

**International Round Table on
Contribution of SMEs to Growth of Emerging Nations
- An Initiative by CBC, EICC, CII & Govt. of Gujarat
Vibrant Gujarat 2011**

Subject

With increasing global competition, SMEs – Small and Medium Enterprises – are globally reckoned with as a strong contender to develop the baseline economy, especially in emerging countries such as India.

To exemplify the quantum of opportunities held by this sector, it would be worthwhile to note that in India, SMEs contribute 45% of industrial output, 40% of exports and 42 million in employment. The sector creates 1 million jobs every year and produces more than 8000 quality products for the Indian and international markets.

SMEs are expected to contribute 22% to India's GDP by 2012, up from about 17% at present.

The Commonwealth Business Council, a representative body of 54 Commonwealth nations from all over the globe, recognizes the growing importance of **SMEs in driving economic growth especially in emerging nations**, and therefore, the need to initiate dialogue and collaboration between entrepreneurs representing the global SME sector.

Partnering the initiative are:

- Europe India Chamber of Commerce (EICC), a premier liaising body representing interests of European and Indian business and communities. The primary mission of EICC is to foster bilateral dialogue and provide input to various interest groups while facilitating, co-ordinating, liaising on behalf of the European and Indian business community.
- Confederation of Indian Industry (CII) is a non-government, not-for-profit, industry led and industry managed organisation, playing a proactive role in India's development process. Founded over 115 years ago, it is India's premier business association, with a direct membership of over 8100 organisations from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 90,000 companies from around 400 national and regional sectoral associations.
- Government of Gujarat: Commonly known as the "growth engine of India" Gujarat continues to play a significant role in the prosperity of India. A state historically driven by the spirit of enterprise, Gujarat is home to many large, medium and small business enterprises that together ensure the state is the largest contributor to the country's GDP.

Stakeholders

- A round table of key stakeholders from the 54 commonwealth countries as well as the developed world, representing
 - SME enterprises
 - Large industry players
 - Government
 - Developmental organizations
 - Funding organizations

Objective

Conducted under the aegis of Vibrant Gujarat 2011, the round table would be a platform for discussion, debate, experience sharing and development of a **road map for emerging economies to achieve measurable, significant and lasting benefits through the development of the SME sector.**

Focal points for discussion

Gujarat & India: a model for emerging economies

- Gujarat and India have a thriving SME sector – a result of the government's proactive role in terms of recognizing the sector as a key contributor to economic growth and social development, and providing a critical support through friendly policies, availability of adequate funding, infrastructure, training and other key elements.
- As a part of the round table, specific emphasis would be placed on understanding the Gujarat & Indian model of providing support in key areas to ensure the development of a thriving SME sector, including...
 - Role played by development institutions
 - Capital investment assistance
 - Training
 - Policy support: infrastructure, quality, funding, markets access

Large industry as a catalyst for growth of the SME sector

- The round table would examine the growing synergistic relationship between MSMEs and large companies, with possibilities such as captive supply, marketing support, product development collaboration, and so on, emphasizing on the role of large companies in terms of strategy

development, finance/funding support, training/skills development, infrastructure & technology support, as well as other avenues.

Identification of sectors, countries, markets where SMEs can collaborate to evolve global enterprise models

- The proposed Round Table initiative will look at the larger purview to earmark certain global industrial sectors to create successful, scalable and global SME business models that can significantly enhance contribution of SMEs to economic and social development.

Model projects: 1 each in key identified sectors, e.g., food processing

- The proposed meet has an agenda to identify and attempt to create globally scalable and competent business models, anchored by a select cluster of entrepreneurs from across partnering commonwealth countries.
- E.g. a food business model which will provide an integrated chain of backward and forward related, allied functions like agriculture, food processing, dairy products.
- Going beyond business, such a model can support the rural economy by generating employment opportunities through involving rural population in business extension functions like collection, S&D, education and training etc.

Expected outcomes of Round Table

- **White paper** on subject with circulation to leading international and national bodies highlighting –
 - Framework for building capabilities and contribution of SME sector
 - Role that SMEs can play in national growth through percentage contribution to income generation, employment and overall GDP
- **Identification and implementation of model projects** in select sectors, involving entrepreneurs from Gujarat, partnering with different commonwealth countries, with support and guidance from the Govt. of Gujarat and the agencies involved.
- Creation of a **global networking platform for SMEs**
 - To actualize the broader, integrated perspective of the meet, the key stakeholders would come together to create a global resource network for SMEs to tap into. The network would be a one-stop provider of information, knowledge and support on policies, business linkages, infrastructure availability, funding opportunities, quality, training, and other parameters driving the success of entrants in this sector.
