

Letter of invitation

To,

Date

Sub: Letter of invitation for conducting Study on "Formulation of strategies to face competition in MSME (Micro, Small and Medium Enterprises) sector from China."

Sir,

National Small Industries Corporation Limited (NSIC) is an ISO 9001 certified company, established in the year 1955. It has been engaged in the activities of promoting, aiding and fostering the growth of Micro, Small and Medium Enterprises (MSMEs) of the Country. NSIC has been providing integrated support through its various schemes under Marketing, Technology, Credit and Other support services.

NSIC intends to get conducted a study on **"Formulation of strategies to face competition in MSME sector from China."** The objective of the study is to facilitate the Indian MSME Sector by formulating strategies to face competition from China (both within India and abroad) including acquisitions of new technologies.

In this regard, NSIC would like to solicit your interest under the two bid systems to conduct the aforesaid study. The quotations in two separate envelopes (Technical bid in envelope 'I' and Financial bid in envelope 'II') should be addressed to the undersigned, super scribing as 'Quotation to conduct the study on formulation of strategies to face competition in MSME sector from China'.

The copy of the Terms of Reference along with the standard form of certificates (i.e. Annexure A, B, B1) and standard form of agreement are enclosed for your reference. The technical bid in a separate envelope, marked as 'Envelope I-Technical Bid' should contain the following:

- 1) Annexure A
- 2) Annexure B
- 3) Annexure B1

The financial bid in a separate envelope marked as 'Envelope II- Financial Bid' should contain the 'Annexure C'.

The sealed quotations must reach to the NSIC Central Receipt Section by 15th September, 2008. NSIC reserves the right to accept or reject any or all of the quotations received in response to the above referred invitation, without assigning any reason thereof.

Thanking you,

Yours faithfully,

Sunil Bali
General Manager(BD)

Enclosed-As Above

Terms of Reference

1.0 Background

National Small Industries Corporation Limited (NSIC), established in 1955, is an ISO 9001 certified company and has been working to fulfill its mission of promoting, aiding and fostering the growth of Micro, Small and Medium Enterprises (MSMEs). NSIC has been providing integrated support to MSME sector through its various schemes under Marketing, Technology, Credit and Support services. These schemes are a set of specially tailored schemes designed to put them in a competitive and advantageous position. NSIC activities are being largely guided by the prevailing market scenario as well as the strategic guidelines given by the Government w.r.t. the future activities of the Corporation.

2.0 Assignment: Formulation of strategies to face competition in MSME Sector from China.

3.0 Objectives of Study: To facilitate Indian MSME sector by formulating strategies to face competition from China (both within India & Abroad) including acquisition of new technologies.

4.0 Scope of Assignment

- To identify list and benchmark all strategic options required for consistency and continuity in business growth in India. This will involve comparison with the enabling policy environment in China (Specific Government schemes and subsidies).
- To study the character of MSMEs in China with regard to ownership pattern, investment support and general business climate including the Government policies and impact of these factors in the growth of MSMEs in China.
- To identify the reasons which aid Chinese market in offering competitive costs and products in the given scenario of neo-liberalism. To provide sharp analysis of how the same can be done in India.
- To explore opportunities in specific product segments, wherein India can compete favorably in the region. An analysis of possible synergies between specific product groups may also be done to enable the MSMEs in these selected segments to even out business cycle related demand fluctuations on both national and regional basis.
- To explore innovations in technologies in selected sectors, where Indian MSMEs may be able to upgrade with limited investments in order to compete with China.
- To explore innovations in technologies including acquisition of new technologies in order to upbeat competition from China.
- Finally to provide set of strategies and specific recommendations of how to upgrade Indian MSME sector (technically and technologically) to compete with China detailing products, timeline and technologies etc.

5.0 Methodology:

- Specific sectors of MSMEs in India to be identified and studied where Indian MSMEs can compete with China.
- Sample size of at least five specific sectors of MSMEs in China should be taken and study distinctively with regard to ownership pattern, investment support and general business climate including the Government policies and impact of these factors in the growth of MSMEs in China.
- Sample size of at least 1,000 micro, small & medium enterprises covering all the regions of the country, should be taken and study distinctively

keeping in account representation of niche industries. Information to be collected through desk research, personal interviews and survey. In addition, the sample size should also include study of at least 10 Industries Associations engaged in the development and promotion of MSMEs, covering all the regions of the country.

- Preparation and submission of draft report to NSIC containing strategies to be adopted by Indian MSMEs and suggesting acquisition of new technologies to counter the competition from China (both within India & Abroad).
- Submission of final report

6.0 Time Schedule and Reports

The study is to be completed within 10 weeks from the date of award of assignment. It is expected that the following assignment schedule for reporting may be adhered to:

Sl. No.	Project Activity	Weeks											
		1	2	3	4	5	6	7	8	9	10		
1.	i) Desk Research ii) Finalization of questionnaire in consultation with NSIC.	■	■										
2.	i) Field Survey ii) Data Analysis & Draft Report preparation & submission.			■	■	■	■	■	■	■			
3.	Report Finalisation										■	■	

6.1 Time Schedule: The Assignment is to be completed in 3 stages as described below:

Phase I. (0-2 weeks) : Desk research related to identification of the specific sectors of MSMEs where Indian MSMEs can compete with China and preparation of questionnaire.

Phase II (3-8 weeks): During this phase, field survey by way of interacting through personal visits, interviews, meetings with the stake holders is to be made. Obtaining feedback by

way of Questionnaires. The analysis of the data is also to be completed in terms of the objectives of the study and accordingly draft report is to be prepared and submitted to NSIC for its comments.

Phase-III (9-10 weeks): On the basis of comments of NSIC on the draft report, the final report is to be prepared and submitted.

6.2 Reports:

Draft report (5 copies) is to be submitted within eight weeks from the date of award of assignment. Thereafter the final report (10 copies along with 5 CD's) is to be submitted within 15 days from the date of receipt of draft report from NSIC.

6.3 Penalty

Any delay in submission of report without due approval by NSIC will attract a penalty of 5% of the contract sum per week subject to maximum of 25 % of the amount of contract.

7.0 Payment:

The payment will be made within one month from the date of acceptance of the final report and submission of bills etc. by the agency.

7.1 Other Terms and Conditions:

The other terms and conditions applicable under this assignment will be:

- (i) The assignment should be completed within the time stipulated in the award letter. Delay in submission of the report beyond the stipulated time will attract penalty as stipulated above. For factors beyond the control of the agency, suitable extension in time may, however, be granted at the request of the agency.
- (ii) NSIC shall not pay any extra amount for any escalation in the cost of the assignment beyond the time period stipulated in the award letter.
- (iii) The total fee for the study to be quoted by the agency will include service tax and other tax, if any, and any other expenses to be incurred during the course of conducting the survey. The liability of payment of the tax will be of the agency conducting the study.
- (iv) The draft/final reports and the contents thereof would be the intellectual property of NSIC and would not be published by the agency concerned without prior approval of NSIC.
- (v) If the performance of the agency during the currency of the study is not found to be satisfactory, the award of the assignment can be terminated and the amount already paid to the agency will be recovered.
- (vi) The raw data/processed data/ findings should not be disclosed by the agency to any third party without prior approval of NSIC.

Xxxxxxxx