

The COVID-19 Impact in Micro, Small and Medium Enterprises and its Economic Revival Strategy – A way to ahead in the pandemic scenario

Dr. Nanda Gopal. L¹
{Ing.hum@psgtech.ac.in¹}

Assistant Professor, Department of Humanities, PSG College of technology, Coimbatore, India¹

Abstract. India is anticipated to appear as one of the emerging economies in the globe over the next decade in the context of developing political and economic theme. The (MSME) of India is going to play a prominent role for the required growth in the present scenario of countries economy. The far-reaching impact of corona virus continues to evolve. The government of India is taking measures to minimize the loss caused due to the universal pandemic. As we are enjoying the world largest MSME base in the world after China. The present pandemic situation has made its collision in various sectors over the economy. As the trade and industry actions banned to stop due to lengthened lockdown, MSMEs need a fiscal stimulus. The present study is made as an effort to analyze the structure of MSMEs and the crash of COVID 19 on the functioning with MSMEs with our nation.

Keywords: Micro, Small & Medium Enterprises (MSME), Indian economy and covid-19.

1 Introduction

The (MSME)'s development of a country is vital for the economic development, the present pandemic scenario has made its collision in various industrial sectors over the country. India is enjoying the world largest MSME base after china. After the second lockdown a many parts in our country are affected especially MSME's and now the cases are slightly decreasing and many industries are started to progress its unit's slowly and the countries production from MSME are going good right now after the huge tumble. In order to compete with global competition we have to develop our innovative thoughts with the updated recent technological ideas. Indian trade and commerce circle must aim in taking the industries to the next level after the second wave attacked very worst and affected our total economy.

2 Objectives of the study

- To emphasize the various actions taken by India in the field of the Micro, Small and Medium Enterprises during the corona pandemic situation.
- To explain the necessary actions taken by government for the MSME sectors across the borders

- To observe the harmful impact due to corona virus disease-19 and to set the measures and necessary suggestions for enduring the trade across borders
- To categorize the necessary measures and steps implemented for the MSME's
- To identify the crash of business with the traders

3 Research Methodology

This study is highlighted in the sequence of information presented in the research study is composed with the primary and secondary data collection method by using questionnaires and through journals web sources and books and make a scrutiny through various reports prepared by government agencies on COVID-19 pandemic. The journals and electronic contents related to the impact of COVID-19 on MSME's are also referred for purpose of this current study, there are several initiatives taken by the Government to encourage funding support from banks and subsidies provided to uplift the MSME's Sector in India under the Small industries development bank of India schemes like (GCEA) Growth Capital and Equity Assistance, refinance for (SRTO) Small Road Transport Operators (GR) General Refinance for Textile Industry under Technology Up gradation Fund Rehabilitation of Sick Industrial Units.

4 Importance of MSMEs for Indian economy

The total output of MSME's was nearing to 30 trillion INR in the year 2015. The (MSMEs) are plays a vital role with the business and generation of employment for the young population.

Number of MSME's	Industrial Production	Service sector	Employment opportunity	Target to achieve
63 million	45%	30.5%	110 million people	USD 5 trillion by 2025

Today's environment seems to be stand in the global competition and to accept challenges to achieve. From the above table it's clearly noted that MSME's in India plays a prominent role in the economic development of our nation.

5 Interpretation of the data's:

Table: 1 - Showing Demographic categorization of Respondents:

Variables	Classification	Total Respondents	Percentage
Respondents (Age)	Below 13 Years	7	14
	13-28 years	15	30
	Above 28 years	28	56
Marital Status	Married	29	58
	Un-Married	21	42

Qualification of the respondents	Graduation	12	24
	Post- Graduation	16	32
	Professionals	22	44
Employment (Type)	Private concern	12	24
	Government Employee	9	18
	Professionals	4	8
	Business	25	50
Income - (Annual)	Less than 2,50,000	7	14
	2,50,000-5,50,000	8	16
	5,50,000-7,50,000	10	20
	More than 7,50,000	25	50
Location of the respondent's	Rural	25	50
	Semi-urban	15	30
	Urban	10	20

Factors influencing the Negative and Positive impacts of opportunities created for growth of MSME industry

The various factors influencing the positive impacts that are considered to be independent variables have consequences on the dependent variable. The at hand session analyses the various factors that have influence on the positive impacts among the government and entrepreneurship development schemes and subsidies

Table: 2 Kaiser-Meyer-Olkin Measure and Bartlett's test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.682	
Bartlett's test of sphericity	Approx X ² (value)	140.15
	df (value)	45
	sig(value)	0.006

“KMO - Measure of Sampling Adequacy” value 0.586 means that all variables are positively correlated with one another. Bartlett's test of sphericity significance value is less than 0.006 and hence conclusion is arrived that factor analysis can be performed for these variables.

Communalities

The Principal component analysis matrix is identified and used for extracting the communalities of the variables

The details required information on communalities is updated for the present research study in the table shown below

Table 3: Communalities

S.No.	Factors	Initial	Extraction
1.	Droopy cross-border movement of the states in India from the Pandemic higher level to lower level	1.000	.510
2.	Acquiescent knowledge and learning by final year business management students in starting and fund raising for their new start-ups	1.000	.514
3.	In-experienced final year students and business managers	1.000	.568

4.	Start-up process and identifying the appropriate business for their much talents and requirements and to stable in the business for a longer span of time	1.000	.601
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Table 4: Component Matrix -- (Rotated)

S.No.	Factors	Component s	Component s	Component s
		1	2	4
1	Business management process and supply of raw materials system to be adopted in the new norms based on government MSME's policy and revival strategy after the pandemic for getting waivers and subsidies	.720	-.260	-.320
2	Enhancing the supply chain management in the MSME's sector supply and identifying customers for the manufactured products	.571	.689	.009
3	Increasing the manufacturing of the products come under the category of MSME's category and government benefits schemes	.220	-.430	.681
4	Grow in the communal work and understanding process between different MSME's sectors and their entrepreneur's for uplifting the business from the present scenario to the next position by increasing the working capital through fund generation as well as government subsidy schemes	-.269	.970	-.092

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 6 iterations.

From the above mentioned table only those factor loadings which are greater than or equal to 0.3 are considered and they are tabulated as follows

Table 5: Factors Loaded

Factors	Variables loaded	Name of the factors	Sig. Value
First set of factors	In-experienced final year students and business managers	Lexis	0.846
	Acquiescent knowledge and learning by final year business management students in starting and fund raising for their new start-ups		
Second set	Increasing the manufacturing of the products come under the category of MSME's category and		

of factors	government benefits schemes	Attitude	0.642
	Droopy cross-border movement of the states in India from the Pandemic higher level to lower level		
	Start-up process and identifying the appropriate business for their much talents and requirements and to stable in the business for a longer span of time		
Third set of factors	Grow in the communal work and understanding process between different MSME's sectors and their entrepreneur's for uplifting the business from the present scenario to the next position by increasing the working capital through fund generation as well as government subsidy schemes	Outlook	0.567
	Business management process and supply of raw materials system to be adopted in the new norms based on government MSME's policy and revival strategy after the pandemic for getting waivers and subsidies		
	Enhancing the supply chain management in the MSME's sector supply and identifying customers for the manufactured products		

From the above table only those factor loadings which are greater or equal 0.54 are considered. It can be seen in the above table that two variables are loaded as first factor and named as lexis with Sig .Value (0.846) on the second factor, three variables are loaded based on the underlying relationship this factor is named as attitude with Sig. Value (0.642) and on the third factor three variables are loaded and those factors are named as outlook with Sig Value (0.567) From the test we can conclude all the three set of factors are essential for the present scenario to Micro, Small and Medium Enterprises and its Economic Revival Strategy and its directly related to the present research topic and government of India is taking several measures by providing loans with lesser rate of bank interest and relaxing the stringent measures in these industrial sectors as a revival strategy for the upliftment of these industries in the present pandemic scenario

Share of MSMEs in the Economy

The total of 106 million people is working with 46 million MSME's and the sector contributes 45% growth share. The MSME's contribution to the industrial sector to India's gross domestic product currently in the range of 16 per cent on 2019-20, as we can make a note that the MSME's contribution in the developed countries is in between the range of 25-60 percent.

Employment opportunities

The employment opportunity will be generated based on the increase of MSME's in our country, nearly more than 60% of possible employment will be there in the country and it will be encourage the opportunity of total growth of the country's economic development.

6 Covid 19 and MSMEs

The unprecedented lockdown due to Covid 19 has caused economic and financial stress in the Country. Provided that Indian government “Make in India” push, and to get more investment from the foreign nations and it will help our country for the growth and incorporation with global value chains.

As per the revised classification of MSME status as of 13 may, 2020:

Manufacturing and services	Enterprises with investments	Enterprises with Turnover
<i>Micro units</i>	<i>Upto INR 10 million</i>	<i>Upto INR 50 million</i>
<i>Small units</i>	<i>Upto INR 100 million</i>	<i>Upto INR 500 million</i>
<i>Medium sized units</i>	<i>Upto INR 200 million</i>	<i>Upto 1 billion</i>

Source: Ministry to MSMEs, INDIA

7 Interpretation

From the above table it is concluded that the three types of manufacturing and service industries with the investments and turnover is highlighted and the medium size industry have more investments up to INR 200 million followed by small industries 100 million and micro units 10 million. The government must take necessary steps to increase the foreign investments and turnover of micro units because it will generate more employment opportunity especially to the rural population.

8 Conclusion

To strengthen and achieve “Make in India” dream now it is an opportunity for the MSMEs to upgrade their technology and the expertise to manufacture high-end the technological products to support domestic manufacturers of the companies by providing capital to expand operations and cover for the supply gap from overseas. And we conclude that after the second wave of the pandemic the situation in India is going normal and the population of India must come forward to vaccinate and follow the safety and necessary precautions.

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