

# CHAPTER 1

## INTRODUCTION

### 1.1 GENERAL

A study has been carried out to assess the technological capabilities of Small & Medium Enterprises (SMEs) from Maharashtra State for offering their expertise to set up projects in other developing countries.

The SMEs from Maharashtra have been major contributors towards GDP as well as export earnings of the country. The era of protection and import substitution by Government of India since the last forty years (1951 to 1991) encouraged SMEs to develop indigenous technologies. These technologies could be adapted easily and also found to be cost effective, vis-à-vis similar technologies from the industrialized countries of the West. Further, technologies of SMEs from Maharashtra are less capital intensive and with more emphasis on employment generation and hence are very likely to be accepted in other developing countries as appropriate technologies.

### 1.2 OBJECTIVES AND TERMS OF REFERENCE

#### **OBJECTIVE OF THE STUDY**

The objective is to showcase export capabilities of Small and Medium Entrepreneurs (SMEs) in Maharashtra by determining their exportable technologies and projects.

Small & Medium Enterprises (SMEs) from Maharashtra have been contributing a fair share towards total export earnings of the country.

Some of the units have developed process or product technologies through rigorous R & D efforts based on market / field feedbacks. These technologies have been well established and fully commercialized and can be offered to entrepreneurs in some of the other developing countries.

#### **TERMS OF REFERENCE**

- a To conduct a survey of small and medium enterprises in the state of Maharashtra in industry sectors viz. electrical products, engineering, food processing, pharmaceuticals and chemicals.
- b To prepare profiles of exportable technologies / projects based on the survey, highlighting company profile as well as techno-commercial project profile.

### 1.3 SELECTION OF INDUSTRIAL SECTORS & SMEs

The major industries / industrial sectors in any developing economy are based upon the available natural resources and the socio-economic priorities of the nation. SMEs in India are spread in a number of industrial sectors such as Chemical, Pharmaceutical, Engineering, Food Processing, Foundry, Textiles and Electrical. A review of SMEs in various regions of Maharashtra (Greater Mumbai, Western Maharashtra, Konkan Region, Marathwada and Vidarbha) was undertaken and 23 SMEs were selected as under:

<b>Sector</b>	<b>No. of SMEs</b>
Electrical Products	3
Engineering	6
Food Processing	4
Pharmaceuticals	5
Chemicals	5
<b>Total</b>	<b>23</b>

The selection of these 23 units was based on extensive desk research in the first stage, in-depth consultation with state government agencies and corporations and finally on the basis of a field survey.

The main criteria for the selection of the 23 SMEs was based on following considerations:

1. Set up of the unit and management
2. Technology status and product profile
3. Turnover & exports
4. Scientific manpower
5. Technology / Process / Product on offer

The capabilities were assessed in terms of organizational, commercial, financial, technical, and manpower resources coupled with the perception of the management regarding transfer of technology. This information was obtained during personal in-depth interviews.

### 1.4 UTILITY OF STUDY

The report shall be disseminated to select foreign embassies in India and Indian missions abroad with a view to identify potential customers of technologies / projects available for export. The technology / projects shall be also hosted on relevant websites such as techbizindia.com of Technology Export Development Organization (TEDO), a joint initiative of DSIR and CII, mitconindia.com (MITCON), iift.edu (IIFT, New Delhi, etc. This is expected to generate some project inquiries for the Indian suppliers of technology / project. The Indian suppliers may look up the web site of CIA - The World Factbook 2002 to get preliminary information about the country, where technology / projects is to be exported.