

Indian SMEs at low end of technology: Indo German SME Forum

Focusing on promotion policy of Micro, Small and Medium Enterprises (MSMEs) and valuing the importance of cluster-to-cluster networking, Federation of Indian Micro, Small and Medium Enterprises (FISME) participated in a two day international conference “Indo German SME forum” on May 31 and June 1, 2013 in New Delhi.

The Forum was organized by SEQUA and GIZ with IGCC to facilitate networking between German and Indian Business Membership Organizations (BMOs).

The bilateral trade between India and Germany has come down from euro 18.5 billion in 2011 to euro 17.4 billion in 2012, according to Indo-German Chamber of Commerce (IGCC).

“The bilateral trade between India and Germany was 18.5 Euro billion in 2011, but it came down in 2012 to 17.4 Euro billion. The target was set to touch 20 Euro billion in 2007 by the Prime Minister of India and the Chancellor of Germany. But we did not meet the target,” Director General of IGCC, Guido Christ told KNN during a two day International Conference-Indo-German SME forum.

There has been slowdown in the economy and that has affected growth rate which means less business between the two countries, he added.

He further said, German companies face many challenges like red tapism, corruption, poor infrastructure and requirement of number of licenses to start a business.

According to Indo-German SME Forum, most of the Indian Small and Medium Enterprises (SMEs) are still at low end of technology curve and access to advance manufacturing technology including clean and green technology is needed.

Further, SMEs in Germany are strong in areas of auto components, machine and hand tools, toys and pharmaceuticals and can be the potential partners for Indian SMEs.

The conference has helped the small entrepreneurs understand the role and services of BMO in the promotion of SMEs.

The speakers demonstrated how BMOs can develop and organise good services for small businesses. One of the main themes of the forum was networking, which in clusters was said to signify the formal and informal pathways which allowed products, information and knowledge to flow among the cluster actors and players. It thrives on ‘social capital’.

Making a presentation on networking in clusters, Mr Anil Bhardwaj, Secretary General FISME stated that Networks in dynamic and progressive clusters invariably expanded beyond confines of rigid geography of clusters both horizontally (sectoral knowledge institutions, peers etc.) and vertically (regional, national, international etc.).

He cautioned the cluster representatives that without consciously seeking external networking clusters can fall from being ‘islands of excellence’ to ‘dens of ignorance’.

The objective is to foster the dialogue and the exchange of experience between the Indian and German ministries and other stockholders regarding MSME promotion policy.

Sequa gGmbH is a globally operating development organisation that has carried out projects and programmes of international cooperation in close collaboration with the German private sector.

Besides the chief guest, Mr Madhav Lal, Secretary, Ministry of MSME, the workshop was addressed by Mr Amrendra Sinha, Additional Secretary and Development Commissioner MSME, Mr Jurgen Henkel, Project Director, Sequa GmbH, Mr Bernhard Steinruecke, Director General, IGCC, Mr Anil Bhardwaj, Secretary General, FISME among others.