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## Growth And Performance Of Msmes In Karnataka

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### Abstract

MSMEs greatly influence the industrial and economic development of Karnataka. MSMEs manufacture and process products and provide services. They help in socioeconomic advancement also. With the benefit of minimal investments and the potential for significant employment generation, they account for a sizable portion of industrial units and significantly contribute to GDP. According to the state economic survey report 2022–23, Karnataka has 7.38 lakh micro, small, and medium-sized businesses registered on the Government of India Udyam web Portal. There are 2,426 medium industries, 27,355 small industries, and 7,08,929 micro industries. The MSMEs sector has employed 68.72 lakh people. MSMEs are the driving force behind Karnataka's industrial development since they lay the path for eliminating regional imbalances and addressing the employment issue. The Government addresses the issues and problems impeding performance by implementing various policy initiatives and solutions. The current study analyses MSMEs' development, growth, and effectiveness in Karnataka. The number of units registered, employment, and investments 2010-11 to 2019-20 are the metrics used to gauge the growth. The study explores the Government's institutional assistance and policy measures. The secondary sources of data are gathered from the Directorate of Industries and Commerce, Government of Karnataka, as well as from several websites.

Keyword- MSMEs, Employment, Karnataka, Growth

Micro, Small, and Medium-Sized Enterprises (MSME) are an innovative and energetic sector that contributes significantly to GDP and is vital for economic progress. Due to the industry's capacity to create income from exports and the low-cost investment that fosters the expansion of new enterprises, it has an advantage in generating employment. The primary characteristic of this sector is the industrial growth in semi-urban and rural areas, which contributes to the reduction of regional imbalances and inclusive growth.

Sixty-three million MSMEs support 113 million jobs, and their contribution to India's Gross Value Added (GVA) in all gross domestic product (GDP) for 2021–22 is accounts for 29.2%. During 2021–2022, 45.0% of all Indian exports comprise the products specified by MSME.

MSMEs are essential to Karnataka's overall economic development. This sector's development is of utmost importance to support the expansion of the national economy and the generation of foreign currency through export industries. MSMEs made up 49.5% of all Indian exports in 2021. These businesses are essential for generating job opportunities at relatively lower capital costs, aiding in the industrialisation of rural and underdeveloped areas, minimizing regional inequities, and ensuring a more fair distribution of income and wealth across the country. MSMEs can serve as a nursery for the development of entrepreneurship by fostering and assisting the growth of new-age entrepreneurs who have the potential to launch globally competitive firms from India.

MSMEs provide goods and services through their ancillary units, supporting and complementing large industries. This industry is very diverse in terms of the size of the businesses, the range of products and services, and the technological sophistication. Creating jobs and connections in underdeveloped areas contribute to an increase in living standards. As a result, the sector improves living conditions for the state's population and reduces regional disparities.

The policy initiatives for strengthening MSMEs are divided in to two parts. Part I will discuss on the policy initiatives of Central Government. Part II will highlight on the Policy initiatives by Karnataka.

### **Part I -Central Government initiatives to promote MSMEs**

The Micro, Small, and Medium Enterprises (MSME) sector has become the second-lowest capital cost after agriculture in the Indian economy, encouraging entrepreneurship and creating self-employment opportunities. By implementing various schemes and programmes for credit support, technological assistance, infrastructure development, skill development and training, enhancing competitiveness, and market assistance, the Ministry of MSMEs fosters the growth and development of the sector, including the Khadi, Village, and Coir industries.

The Udyam Registration Portal was introduced on July 1, 2020, following the acceptance of the updated definition of MSMEs based on investment in plant, machinery, or equipment and turnover. It is entirely online, hassle-free, cost-free, and requires no paperwork, making it a step towards making it easier for MSMEs to conduct business.

The major initiatives implemented by the Ministry of MSME are as follows-

1. Access to credit-

a. The Prime Minister's Employment Generation scheme (PMEGP), a credit-linked subsidy scheme, offers opportunities for employment through building microenterprises in the non-farm sector. The Special Category now includes units in Aspirational Districts and for transgender people. The PMEGP units are geo-tagged and keep track of the products and services they offer and create links with nearby markets. More than 8.34 lakh firms have been launched since the program's inception in 2008, creating an estimated 68 lakh jobs. As on 15.12.2022, around Rs 20,600 crore had been paid out as a Margin Money subsidy in India

b. The Credit Linked Capital Subsidy Scheme (CLCSS) is a programme designed to help MSEs to introduce well-established and proven technologies in the particular subsector/products permitted under the programme through institutional financing. A collateral-free loan up to a maximum of Rs. 2 crore is made available to MSMEs under the Credit Guarantee Scheme for Micro and Small Enterprises (CGTMSE).

2. Infrastructure and capacity building-

a. The Micro & Small Enterprises Cluster Development Programme (MSE-CDP) aims to improve and establish infrastructure facilities in industrial estates and clusters to support MSMEs in becoming more sustainable. In addition to promoting advanced and sustainable manufacturing technologies, it aspires to establish Common Facility Centres (CFCs).

b. The Fund for Regeneration of Traditional Industries (SFURTI) programme aims to cluster traditional industries and artisans. The plan encourages the creation of a cooperative manufacturing firm for artisans to boost their output, force them to create items with value addition and improve the product's marketability.

3. Procurement and Marketing Support

a. Public Procurement Policy for Micro and Small Enterprises: According to the Public Procurement Policy for Micro and Small Enterprises (MSEs), central ministries, departments, and public sector enterprises (CPSEs) must purchase 25% of their annual supplies from MSMEs. This mandate includes procurement from 4% of MSMEs owned by SC/ST and 3% of MSMEs owned by women entrepreneurs. A total of 358 items are identified for procurement. The purchases from MSMEs accounted for 32.51% of the total purchases, with the highest percentages ever recorded for SC/ST and women-owned MSMEs coming in at 0.78% and 1.01%, respectively in 2021-22.

b. Procurement and Marketing Support (PMS) Scheme- The programme encourages new market entry strategies and improves the marketability of goods and services for MSMEs businesses. The latest initiative under this programme is "Adoption of e-Commerce Platform and Bar Code by Micro Enterprises," it aims to hold various national workshops, seminars, and other events to improve the marketability of goods and services in the MSME sector.

c. The "MSMEs pavilion" was officially opened by the Minister of MSME during the International Trade Fair (IITF), 2022, and has its subject as "Vocal for Local, Local to Global." To engage in international

exhibitions overseas, host international conferences in India, and enhance the capacity of "First Time MSME Exporters," Industry Associations are given financial support through the International Cooperation Scheme.

#### 4. Access to Technology

a. The new MSMEs Champions programme, which comprises three distinct components, was the latest initiative by the government.

1. ZED's MSME-Sustainable

2. Lean MSME-Competitive

3. Innovative MSME (for Design, IPR, Incubation, and Digital MSM)

b. Technology centres- The Foundry and forging, Electronics, Electrical Measuring Instruments, Fragrance and flavour, Glass, Sports Goods, and Footwear Designing sectors are among those where Technology Centres (Tool Room and technical Institutions) provide trained personnel, tooling consultancy, and technology/product up gradation, in addition to conducting skill development training programmes.

c. Skill enhancement is imparted through training programmes 'Entrepreneurship Skill Development Programme'. From January 2022 to September 2022, 10,317 trainees received training from Livelihood Business Incubators (LBIs), and 14 business incubators were operational under the "A Scheme for Promoting Innovation, Rural Industry & Entrepreneurship" (ASPIRE), a initiative of Central Government.

Further, the Government has initiated schemes to encourage entrepreneurship culture amongst SC and ST, special packages to promote Khadi and village industries, and the Coir sector. The Raising and Accelerating MSME Performance Programme (RAMP) scheme aims to improve MSMEs' access to markets and credit, address late payments, and promote green MSMEs. It also seeks to reinforce institutions and governance at both the national and state levels.

### **Part II- Policy initiatives by Karnataka**

Karnataka's current competitive edge is primarily a result of the health of its industry. The Government of Karnataka, a leader in industrial development, seeks to increase mid- to long-term economic potential through a commitment to innovative growth. Developing strategies to promote industrial infrastructure and innovation to accommodate the new industrial digital economy and the revolution is pertinent.

Karnataka has strongly emphasised the growth and promotion of the MSME Sector to encourage sustainable, balanced, and inclusive industrial growth. The plan aims to highlight Tier II/III cities in the State as sources of economic expansion. The government plans to support institutional partnerships and collaborations to develop Industry 4.0 capabilities and offerings and promote training and skill-building initiatives to investigate cutting-edge technological solutions. The State is consistently attempting to improve the business environment through ease of doing business.

The Karnataka Cluster Development Scheme (KCDS) aims to develop MSMEs' capacity for cooperative action through the establishment of self-help groups, consortia, and upgraded associations; move ahead with infrastructural facilities in the new and existing industrial areas/clusters of MSMEs; and establish common facility centers for testing, training, raw material depots, effluent treatment, complementing production processes, Etc.

The Government of Karnataka has implemented the "MSME Sarthak" initiative, providing institutional procedures to address the significant difficulties MSMEs confront. The scheme proposes introducing two mechanisms: Deploying an Online Technology Platform and establishing a Centre of Excellence (CoE) for managing the platform.

Deploying an Online Technology Platform is to provide-

- a. an integrated platform for raw material suppliers to improve market access by generating supply chain efficiencies,
- b. Provide updated and in-depth information on globally prevalent quality standards and certifications.
- c. Integrate credit enhancement schemes with the financing agencies to provide access to low-cost funds for MSMEs.
- d. to introduce modules for the dissemination of information about new-age skills emerging in different domains required by MSMEs
- e. modules that support MSMEs in branding, marketing, and advertising-related activities

The State's approach strongly encourages implementing more environmentally friendly, sustainable manufacturing practices in the light of global warming and the impending water problem. By creating a platform centre of excellence, the plan aims to create a specific institutional framework to oversee the technological platform and offer strategic advice to MSMEs in areas like technical expertise, managerial ability, and closing knowledge gaps.

The MSMEs will be able to respond to changing market and business situations through the Centre of Excellence, which will help them, close any gaps in their capabilities. The activities are proposed to be aligned along with the following categories to provide a support system to MSMEs-

- a. Technology Acceleration Programs and Practice-Some connected activities include supporting technology transfer, providing impetus to R&D-related services, and facilitating access to technology through inter-firm partnerships. Others include encouraging businesses to adopt new technology, offering business advice to businesses looking to improve their manufacturing techniques and processes, and supporting technology transfer.

- b. Connecting firms- Provide venues for gathering businesses from both supply chain ends—suppliers and consumers—and act as a middleman to provide support services. Further, to host best practice events to promote knowledge diffusion.
- c. Funding Assistance: Educating businesses on the most recent funding options for various tasks, including R&D, loans to expand businesses, money for collaborative pre-competitive research programmes, funding for capital and operational infrastructure, etc.
- d. Next-Generation Manufacturing Technical support: Train MSMEs in innovation and new product development, offer export support and training, and impart them the skills necessary to produce goods with less energy.

The Karnataka State Government offers institutional support through the District Industries Centre (DIC), Karnataka State Small Industrial Development Corporation Ltd (KSSIDC), and the Karnataka Industrial Area Development Board (KIADB) to make it easier for entrepreneurs to establish industries in industrial towns and estates in line with national goals.

Karnataka's industrial policy (2020–25) encourages MSMEs along the lines of central government guidelines. The Special Investment Region (SIR) Act aims to establish, manage, and control investment regions within the State. SIRs would fall under the category of industrial townships and have a size of roughly 100 sq km. For micro, small, and medium-sized businesses (MSMEs) looking to foster industrial innovation, the New Policy also provides production turnover-based subsidies. The government has increased funding for its programmes to develop clusters, entrepreneur training programmes, lending facilities, incentives, concessions, and marketing assistance.

Thus there has been a consistent effort to support MSMEs by making provisions for-

1. Enhance the accessibility of capital: the policy is oriented towards improving capital accessibility by expanding the number of banking and nonbanking financial institutions, reducing bureaucratic red tape, and increasing government support for credit and subsidies.
2. Ease of doing business: The introduction of Ease of doing business has decreased regulatory load and compliance costs for small firms, which will support a business-friendly climate. The Karnataka Industries Facilitation Act was introduced in 2002, making it the first state in India to take the lead on the EODB project. Through 98.64 percent compliance with the requirements of the Business Reforms Action Plan, the government has made doing business simpler and more intelligent. A number of measures have been implemented to make "Doing Business" in the State easier.

The approvals/clearances, including renewals, can be requested from various line departments through e-Udyami, the Single Window Portal of Karnataka. Furthermore, SAKALA Act compliance or time-bound rendition of services was used to purchase all services relevant to the industry.

3. Marketing support: The adoption of an e-commerce Platform and Bar Code by microenterprises, the organisation of international trade shows, and the emphasis on Local Pe Vocal are all helping MSMEs with excellent marketing support through digital marketing with online marketing portals, allowing small businesses to expand their markets.

4. Infrastructure: The State's efforts to deliver inclusive and vigorous growth rely heavily on infrastructure. The State's well-connected infrastructure will create a favourable industrial development environment with good rail, road, and air connectivity, logistical assistance, and a telecommunications network. Through 0.24 million km of continuous road length, emphasis is on tying neighboring States and other regions of India together. It features 13 significant National Highways. A well connected infrastructure will also aid in luring investments to industrially backward regions by providing access to tier-two cities, towns, and rural areas.

5. Development of Entrepreneurial abilities: The development of entrepreneurial abilities will assist youths in finding employment. Imparting training and expertise for entrepreneurship development helps build start-up culture, especially for the youth in industrially backward regions. Further, under the Prime Minister's Employment Guarantee Programme, the Director (MSME) extends financial assistance in the form of loans through various banks to projects up to INR 25.00 Lakh for the manufacturing sector and to projects up to INR 10.00 Lakh for the service sector. It helps youth be self-reliant and also attain Atma Nirbhar Bharat.

6. Balanced regional development: The State is primarily obligated to ensure regional development and an equitable investment allocation within the State. Importance has been given to the backward regions to encourage investments in industrially underdeveloped regions. More significant incentives would be provided to Tier II and Tier III cities, districts, and regions in North Karnataka, including the Kalyana Karnataka region, to foster the development of favourable conditions, the growth of infrastructure, and fair chances for the local populace. It would provide more chances to utilise North Karnataka's strengths and industrial capabilities to ensure the State's inclusive development.

7. District Industrial Cluster Development Program: The "product-specific industrial cluster programme" is a first-of-its-kind effort in the nation that aims to boost industry production capacities by establishing clusters of product-specific manufacturers in the State.

Nine industrial clusters have been identified under this programme, which has the potential to generate 9 lakh job possibilities over the following nine years. The programme is extended to two more districts, the "Health & Wellness Cluster" in Shivamogga and the "Home and Personal Care Consumer Goods FMCG Manufacturing Cluster" in Dharwad, considering the overall industrial development in the State.

8. Sustainability and Responsible Industrialization: The policy gives greener, sustainable manufacturing practices a high priority. In all of its industrial regions, both new and old, the government will promote water harvesting, making it easier to set up hazardous waste treatment facilities and effluent treatment facilities in different industrial clusters. Financial support will be given to enterprises to encourage the adoption of plans to use sewage discharge and industrial discharge for industrial water security and to incorporate programmes that address environmental, health, and water pollution hazards.

Financial incentives are provided to encourage manufacturing companies to implement water harvesting/conservation practices on their property. The incentive will be extended to the businesses that use the "Zero Discharge Process" to achieve pollution avoidance and waste minimization at manufacturing operations.

### Growth and Performance of MSMEs in Karnataka

MSMEs in Karnataka contribute significantly to economic growth by promoting entrepreneurship and creating numerous job opportunities. Among the key industries are food processing firms, engineering businesses, ready-to-wear businesses, foundries, car businesses, chemical plants, handicraft businesses, etc. Karnataka also features heritage industries such as handicrafts, small-scale businesses, khadi, and rural industries. According to the state economic survey report 2022–23, Karnataka has 7.38 lakh micro, small, and medium-sized businesses registered on the Government of India Udyam web Portal. There are 2,426 medium industries, 27,355 small industries, and 7, 08,929 micro industries. The MSMEs sector has employed 68.72 lakh people.

**Table 1**

### **Growth of Micro, Small and Medium Enterprises in Karnataka Period 2010-11 to 2019-20**

| Sl No |          | Units (nos) | Investments<br>(in crores) | Employment<br>(Nos) |
|-------|----------|-------------|----------------------------|---------------------|
| 1     | 20010-11 | 18434       | 1206.23                    | 111226              |
| 2     | 2011-12  | 21021       | 1596.41                    | 128387              |
| 3     | 2012-13  | 24208       | 2165.13                    | 155609              |
| 4     | 2013-14  | 25966       | 2850.56                    | 167347              |
| 5     | 2014-15  | 28742       | 2792.91                    | 175469              |
| 6     | 2015-16  | 25656       | 4945.92                    | 221706              |
| 7     | 2016-17  | 39170       | 12664.14                   | 508966              |
| 18    | 2017-18  | 48482       | 11585.75                   | 440476              |
| 9     | 2018-19  | 69278       | 14876.98                   | 582943              |
| 10    | 2019-20  | 97232       | 18597.27                   | 702325              |
|       | CAGR     | 18.43       | 38.45                      | 24.34               |

Source- Directorate of Industries and Commerce, Government of Karnataka



The above table presents the total number of registered MSMEs and employment and investments in MSME units registered in Karnataka from 2010–11 to 2019–20. The number of MSME units registered for the study period has increased, as shown in the table. In 2010–11, there were 18434 units registered as a whole. Every year, there is an increase in the number of units registered; however, from 2016 to 2017, there is a notable difference, with 39170 units registered. Further, since 2016–17, there has been a noticeable increase in the number of MSMEs, reaching 48482, 69278, and 97232 in 2017–18, 2018–19, and 2019–20, respectively. The compound annual growth rate of the same is 18.43% over a period of ten years. Thus it is observed that increase in the pace of MSMEs post 2016-17 contributes to CAGR of 18.43%. This could be due to policy support, increased financial assistance, and business friendly atmosphere extended by the Karnataka Government to the development of MSME

The table 1 also looks at the investments made in MSMEs over the period under consideration. The total amount invested in MSMEs in 2010–11 was Rs. 120623.2 lakhs. Investments have seen an increasing trend from 2013–2014 despite some fluctuations. The investment year 2013–14 is the amount of Rs. 285056 lakh. There has been a little drop in investments during the 2014–15 fiscal years, amounting to Rs. 279,291.2 lakh. The following year, there was a noticeable rise to Rs 494592.2 lakh in 2015-16. Further, investment has declined in 2017–18 (1158575 lakh) and 2019–20 (1859727 lakh). The study finds that, despite a steady increase in the registration of MSME units, there have been slight fluctuations in investments in this sector since 2013–2014. The compound annual growth rate of the investment in MSMEs is 38.45% over a period of ten years. It is observed that CAGR has shown a significant rise attracting more volume of investments in MSMEs as compared to the percentage of number of units registered. The cause for increase in investment rates could be attributed to better institutional support by financial institutions in Karnataka.

The employment scenario for the study period under consideration shows a consistent increase. MSMEs created 111226 jobs in 2010–11 and 702325 jobs in 2019–20. Every previous year has witnessed a marked increase in the number of jobs offered by the industry. The number of jobs provided by MSMEs decreased in 2017–18, falling by 440476. The number of units registered in 2017-18 accounted for 48482 and investments of Rs 1158575 lakh. The year 2017-18 has fall on investments and employment considerably, though there was rise in units registered as compared to previous year 2016-17 with 39170 MSMEs. Over ten years, the MSMEs generated jobs increased at a compound annual growth rate of 24.34%. It can be related to an increase in MSMEs during the study period.

Locational advantages, a business-friendly atmosphere, and ease of doing business are all elements that have helped MSMEs flourish in Karnataka. Additionally, the state's MSMEs have increased significantly due to recent initiatives, policies, shifts in entrepreneurial culture, and infrastructure improvements. The sector has drawn investments well and is a potential source of job creation in the state.

The economy has become more open and interconnected because of globalisation, allowing businesses to sell their goods and services globally instead of just their own. Globalisation has led to improved manufacturing methods and procedures, accessibility to broader markets, and stronger ties between MSMEs and larger businesses and marketing organisations. MSMEs inspire entrepreneurship, provide enormous job opportunities, support large businesses as input goods and service suppliers, and promote industrial growth, which are crucial for economic success.

MSMEs must unravel a few issues that are impeding their growth despite their advantages. **The major issues pertaining to MSMEs are –**

1. **Financial constraints:** MSMEs' access to financing has always been a critical issue. MSMEs rely more on internal financial resources (personal savings, loans from family members, and local money lenders) than on institutional financing from banks and other financial organisations. MSMEs are not the preferred investment sector, according to the scheduled banks. The banking sector has historically viewed small businesses as risky investment opportunities because of their relatively slow growth rate, informal business practices, inability of MSME entrepreneurs to maintain collateral securities, lack of creditworthiness, relatively high processing costs, and poor information flow.
2. **Inability to sustain competition:** Large domestic companies and multinationals compete ruthlessly with the MSMEs, who possess more excellent technology, management abilities, trained labour, marketing expertise, better product quality, and a more comprehensive selection of products. The products of large-scale units and imported goods, which are comparably very affordable and of superior quality than small units' products, are complicated for small-scale units to compete. Since the number of merger and acquisition cases steadily rising, MSMEs struggle to face the competition in market.
3. **Marketing:** The primary issue with MSMEs is marketing-related issues. They need to improve their marketing strategy; therefore, their products frequently need to meet the standards of large-scale enterprises regarding quality. Compared to large domestic companies and multinationals, they are at a competitive disadvantage. Their products do not favourably compete with the quality produced by large-scale operations and also need more organised marketing. Additionally, they cannot gather sufficient information regarding consumer preferences, tastes, and choices for the particular product category. Thus, they struggle to compete and sustain in the market.
4. **Lack of trained and skilled labour:** The best resource for every organisation is skilled personnel. The productivity and efficiency of any unit could significantly improve with the use of skilled employees. A small business's success depends on its entrepreneurs and employees—provided they are competent and productive. Small industries face a variety of challenges in order to survive because of inefficient and inexperienced labour. Small-scale industries have difficulties due to insufficiently trained labour in urban and rural areas as big firms recruit skilled people and pay higher wages. Though abundant human resources exist, most are unskilled

labourers and lack efficiency. Skilled labourers are reluctant to work in small industries as they fail to provide higher wages and social security provisions, thus working with non-competent and unskilled labourers.

5. Regional disparities: Regional imbalance is impeding the progress of industrialization in Karnataka. In the case of Karnataka, such imbalances have resulted in certain regions having preferential access to infrastructure, education, and financial prospects while others are denied with the requisites. This disparity is impacting investments, employment opportunities, and overall economic growth, which hinders industrialisation progress. Karnataka must take the necessary measures to address regional imbalances and promote balanced industrial growth across the state to achieve equitable and sustainable development through growth of MSMEs.

### **Prospects for growth of MSMEs**

MSMEs unquestionably contribute significantly to the state's development and the economy's expansion. With the Government initiatives, there is a wide scope for MSMEs to serve as a crucial catalyst for directing towards desired economic sectors and accelerating economic growth of the state.

The Karnataka state government has implemented several initiatives to encourage the expansion of MSMEs. These include providing financial aid for technological advancements, making credit easily accessible through commercial bank and financial institutions, and encouraging entrepreneurship through various initiatives.

Karnataka's business ecosystem has led to the establishment of several industrial clusters in the state, including the IT hub of Bengaluru and the manufacturing clusters of Belagavi and Hubballi. These clusters have helped foster a culture of collaboration and innovation, with MSMEs benefiting from shared knowledge and resources. As a result, MSMEs are now able to compete with other businesses, grow their customer base, and enter new markets. Further, the state by helping MSMEs go digital will improve their overall operational efficiency; deliver better customer service through digital platforms.

Entrepreneurs in urban and rural settings may produce high-quality products, perceive market opportunities, foresee future uncertainties, and adopt tech-enabled practices as CEDOCK programmes offer structured and focused entrepreneurship development programmes. To alleviate regional inequities, this creates opportunities for MSMEs to spread and grow throughout Karnataka.

Without a doubt, it can be said that there is a long road ahead; it is also undeniable that the MSME sector, with entrepreneurship, innovation, and agility at its foundation, can contribute to industrial growth of Karnataka

**Conclusion:** Micro, Small and Medium Enterprises (MSMEs) play a crucial role in the industrial growth of Karnataka. However, despite its potential to enhance employment and investment levels, this sector is still

grappling with several challenges, such as poor infrastructure development, business attraction difficulties, a shortage of markets for MSMEs' products, foreign competition, financial limitations, uneven sector distribution, policy changes, a shortage of skilled labour, and the impact of pandemic. To overcome these challenges, the government has strongly emphasised enhancing infrastructure, promoting innovation and entrepreneurship, supporting enterprises, encouraging research and development, and incentivising eco-friendly and energy-saving practices. By prioritising such initiatives, the industry has the potential to generate more employment opportunities, encourage investment, and have a positive impact on the environment. With increased government initiatives such as "Make in India," "Skill India," and "Local Pe Vocal," the MSME sector in Karnataka could gradually overcome these shortcomings and attain strengthened industrial growth while achieving SDG9.

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