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Press Release

Immediate need for technological upgrade in MSME sector: Giriraj Singh

Bureau of Energy Efficiency (BEE), Ministry of Micro, Small and Medium Enterprises (MoMSME), Ministry of Power, Swiss Agency for Development and Cooperation (SDC) and The Energy and Resources Institute (TERI) pool in knowledge and synergies to create effective strategies

New Delhi, October 31, 2017: Micro, small and medium enterprises (MSMEs) are central to the Indian economy, contributing significantly to employment generation and manufacturing output. Around 36 million MSMEs provide employment to 80 million people and contribute to 45% of the manufacturing output. However, a large number of MSMEs continue to depend on obsolete, low efficiency technologies that result in wasteful energy consumption and reduce profitability and competitiveness. To facilitate interaction among industry, technology/service providers, policy makers, financial institutions and bilateral/multilateral agencies working in the MSME sector, TERI, in association with BEE, MoMSME, Government of India and SDC has organized a two-day National Summit focusing on energy efficiency among MSMEs.

Delivering the inaugural notes, **Shri Giriraj Singh, Minister of State (I/C), Ministry of Micro, Small and Medium Enterprises**, said, "There is an immediate need for adoption of energy efficient technologies in MSMEs, not only within the industry but also in the service sector."

"When I joined (in 2013-14) there were only 23 proposals under TEQUP (technology and quality upgradation) scheme, the number has gone up to 1,500 today," he added.

Energy efficiency improvements through adoption of cleaner and energy efficient technologies and practices offer great potential for reduction in CO₂ emissions as well as improvements in product quality and profitability. Driven by the needs of the sector, a large number of initiatives by the Government of India as well as by donor organizations and financial institutions have been undertaken towards the common goal of promoting energy efficiency among MSMEs.

In his introductory remarks, **Shri Raj Pal Singh, Economic Advisor & Joint Secretary, Ministry of Power, Government of India**, said, "MSMEs, which cover a wide range of products, are one of the focus areas of the Government for India. As the production rises, the demand for energy will also increase manifold. Hence, energy efficiency options are important to reduce the demand and to promote energy security."

In his address **Dr Andreas Baum, Ambassador of Switzerland**, highlighted that SMEs exist in both developed and developing countries. "MSMEs in India are important in the growing economy as well as the Make in India initiative. Access to finance and technology are two important challenges for the MSMEs," he said.

"Energy efficiency is important not only to address climate change but also to take care of environmental improvements, pollution reduction and workplace safety," he added.



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With the aim of pooling knowledge and synergies, a knowledge sharing platform was also launched. The platform, called **SAMEEEKSHA – Small and Medium Enterprises: Energy Efficiency Knowledge Sharing**, assists in disseminating knowledge on initiatives, technologies and practices for improving energy efficiency in the MSME sector.

Sharing his views, **Dr. Ajay Mathur, Director General, TERI**, said, “Around 200 energy-intensive MSME clusters account for around 25% of the country’s energy consumption and there is an energy saving potential of around 15%. There is a need to develop energy efficient technologies at an affordable cost.”

The two-day summit focuses on fine-tuning the strategies adopted to promote energy efficiency among MSMEs through measures such as training and capacity building, energy audits and implementation support, technology demonstration, concessional financing and on-going programs/policies.

The summit will also highlight the needs and constraints of ground level stakeholders (entrepreneurs, industry associations, local service providers, support institutions) in initiating energy efficiency improvements, shared knowledge and creating awareness about ongoing initiatives and programs and identifying actions to promote energy efficiency among MSMEs.

About TERI:

The Energy and Resources Institute (TERI) is a leading think tank dedicated to conducting research for sustainable development of India and the Global South. TERI was established in 1974 as an information centre on energy issues. Over the decades, it has made a mark as a research institute whose policy and technology solutions have transformed people's lives and the environment.

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