

# Business Standard

## 'LMCS needs a boost with more clusters to benefit MSME sector'

**Press Trust of India | Kolkata January 01, 2015** Last Updated at 18:55 IST

There is a need to implement Lean Manufacturing Competitiveness Scheme (LMCS) to benefit MSMEs as the Centre is setting up 500 mini clusters at an investment of nearly Rs 241 crore, speakers at an awareness programme said today.

While the project to set up 500 mini clusters in the country would cost the Centre nearly Rs 205 crore, the beneficiaries would have a share of investment worth Rs 36 crore.

Speaking at the 27th Industrial India Trade Fair, organised by Bengal National Chamber of Commerce and Industry (BNCCI), Prasar Bharati CEO Jawhar Sircar said the National Manufacturing Policy envisaged manufacturing sector to reach a target of 26 per cent of the national GDP by 2022.

Describing manufacturing as the main engine for growth of the economy, he said its share in national GDP over the years has stagnated at 14-15 per cent.

To achieve a sustained rate of growth, manufacturing sector needs to build and maintain competitiveness to deal with the challenges posed by globalization, said Sircar, the former Development Commissioner of MSMEs.

Stating that out of 500 mini clusters to be set up, 300 have already been set up nation-wide, Sircar said West Bengal has been able to set up only five so far.

The main purpose of government support to MSMEs for undertaking lean manufacturing (LM) is to enhance their productivity and competitiveness by reducing wastages in manufacturing processes, inventory management, space management and energy consumption, he said.

The implementation of LM techniques lead to cost reduction for MSMEs, besides reducing the possibility of their rejection and helping to maintain standardization.

It also has lot of social benefits in terms of training of labour, creation of knowledge, increased labour productivity, lower input costs to other industries, introduction of new production equipment in manufacturing, speakers said.

While some organizations in the country have initiated lean manufacturing practices and started reaping benefits, these practices have not reached many MSMEs in the country.

The pilot phase of Lean Manufacturing Competitiveness Scheme (LMCS) was launched in July 2009 in 11th FYP for implementation of Lean Manufacturing Techniques in 100 Mini Clusters across the country.

Director, MSME Development Institute N N Debnath, Deputy Director, National Productivity Council, S Mallik and Vice-president, Videocon Industries Ltd, Goutam Sengupta also elaborated the scheme for the entrepreneurs.