

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION No. 272
TO BE ANSWERED ON 05.02.2024

COTTAGE SCALE INDUSTRIES

272. SHRI IRANNA KADADI:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) the current status of cottage industries in the State of Karnataka along with the steps taken to promote such industries;
- (b) the contribution of small scale and cottage industries in the economic development and Gross Domestic Product (GDP) of the country;
- (c) whether Government is aware of the fact that encouraging small and cottage industries in rural, tribal, and semi-urban areas would create employment opportunities for locals and prevent them from migrating; and
- (d) if so, the details of the initiatives that have been taken and proposed to be taken by Government in this regard?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI BHANU PRATAP SINGH VERMA)

- (a): Ministry of MSME is promoting cottage industries across the country through the following schemes:
1. **Prime Minister's Employment Generation Programme (PMEGP):** PMEGP is a credit-linked subsidy programme for generating self-employment opportunities through establishment of micro enterprises, including village industries, throughout the country.
 2. **Scheme of Fund for Regeneration of Traditional Industries (SFURTI):** Under this scheme, traditional industries and artisans are organized into collective manufacturing enterprises for making value added traditional products and provide the artisans with enhanced sustainable employment.
 3. **Khadi Vikas Yojana (KVY):** The scheme aims to increase productivity and wages of khadi artisans and secure their livelihood. It also assists in improving infrastructure for khadi production and thereby increasing its production and sales.
 4. **Gramodyog Vikas Yojana (GVY):** The scheme aims to revive traditional and inherent skills of rural artisans by imparting advanced skill development training along-with distribution of modern toolkits.
 5. **Coir Vikas Yojana (CVY):** The scheme aims to support growth of coir industry and promote sustainable employment of coir workers.

The current status of cottage industries in the State of Karnataka for the above schemes is placed in *Annexure*.

- (b): Separate data on the contribution of small scale and cottage industries in the Gross Domestic Product (GDP) of the country is not being maintained. However, the contribution of MSME sector including small scale and cottage industries is about 30% of GDP of the country.

(c) & (d): Yes, Sir. The Government has taken following initiatives for encouraging small and cottage industries in rural, tribal and semi-urban areas to create employment opportunities for locals and prevent them from migrating:

- i. Under PMEGP, General Category beneficiaries can avail of Margin Money (MM) subsidy of 25% of the project cost in **rural areas** and 15% in urban areas. For beneficiaries belonging to Special Categories such as Scheduled Castes, **Scheduled Tribes**, OBCs, Minorities, Women, Ex-servicemen, Differently-abled, Transgenders, beneficiaries belonging to Northeastern Region, Hill and Border areas, and Aspirational Districts, the Margin Money subsidy is 35% in **rural areas** and 25% in urban area. The maximum cost of project is Rs. 50 lakhs in the manufacturing sector and Rs. 20 lakhs in the service sector.
- ii. Under SFURTI, assistance is provided for establishment of Common Facility Centers (CFCs), procurement of new machineries, along with skill upgradation, marketing and design support, etc. Support is provided up to Rs. 2.50 crore (Regular Cluster) for clusters up to 500 artisans and up to Rs. 5.00 crore (Major Cluster) for clusters with more than 500 artisans. The major sectors covered under SFURTI include handicrafts, textiles, bamboo, agro-processing, honey, khadi, coir, etc.
- iii. Under KVY, assistance is provided to Khadi Institutions and artisans through schemes such as Modified Marketing Development Assistance (MMDA), Interest Subsidy Eligibility Certificate (ISEC), Workshed Scheme for Khadi Artisans, Strengthening of Infrastructure of Existing weak Khadi Institutions and Assistance for Marketing Infrastructure, etc., to increase Khadi production and provide sustainable employment to Khadi workers.
- iv. Under GVI, skill development training and advanced tools and equipment are provided to rural and traditional artisans for promoting entrepreneurship among rural people in bee-keeping activities, pottery, agarbatti manufacturing, leather footwear activities, etc. These include components such as Honey Mission, Kumhar Sashaktikaran Programme, etc.
- v. Under CVY, sustainable employment is generated in Coir industry through various components focusing on skill upgradation, domestic and export market promotion, technological upgradation and welfare of coir artisans particularly women.

Annexure

Annexure: referred to in reply to part (a) of the Rajya Sabha Unstarred Question No. 272 for answer on 05.02.2024

Details of units assisted and estimated employment generated under PMEGP since inception in 2008-09 and till 30.01.2024 in the State of Karnataka is given below:

Units assisted	47463
Estimated employment generated	388133

Details of clusters approved and artisans covered under SFURTI since 2015-16 and till 30.01.2024 in the State of Karnataka is given below:

No. of clusters approved	29
Artisans covered	18952

Details of registered Khadi Institutions and Khadi Artisans as on 31.03.2023 in the State of Karnataka is given below:

No. of registered Khadi Institutions	262
No. of Khadi Artisans engaged	27612

Number of beneficiaries under GVVY as on 31.03.2023 in the State of Karnataka is given below:

No. of beneficiaries under Honey Mission of GVVY	763
No. of beneficiaries under Kumhar Sashaktikaran Programme of GVVY	4452

Total 730 number coir units registered as on 31.03.2023 in the State of Karnataka.