



RESILIENCE AND RECOVERY OF MSMEs IN INDIA POST-COVID-19: A STUDY OF ANDHRA PRADESH

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Abstract

The Micro, Small, and Medium Enterprises (MSME) sector has long been a vital pillar of India's economic development, contributing significantly to employment generation, industrial output, and exports. However, the outbreak of COVID-19 created unprecedented disruptions, severely affecting the functioning and sustainability of MSMEs. This study examines the problem of the sector in the context of the pandemic, highlighting the magnitude of economic and operational challenges faced by enterprises across India. The imposition of strict lockdowns led to supply chain breakdowns, labor shortages due to mass migration, reduced demand, and acute financial stress. Consequently, MSMEs experienced sharp declines in production capacity, sales, and overall economic contribution, despite a rise in employment registrations. A significant proportion of firms struggled to pay wages, while many faced the risk of closure under prolonged restrictions. The study also reviews survey-based evidence and secondary data to understand the depth of the crisis and its implications for employment and industrial growth. In response, government interventions, including financial assistance and policy reforms, played a crucial role in supporting recovery and resilience. By analyzing these developments, the study underscores the structural vulnerabilities of MSMEs while emphasizing their continued importance in India's post-pandemic economic revival and long-term growth trajectory.

Keywords: *MSMEs, COVID-19 Impact, Supply Chain Disruptions, Employment Crisis, Economic Recovery.*

Introduction

Micro, Small, and Medium Enterprises (MSMEs) constitute a vital pillar of the Indian economy, playing a significant role in promoting inclusive growth, employment generation, and industrial development. The concept of MSMEs was formally defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, which categorized enterprises into manufacturing and service sectors based on their investment in plant, machinery, and equipment. Manufacturing enterprises are engaged in the production and processing of goods, whereas service enterprises provide various intangible services to consumers and industries. Initially, the classification thresholds differed for manufacturing and service units, reflecting their structural differences.

However, with changing economic dynamics and the need to simplify business regulations, the Government of India revised the definition of MSMEs in July 2020 under the Atmanirbhar Bharat initiative. The revised criteria introduced a composite classification based on both investment and annual turnover, while also removing the distinction between manufacturing and service enterprises. As per the new definition, micro enterprises are those with investment up to ₹1 crore and turnover up to ₹5 crore, small enterprises up to ₹10 crore investment and ₹50 crore turnover, and medium enterprises up to ₹50 crore investment and ₹250 crore turnover.

The importance of MSMEs is further highlighted by empirical data. According to the 73rd round of the National Sample Survey (2015–16), India had about 63.38 million unregistered non-agricultural

MSMEs, with a significant presence in trade, services, and manufacturing sectors. These enterprises are widely distributed across states such as Uttar Pradesh, West Bengal, Tamil Nadu, Maharashtra, and Karnataka, which together account for nearly half of the total enterprises and employment. The sector contributes substantially to Gross Value Added (GVA), estimated at around ₹11.52 lakh crore, and provides employment to over 11 crore people.

Furthermore, MSMEs play a crucial role in rural development, with a large proportion of enterprises and workforce located in rural areas. They help in reducing regional imbalances, promoting entrepreneurship, and supporting livelihoods. Overall, MSMEs are not only engines of economic growth but also instruments of social and regional development, making them indispensable to India's economic framework.

Objectives of study

1. To study the contribution of MSME sector in the economic growth and development of India.
2. To analyze the before and after COVID 19 pandemic effect on the MSME sector in both India and Andhra Pradesh.
3. To investigate the MSME sector trends while taking a number of aspects into consideration.

Hypothesis of the Study

1. MSME contributes significantly to the economic growth and development in India.
2. There is a V-shaped recovery of MSME after the COVID 19 pandemic effect in both India and Andhra Pradesh.

Data and Methodology

This study is centered on the Micro, Small, and Medium Enterprises (MSME) sector. The analysis is based on secondary data gathered from multiple reliable sources, including annual reports released by the Ministry of MSME, data from the National Sample Survey Office (NSSO), updates from the Press Information Bureau (PIB), inputs from the Office of the Development Commissioner under the Ministry of MSME, and information available on the AP MSME ONE platform developed by the Government of Andhra Pradesh.

The study focuses on analyzing key variables such as the number of MSME registrations on the Udyam Registration portal, employment statistics, GDP contribution, and export figures. These indicators are examined over a six-year period, from 2017 to 2022, to identify patterns and trends in the performance of the MSME sector. The data used is time-series in nature, enabling the study to track changes and developments over time. For data analysis and visualization, Microsoft Excel's statistical tools were employed.

Effect of COVID-19 Pandemic on MSME Sector in the World

The COVID-19 pandemic had mixed repercussions on MSMEs across the globe. Many suffered from falling sales, disrupted supply chains, and workforce reductions, leading to business closures and economic instability. However, it also prompted increased digital adoption, government stimulus interventions, and innovations among businesses.

Developed Economies

1. **United States:** U.S. MSMEs were hit hard with significant revenue losses, layoffs, and closures. The government introduced relief programs like the Paycheck Protection Program (PPP),

although access and impact varied among enterprises.

2. **United Kingdom:** MSMEs in the UK, especially in hospitality and retail, faced severe impacts. The government launched support schemes like the Coronavirus Job Retention Scheme and business grants.
3. **Germany:** While German MSMEs saw a decline in output, the government's financial support, including grants, loans, and wage subsidy programs, helped reduce the economic strain.
4. **Canada:** Canadian MSMEs also experienced losses in income and jobs. Relief programs such as the Canada Emergency Wage Subsidy and Emergency Business Account helped sustain affected businesses.

These responses highlight the critical role of policy intervention in stabilizing MSMEs during crises.

Effect on MSME Sector in India

The Effect of MSME sector on economic growth and development in India is significant. The following aspects are an example for the MSME contributions.

Disruption of Supply Chains: The pandemic disrupted global and domestic supply chains, affecting the availability of raw materials, components, and finished goods for MSMEs in India. According to surveys conducted by various industry bodies, MSMEs faced challenges in procuring inputs, leading to production delays and reduced output.

Downturn in Demand: Lockdowns, social distancing measures, and economic slow down resulted in reduced consumer spending and demand for non-essential goods and services. MSMEs across sectors such as retail, hospitality, and tourism experienced a significant decline in sales, leading to financial stress and closures. According to a survey conducted by the All India Manufacturers Organization (AIMO) in 2020, around 35% of MSMEs reported a 50% decline in sales.

Cash Flow Challenges: MSMEs faced cash flow issues due to reduced sales, delayed payments from customers, and disruptions in payment cycles. According to a survey conducted by the Confederation of Indian Industry (CII) in 2020, around 54% of MSMEs faced challenges in meeting working capital requirements and paying salaries.

Impact on Employment: The pandemic had a significant impact on employment in the MSME sector. According to the Centre for Monitoring Indian Economy (CMIE), around 122 million people lost their jobs in April 2020, primarily in the informal sector, which includes a substantial portion of MSMEs.

Limited Access to Credit: MSMEs faced challenges in accessing credit during the pandemic. Banks and financial institutions adopted a cautious approach due to increased credit risk. According to reports, the credit growth to MSMEs slowed down significantly during the pandemic, impacting their ability to sustain and recover.

Performance of MSME Sector in India

The performance of MSME sector in India can be accounted through many variables like GDP contribution, share of manufacturing output exports, employment, investment and other factors. In this research the performance of MSME sector can be measured as follows:

Table-1: Contribution of MSME in GDP, Output and Exports

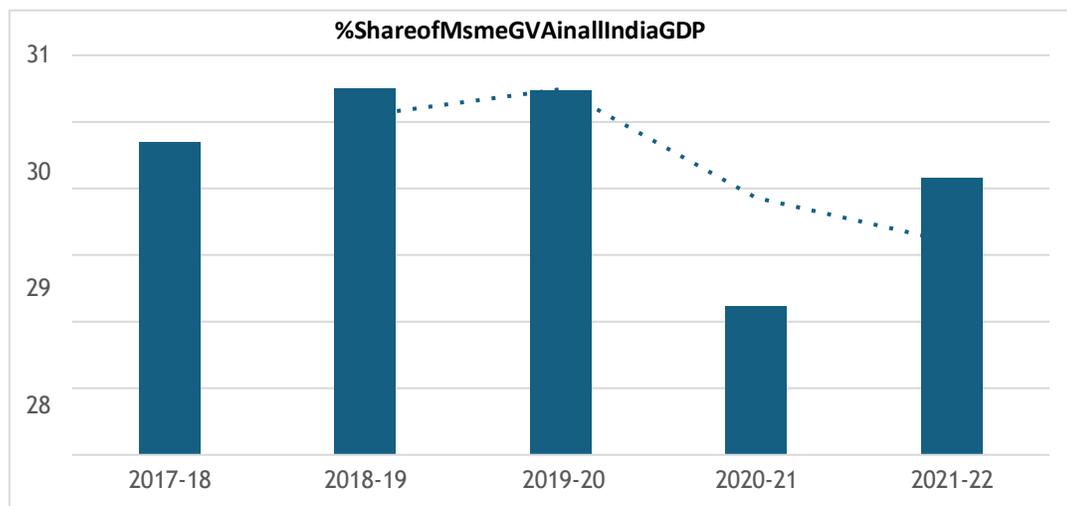
Year	%Share of MSME GVA in all India GDP	%Share of Manufacturing Output of MSME	%Share of Exports
2017-18	29.7	37.4	40
2018-19	30.5	36.9	48.1
2019-20	30.48	36.6	49.77
2020-21	27.24	36.9	49.35
2021-22	29.15	36.2	45.03

Source: Press Information Bureau (PIB)

Percentage share of MSME GVA in India's GDP

In 2017-18 the GVA share in the all India GDP was 29.7%, indicating a period of steady economic growth pre-pandemic, with various sectors contributing to the overall output, in 2018-19 the GVA share rose to 30.5%, showing positive economic expansion as different sectors increased their contribution to the GDP, in 2019-20 the GVA share remained stable at 30.48%, signaling consistent economic growth leading up to the pandemic, in 2020-21 the GVA share declined to 27.24%, reflecting the heavy impact of the COVID-19 pandemic on the economy, causing disruptions and a decrease in economic activity, and in 2021-22 the GVA share rebounded to 29.15%, indicating a partial recovery post-pandemic as sectors began to regain their contribution to the GDP. However, the economy had not fully recovered to pre-pandemic levels.

Figure-1: Trend line of % share of MSME GVA in all India GDP



Source: Press Information Bureau (PIB)

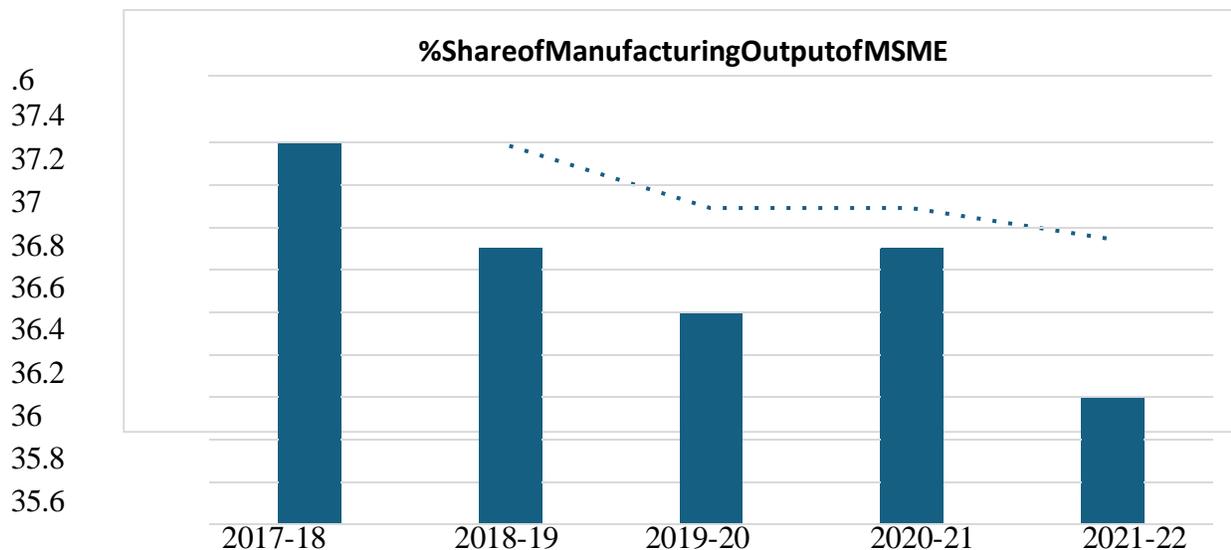
Figure 4.1 Represents the trend line percentage share of Gross Value Added (GVA) of MSME sector to overall country's GDP. Between 2017-18 and 2019-20 there was growth in the GVA but after the COVID-19 pandemic this percentage has been decreased in the year of 2020-21, after that there was a recovery phenomenon in which the contribution of GVA through MSME sector was increased. The V-shape of trend line shows that there was a recovery status of MSME sector in case of GVA contribution in India.

Percentage Share of Manufacturing Output in MSME Sector

In 2017-18 the manufacturing output share in the MSME sector was 37.4%. This indicates a significant contribution of the MSME sector to the manufacturing output in the economy, in 2018-19 the share slightly decreased to 36.9%, suggesting a slight decline in the MSME sector's contribution to manufacturing output, in 2019-20 the share further decreased to 36.6%. This indicates a continuation of the declining trend in the MSME sector's share in manufacturing output before the COVID-19 pandemic, in 2020-21 the share increased to 36.9%, which could be attributed to the gradual recovery of the MSME sector from the initial impact of the pandemic, and in 2021-22 the share decreased to 36.2%, indicating a slight decline in the MSME sector's share in manufacturing output during the recovery phase.

This data suggests that the MSME sector's share in manufacturing output experienced a declining trend even before the COVID-19 pandemic. However, during the pandemic, the sector faced challenges due to disruptions in supply chains, reduced demand, and operational constraints. The slight recovery observed in 2020-21 indicates initial signs of improvement, but the sector's share remained below pre-pandemic levels in 2021-22, indicating ongoing recovery efforts.

Figure-2: Trend line of % share of Manufacturing Output of MSME



Source: Press Information Bureau (PIB)

This graph shows that the percentage of manufacturing output of MSME was decreasing from 2017-18 to 2019-20, but after the COVID-19 pandemic there was a slight increase in the manufacturing output and in the year 2021-22 there was again a decrease in the manufacturing output. The trend line shows a shape which tells that the recovery status in manufacturing output was a gradual process.

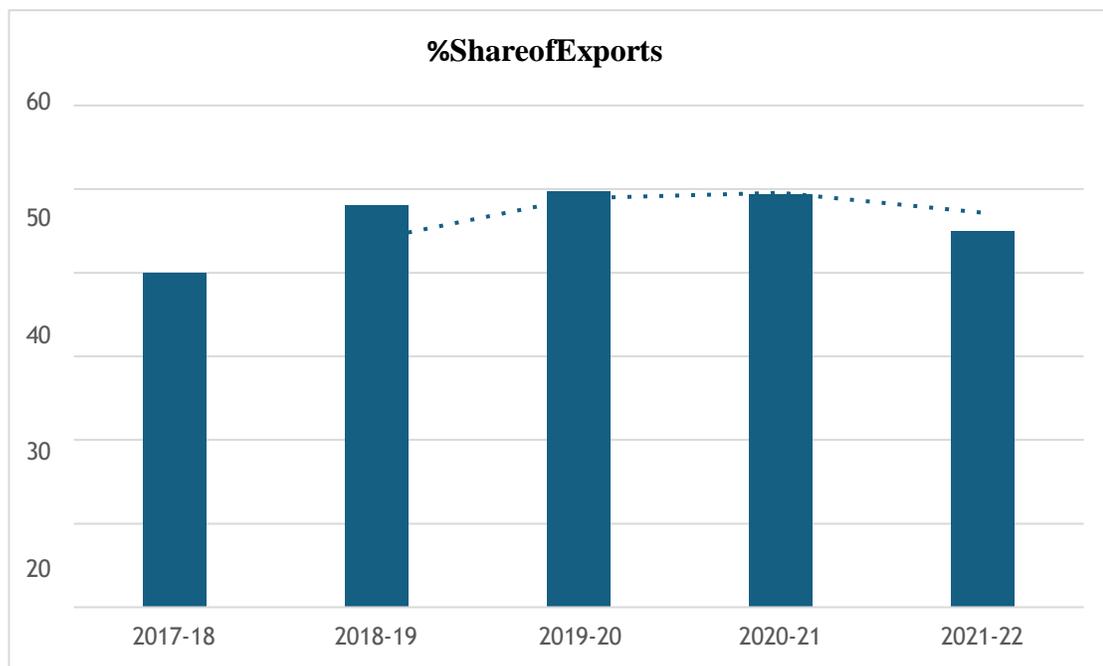
Percentage Share of Exports in MSME sector

In 2017-18 the share of exports in the MSME sector was 40%. This indicates a significant contribution of MSMEs to the overall export performance of the economy. In 2018-19 the share increased to 48.1%, suggesting a considerable growth in the MSME sector's contribution to exports. In 2019-20 the share further increased to 49.77%, indicating a continued positive trend in MSME exports before the onset of the COVID-19 pandemic. In 2020-21 the share decreased slightly to 49.35%, which could be attributed

to the impact of the pandemic and economic global trade and disruptions faced by the MSME sector, in 2021-22 the share further decreased to 45.03%, suggesting continued challenges in the MSME sector's export performance during the recovery phase.

This data reveals that the MSME sector played a significant role in exports, with a notable growth trend before the COVID-19 pandemic. However, the pandemic had an impact on global trade, resulting in a decline in the share of exports from the MSME sector. Although there was a slight recovery in 2020-21, the sector's share remained below pre-pandemic levels in 2021-22, indicating ongoing challenges in the export performance of MSMEs.

Figure-3: Trendline of % share of exports of MSME



Source: Press Information Bureau (PIB)

This graph represents the percentage share of exports of MSME sector in India. From 2017-18 there was an increase in the percentage share of exports upto 2019-20, but there was decline in the share of exports after covid -19 pandemic. The shape of the trend line represents that there was negative impact on exports of MSME after covid- 19 pandemic.

Employment and Udyam registrations of MSME sector

Number of Persons Employed through MSME Sector:

This data shows that there was a consistent increase in the number of persons employed through the MSME sector from 2017-18 to 2019-20. However, there was a significant jump in employment in 2020-21, suggesting a possible expansion or a shift of workers from other sectors to the MSME sector during the COVID-19 pandemic. Furthermore, the number of employed persons continued to increase in 2021-22, indicating a recovery or continued growth in the sector.

Table-2:No.of MSME units and employment in India

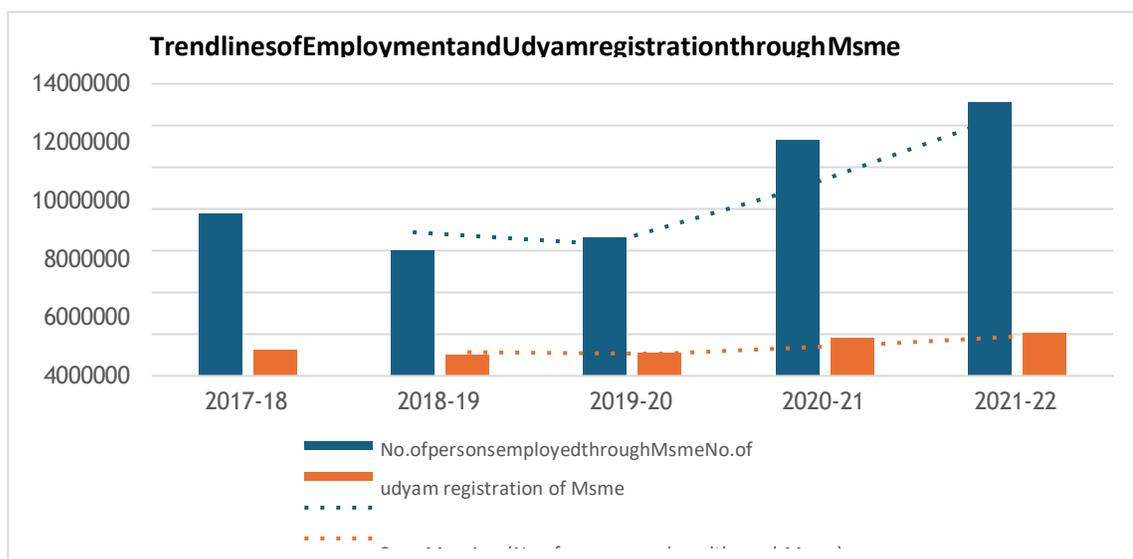
Year	No.of persons employed Through MSME	No.of udyam registration of MSME
2017-18	7770469	1246027
2018-19	6010653	1016723
2019-20	6622941	1103970
2020-21	11297690	1841253
2021-22	13118896	2078882

Source:Press Information Bureau (PIB)

NumberofUdyamRegistrations

The data highlights a steady increase in Udyam registrations, reflecting the growing formalization and acknowledgment of MSMEs in India. From 2017-18 to 2019-20, the number of registrations remained fairly consistent. However, there was a notable surge in registrations during 2020-21, likely driven by government initiatives aimed at supporting and promoting MSMEs amid the pandemic. This positive trend persisted in 2021-22, indicating ongoing growth and recovery within the MSME sector. The data highlights a notable expansion within the MSME sector in India, particularly in terms of employment generation and formalization, as evidenced by the increase in Udyam registrations. While the sector encountered significant challenges due to the disruptions caused by the COVID-19 pandemic, it demonstrated considerable resilience in the face of adversity. Despite these setbacks, the MSME sector began showing signs of recovery and growth in the subsequent years. The surge in both employment figures and Udyam registrations during 2020-21 and 2021-22 suggests that the sector has not only adapted to the changing economic landscape but also played a pivotal role in driving the country's economic recovery. This growth reflects the MSME sector's vital contribution to the broader economy, underscoring its potential to support sustainable employment, foster entrepreneurship, and facilitate the economic revival of India post-pandemic.

Figure-4:Trend lines of No. of persons employed and registered



Source:Press Information Bureau(PIB)

This graph illustrates the Moving Averages trend lines for both employment and Udyam registrations within the MSME sector in India. From 2017-18 to 2019-20, there was a noticeable decline in the number of individuals employed in the MSME sector. This downward trend reflects the challenges faced by the sector during these years. However, following the outbreak of the COVID-19 pandemic, there was a significant increase in employment within the sector, signaling a recovery phase. The shape of the trend line for employment clearly mirrors the recovery trajectory of the workforce within the MSME sector in India, suggesting they are bound as the country began to stabilize after the pandemic's impact.

Simultaneously, the number of Udyam registrations also saw a dramatic rise between 2017-18 and 2021-22. This sharp increase highlights the growing formalization and recognition of MSMEs, which can be attributed to various government initiatives aimed at supporting these enterprises, especially during the pandemic. The trend line for Udyam registrations similarly depicts a recovery pattern, indicating that as the economy started to recover, MSMEs were able to register and formalize their operations at a high rate. The overall trend lines for both employment and registrations point to the resilience of the MSME sector, which has been crucial in driving India's economic recovery post-pandemic.

Impact on MSME Sector in Andhra Pradesh

Disruption in Industrial Clusters: Andhra Pradesh hosts a number of industrial clusters, particularly in manufacturing and textiles. The outbreak of the pandemic and the ensuing lockdowns severely disrupted production, supply chains, and logistics within these clusters, causing significant challenges for MSMEs. As a result, many industrial units in the state experienced a drop in both production levels and revenue, with reports indicating widespread financial strain across these sectors.

Impact on Tourism and Hospitality: Andhra Pradesh boasts a dynamic tourism industry, encompassing religious, beach, and heritage tourism. However, the pandemic and subsequent travel restrictions had a profound impact on the tourism and hospitality sectors, resulting in the closure of businesses, significant job losses, and a sharp decline in revenue for MSMEs operating in these fields.

Disruptions in Agri-Based MSMEs: Andhra Pradesh is home to a substantial number of MSMEs in the agricultural and food processing industries. The pandemic caused significant disruptions to the agricultural supply chain, affecting the availability of inputs, transportation, and market connections. As a result, MSMEs engaged in food processing struggled to secure raw materials and reach their markets, which led to a decline in production and sales.

Technological Challenges: Numerous MSMEs in Andhra Pradesh encountered technological difficulties during the pandemic. The lack of robust digital infrastructure, limited access to technology, and low levels of digital literacy obstructed the adoption of digital tools and e-commerce platforms. As a result, many MSMEs struggled to adjust to the evolving market conditions and shift to online business models.

Performance of MSME sector in Andhra Pradesh: Andhra Pradesh, known for its strong industrial presence and a wide range of agro-based products, serves as a key hub for numerous MSME units. The performance of the MSME sector in the state can be assessed through the employment figures and the annual increase in the number of MSMEs entering the state's economy, as indicated by the available data. Within the state.

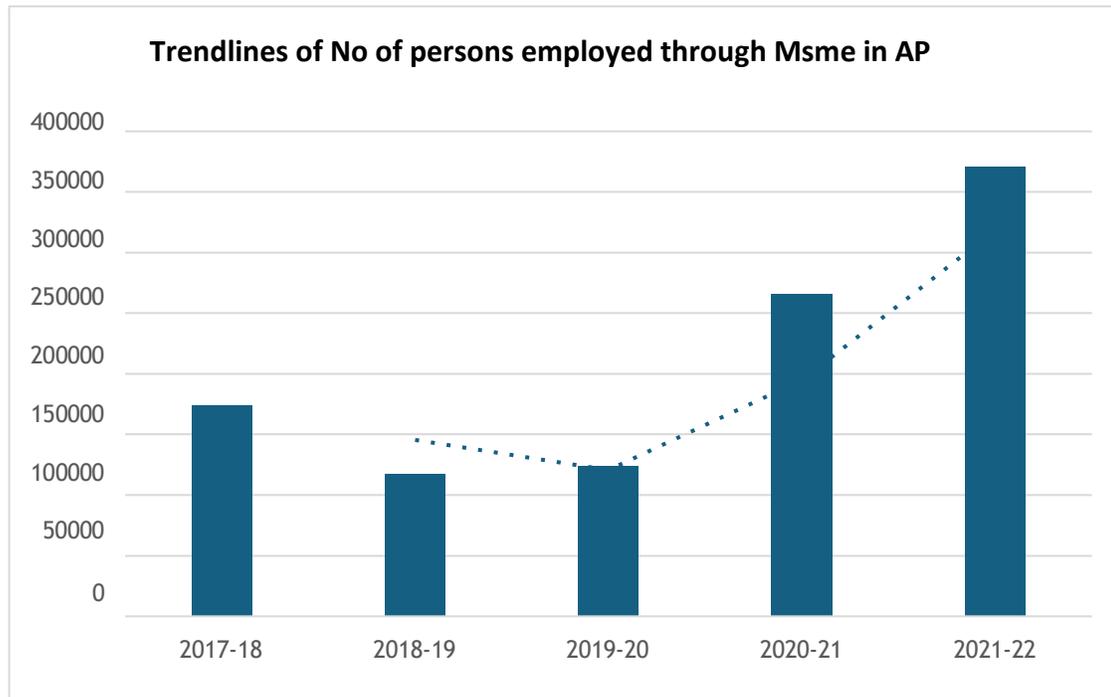
Table-4.3: Number Persons Employed Through MSME In AP

Year	No of persons employed through MSME in AP
2017-18	173898
2018-19	117225
2019-20	123951
2020-21	266068
2021-22	370771

Source: Press Information Bureau(PIB)

Overall, the data indicates that the MSME sector in Andhra Pradesh saw a decrease in employment prior to the COVID-19 pandemic, followed by a notable recovery and growth during and after the pandemic. The rise in employment during 2020-21 and 2021-22 reflects the sector's resilience and its capacity to recover from the disruptions caused by the pandemic.

Figure-5: Trend line of employment in Andhra Pradesh



Source: Press Information Bureau(PIB)

The graph illustrates the employment trends within the MSME sector in Andhra Pradesh. From 2017-18 to 2019-20, there was a decrease in the number of individuals employed. However, after this period, a noticeable rise in employment through the MSME sector was observed. This trend line reflects the recovery progress of employment in Andhra Pradesh within the MSME sector.

MSME units in Andhra Pradesh

The data shows variations in the number of MSME enterprises in Andhra Pradesh, categorized by size and investment over several years. From 2017-18 to 2018-19, there was a significant increase in the number of micro and small enterprises, indicating growth and expansion in these sectors. The

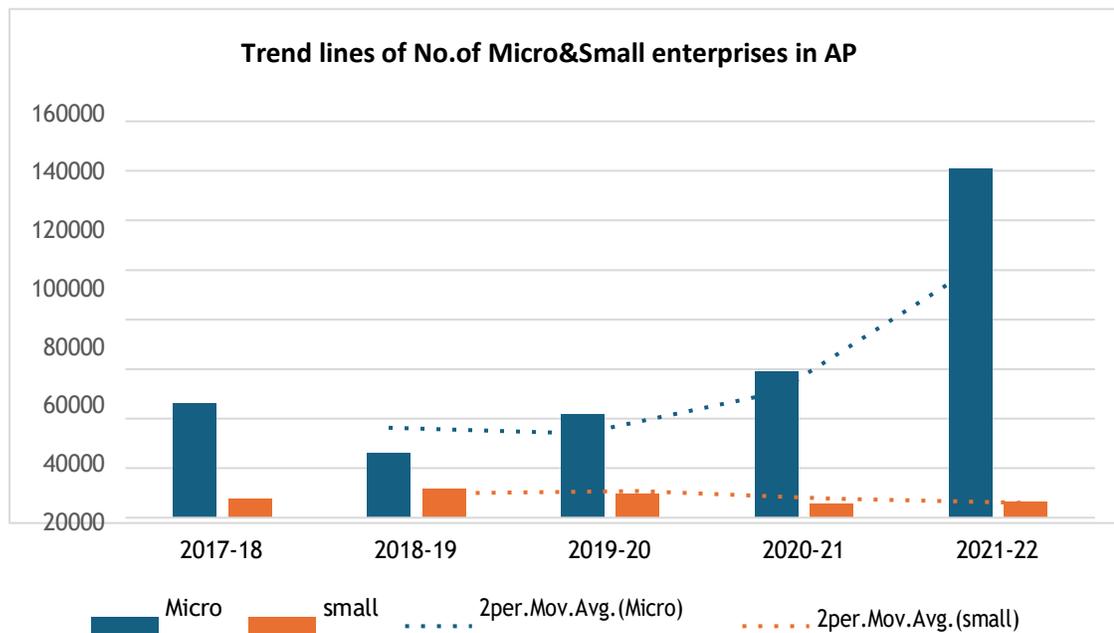
number of medium enterprises also experienced as lightrise. In 2019-20, micro enterprises continued to grow, while small and medium enterprises saw a decline. This shift could suggest changes in business distribution or adjustments in market conditions. The year 2020-21 saw further growth in micro enterprises, accompanied by a reduction in small and medium enterprises, likely due to the challenges posed by the COVID-19 pandemic on smaller businesses.

Table-4: Number of MSME units in Andhra Pradesh

Year	Micro	Small	Medium	Total
2017-18	46333	7963	221	54517
2018-19	26302	11888	285	38475
2019-20	41859	9705	237	51801
2020-21	59057	5578	708	65343
2021-22	140850	6453	372	147675

Source: UAM publications, press Information Bureau (PIB)

Figure-4.6: Trend Line of Micro and Small Enterprises In Andhra Pradesh



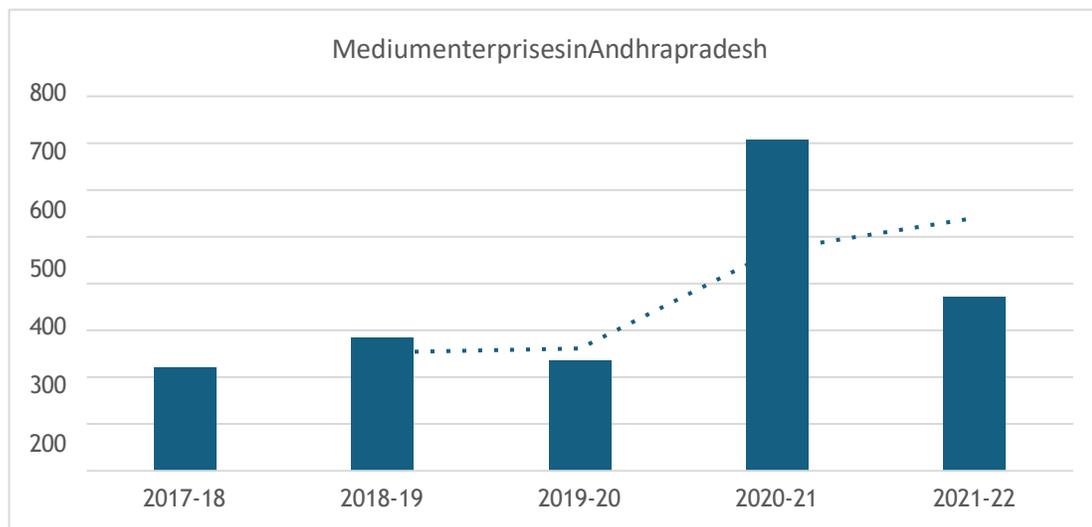
Source: UAM publications, press Information Bureau (PIB)

In 2021-22, there was a notable surge in the number of micro enterprises in Andhra Pradesh, indicating a strong recovery and growth within this segment. Small and medium enterprises also experienced growth, although to a lesser degree. This data suggests that prior to the pandemic, the MSME sector in Andhra Pradesh was on an upward trajectory, particularly in the micro and small enterprise categories. The impact of the pandemic, however, was uneven across these categories, with micro enterprises showing greater resilience and quicker recovery compared to small and medium enterprises. The varying recovery patterns highlight the different challenges faced by each category, with micro enterprises being more adaptable to the shifting market conditions brought on by the pandemic.

The substantial rise in micro enterprises in 2021-22 signals a positive recovery for the MSME sector in Andhra Pradesh. Nevertheless, the rebound and progress of small and medium enterprises may necessitate further support and attention.

This figure 4.6 represents the Moving Averages trend lines of number of Micro and Small enterprises units present in Andhra Pradesh. From 2017-18 there was a slight decrease in micro enterprises up to 2019-20. After that, the micro enterprises increased drastically up to 2021-22. The shape of the trend lines shows the recovery status of Micro enterprises in Andhra Pradesh. The small enterprises from 2017-18 were decreasing slightly up to 2019-20, but after COVID-19 and the pandemic there were further decreases. The shape of the trend line represents the negative impact of the pandemic on the small enterprises in Andhra Pradesh.

Figure-4.7: Trendline of No. of Medium Enterprises in Andhra Pradesh



Source: Press Information Bureau (PIB)

This figure 4.7 represents the trend line for medium enterprises in Andhra Pradesh. From 2017-18 the number of medium enterprises units has been increased up to 2019-20, after COVID-19 and the pandemic the number has been increased drastically and decreased in 2021-22. The shape of the trend line represents that the recovery status of medium enterprises is stable in Andhra Pradesh.

Government initiatives for MSME sector after COVID 19 in India The Indian government has implemented several initiatives and measures to support the recovery of the MSME sector in the aftermath of the COVID-19 pandemic. These initiatives aim to address the challenges faced by MSMEs, provide them with financial assistance, ease regulatory burdens, and promote their overall growth. These include;

Emergency Credit Line Guarantee Scheme (ECLGS): The ECLGS was launched by the government to provide financial support to MSMEs affected by the pandemic.

Under this scheme, eligible MSMEs can avail collateral-free loans up to 20% of their outstanding loan balance as of February 29, 2020. The loans are guaranteed by the government, and the scheme covers both existing and new borrowers. The repayment tenure is five years, with a one-year moratorium on principal repayment.

Atmanirbhar Bharat Package: The Atmanirbhar Bharat Package is a comprehensive economic stimulus package introduced to revive various sectors, including MSMEs. It includes measures such as: Subordinate Debt for Stressed MSMEs: The package introduced a scheme to provide Rs. 20,000 crore as subordinate debt for stressed MSMEs. This scheme enables MSMEs to raise equity-like funds and enhance their liquidity.

Fund of Funds for MSMEs: The government created a Fund of Funds with a corpus of Rs.50,000 crore to provide equity funding support to MSMEs. This fund aims to encourage MSMEs to list on the stock exchanges and access capital markets.

Changes in Definition and Criteria: The package revised the definition of MSMEs and increased the investment and turnover limits, allowing more enterprises to avail benefits and support.

MSME Sambandh Portal: The MSME Sambandh Portal is an online platform launched to promote ease of doing business for MSMEs. It provides a single-window system for MSMEs to access various government schemes, services, and support. The portal facilitates MSME registration, availing of financial assistance, and obtaining information on policies and initiatives.

Digital Payments and Technology Adoption: To encourage digital payments and technology adoption among MSMEs, the government has taken several measures, including reducing transaction charges on digital payments, promoting the use of digital payment systems, and creating awareness about digital tools and platforms for business operations.

Simplified Regulatory Compliance: To ease the regulatory burden on MSMEs, the government has introduced measures such as the decriminalization of several compoundable offenses, simplification of registration and filing processes, and exemption from certain inspections and certifications.

Support for Export Promotion: To boost MSME exports, the government has enhanced the scope and coverage of the Export Credit Insurance Scheme (ECIS). It provides insurance cover to MSMEs against payment defaults by overseas buyers, thus minimizing risks and promoting export activities.

Other Support Measures: The government has also introduced various other support measures, including increased allocation of funds to the MSME sector, interest rate reductions on loans, extension of statutory deadlines, and promotion of skill development and entrepreneurship training. The government continues to monitor the situation and introduce additional measures as needed to support the recovery and growth of the MSME sector.

Conclusion

The study on the recovery of the MSME sector in India and Andhra Pradesh after the COVID-19 reveals several important insights. Firstly, there was a noticeable decline in the contribution of MSME Gross Value Added (GVA) to GDP in the immediate aftermath of the pandemic. However, this decline gradually reduced over time, indicating a slow but steady recovery as economic conditions improved. The performance of the manufacturing sector showed a mixed trend. While there was a slight increase in MSME manufacturing output initially, it declined marginally in the subsequent year, reflecting an uneven recovery process. Similarly, exports experienced a significant fall during the pandemic period. The recovery pattern followed a U-shaped trend, suggesting that export-oriented MSMEs require a longer time to regain stability.



In contrast, employment in the MSME sector demonstrated a strong V-shaped recovery. The number of jobs increased significantly in both India and Andhra Pradesh, highlighting the sector's resilience and its crucial role in generating livelihoods and supporting economic revival. This recovery was further supported by a substantial rise in Udyam registrations, indicating renewed entrepreneurial activity and formalization within the sector.

State-specific findings for Andhra Pradesh reveal varied recovery patterns across enterprise categories. Micro enterprises showed consistent growth after the pandemic, while small enterprises initially declined before recovering. Medium enterprises experienced a temporary increase followed by a slight decline, reflecting structural differences in resilience across segments.

The study also highlights the important role of government initiatives in supporting MSMEs during the crisis. Financial assistance, policy support, and institutional measures helped address issues such as job losses, production disruptions, and credit constraints.

Overall, the findings indicate that although the MSME sector faced severe setbacks in terms of GDP contribution and exports, it demonstrated strong resilience through employment generation and enterprise growth. Sustained policy support and targeted interventions remain essential for ensuring long-term recovery and stability of the MSME sector in India and Andhra Pradesh.

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