchain
Blockchain technology supports supply chain traceability by enabling transparent tracking of raw materials and supplier practices.

Cloud-Based ESG Platforms
Affordable digital solutions now allow MSMEs to monitor sustainability indicators and generate reports required by customers and regulators.

The convergence of digitalization and sustainability offers MSMEs an opportunity to become more efficient, transparent, and competitive.

Enabling Sustainability Through Cluster-Based Approaches

A particularly effective model for accelerating sustainability adoption among MSMEs is the cluster-based approach, where enterprises operating within a common industrial geography collaborate to address shared environmental and resource challenges. This model helps overcome individual constraints related to finance, technical expertise, and access to sustainability solutions by creating economies of scale and collective impact.

In this context, it is important to highlight the work of the Climate and Pollution Expertise Centre (C-PEC), which supports MSMEs in their sustainability journey through both enterprise-level and cluster-based interventions. C-PEC works with industries to identify opportunities for cleaner production, energy efficiency, resource optimization, pollution reduction, climate resilience, and adoption of sustainable business practices. By bringing together industry stakeholders, technical experts, and development organizations, C-PEC helps MSMEs navigate emerging sustainability requirements while enhancing competitiveness and compliance within domestic and global supply chains. For MSMEs, particularly those operating in industrial clusters, such collaborative platforms can serve as

valuable enablers in meeting evolving environmental, social, and governance (ESG) expectations.

Organizations interested in exploring sustainability solutions, capacity-building support, or cluster-level interventions may connect with Mr. Tatheer Zaidi

(tatheer.zaidi@solidaridadnetwork.org) for further discussions and details on C-PEC's initiatives and areas of engagement.

Government Support and Policy Initiatives

The Government of India has launched several initiatives that can support sustainable MSME development:

MSME Sustainable (ZED) Certification Scheme

The Zero Defect Zero Effect (ZED) scheme encourages MSMEs to improve quality while minimizing environmental impact. It promotes resource efficiency, waste minimization, energy conservation, and sustainable manufacturing.

Credit and Financial Support

Various government-backed schemes provide support for technology upgrades, energy efficient equipment, and renewable energy adoption.

Production Linked Incentive (PLI) Ecosystem

While primarily targeted at larger manufacturing sectors, PLI-driven investments are creating opportunities for MSMEs to integrate into advanced and more sustainable supply chains.





With innovation, collaboration, and strategic investment, Indian MSMEs can become powerful contributors to sustainable global supply chains while driving inclusive economic growth at home.

Renewable Energy Promotion

Government incentives for solar energy adoption continue to encourage MSMEs to reduce dependence on conventional energy sources.

Skill Development Programs

Capacity-building initiatives are helping enterprises understand sustainability requirements and global market expectations.

The Road Ahead

The future of global trade will be shaped increasingly by sustainability considerations. Carbon reporting, responsible sourcing, climate resilience, circular economy practices, labour standards, and transparent governance will become integral components of international business relationships.

For Indian MSMEs, sustainability should not be viewed merely as a compliance exercise. Instead, it should be recognized as a strategic business opportunity capable of generating cost savings, enhancing market access, improving resilience, attracting investment, and strengthening competitive advantage.

The transition will require coordinated action among government agencies, financial institutions, industry associations, large corporations, technology providers, and MSMEs themselves. Access to affordable finance, technical assistance, capacity building, and digital solutions will be critical enablers.

Conclusion

Indian MSMEs stand at a critical juncture in their development journey. As global supply chains evolve toward greater transparency, accountability, and environmental responsibility, sustainability is becoming the new language of international commerce. Enterprises that embrace this transformation will be better positioned to access global markets, secure long term growth, and create enduring value for stakeholders.

The success stories emerging from textile clusters, manufacturing hubs, agri-processing enterprises, and export-oriented industries demonstrate that sustainability is not the exclusive domain of large corporations. With innovation, collaboration, and strategic investment, Indian MSMEs can become powerful contributors to sustainable global supply chains while driving inclusive economic growth at home. Their quest for sustainability is not merely about compliance; it is about building a resilient, competitive, and future-ready Indian economy.

As Indian MSMEs navigate the transition towards sustainable and responsible business practices, partnerships with specialized institutions such as C-PEC can play a vital role in bridging knowledge, technology, and implementation gaps. The journey towards sustainability need not be undertaken in isolation; collaborative approaches that combine industry participation, technical expertise, and ecosystem support can help MSMEs become globally competitive, environmentally responsible, and future-ready. bwise

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