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Trade Credits, Pre-Shipment Financing, Thrust for Newer Markets amongst other measures to boost MSME sector

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MSME accounts for 45% of the Exports, 30% of the GVA. With government support, their integration in the global supply chain will make India an economic superpower by 2047: Dr. Kalantri

MUMBAI RMN.IN(E) : World Trade Centre Mumbai and All India Association of Industries (AII) has called for urgent, targeted interventions for micro and small enterprises in the forthcoming Union Budget 2026–27, highlighting that this segment is under severe stress from policy asymmetry, rising compliance costs and repeated external economic shocks. In a detailed policy memorandum submitted to the Union Finance Ministry, WTC Mumbai and AII has advocated for time-bound, budget-backed measures to protect employment, sustain domestic manufacturing capacity and strengthen India's export competitiveness through MSMEs.

Elaborating the suggestions enumerated in the said memorandum, Dr. Vijay Kalantri, Chairman, World Trade Centre Mumbai and President of the All-India Association of Industries (AII) said, "MSMEs are not struggling

due to inefficiency but due to structural disadvantages including high cost of credit, delayed payments, and disproportionate compliance burden".

Emphasising credit as the single biggest constraint, Dr. Kalantri said, "A national, real-time credit evaluation framework should be drawn up by mandating invoice–payment pairing linked to GSTN which will facilitate

the use of Trade Credits as a tool of finance. This will build a real-time credit infrastructure where payment behaviour and verified cash-flow drives access, rather than credit appraisal on backwards-looking balance sheets. This reform is will not cost a single paisa to the government but at the same time has potential to solve the credit crisis".

"The past year has seen many geoeconomic upheavals which has adversely impacted MSMEs. We will not achieve the goal of *Viksit Bharat 2047* unless we support our MSMEs. As exports drive the MSMEs sector, any change in the markets has ramifications down the line. The government keeping this in the mind should place thrust on newer markets and explore opportunities where our MSMEs can participate by signing trade deals and advocating for borderless commerce", Dr. Kalantri stressed.

"Government should also draw a policy outline for pre-shipment financing to support MSMEs from gate to port. This whole of government approach will strengthen the export capabilities of the MSMEs thereby supporting job creation and inclusive government. Further, budgeted support for MSME e-commerce onboarding, logistics integration and export documentation will help smaller firms participate in domestic and global value chains, thereby percolating economic growth till the bottom", suggested Dr. Kalantri.

The recommendations come in the light of the Union Budget 2026-27 and are a part of broader role which World Trade Centre, Mumbai and All India Association of Industries play to convey the on-ground reality of the economy to the policymakers and suggest measures which betters the trade, investment and manufacturing climate of the country.