

Revamped MSME Competitive (LEAN) scheme

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In news– The Union government has recently launched the revamped MSME Competitive (LEAN) scheme to make it more beneficial for enterprises and stakeholders.

Key features of the scheme-

- Under the revamped scheme, the **Centre's contribution will be 90 per cent of the implementation cost for handholding** and consultancy fees as against 80 per cent previously.
- There will be an additional contribution of 5 per cent for the MSMEs which are part of SFURTI clusters, owned by Women/SC/ST and located in North East Region.
- In addition to the above, there will be an **additional contribution of 5% for MSMEs registering through Industry Associations/Overall Equipment Manufacturing (OEM) organizations** after completing all levels.
- There is a unique feature to **encourage Industry Associations and OEMs** for motivating their supply chain vendors to participate in this scheme.
- The government has also **done away with the requirement of setting up a special purpose vehicle in every cluster.**
- Earlier, the implementation period for the scheme was set at 18 months.
- However, under the revamped scheme it has been divided into phases – Basic (2 months), Intermediate (6 months) and Advanced (12 months).
- The revamped scheme is being introduced in two phases. The first phase will cover the manufacturing sector while the services sector will be covered in the second phase.

- LEAN will not only attempt to improve quality, productivity and performance but also the capability to change the mindsets of manufacturers and transform them into world class manufacturers.