

MSMES, TRADERS WITNESS LOSS OF 35 LAKH JOBS: SURVEY

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Industry & Services Sector

The TMSME segment (Traders, Micro, Small and Medium Enterprises) has seen job losses of 35 lakh in the last four-and-half years, according to a survey by the All India Manufacturers' Organisation (AIMO).

Job loss of 43% was reported in the trader segment, 32% in the micro segment, 35% in small segment and 24% in medium segment, as per the survey.

The survey, conducted by AIMO, covered over 34,000 TMSME representatives across India between October 1 and 30, 2018.

"The worst is the elimination of self-employed categories such as tailors, cobblers, barbers, plumbers, and electricians. Traders are closing down shops due to stiff competition from e-commerce sales," AIMO said.

The closure of shops means loss of revenue in rental income for middle income families, it added.

The worst-hit were sectors dominated by unorganised labour. These include plastic, matches, crackers, dyeing units, stitching units, stone units, tanneries, job work units and printing companies.

Note ban, GST impact

"The year 2015-16 saw a growth in all areas of business due to high sentiment and expectations from the new leadership. It went down next year due to demonetisation and then again, due to GST implementation," the statement from AIMO said.

"And then [came the] difficulty in availability of funds and higher outstanding with government payments and compliance matters," AIMO added.

"Our survey is a clear indicator that the TMSME sector is in a critical condition at this moment and we feel the Government of India needs to address the issue with a lot more seriousness and urgency," said K. E. Raghunathan, national president, AIMO.

AIMO has provided a list of suggestions to be implemented to create job opportunities based on the results of the survey. According to the survey, the number of companies making profits now is lower than the the number that made profits in 2014-15.

If 100 companies in the trader segment were making profit in 2014-15, now, only 30 are profitable. In the micro segment, it is 47, in the small segment it is 65 and in the medium segment, the number has dropped to 76.

The survey said sectors that need immediate revival and assistance are housing, textiles, automobiles, power, match industries, stone, plastic, tannery and consumer products.

Our existing notification subscribers need to choose this option to keep getting the alerts.

END

Downloaded from crackIAS.com

© **Zuccess App** by crackIAS.com

CrackIAS.com