

Sales of village industries estimated to have grown 20% in FY21

Production in India's village industries is estimated to have grown 17%, while sales is estimated to have risen 20% during the pandemic year of 2020-21, shows the latest Annual Report (2020-21) of the Ministry of MSME, Government of India.

In absolute terms, production in the village industries is estimated to have grown from Rs. 65,343 crore in 2019-20 to Rs. 76,582 crore in the following year, while sales is predicated to have risen from Rs. 84,664 crore to Rs. 1.01 lakh crore.

Village industries provide employment to around 1.5 crore people in rural areas and they are engaged in production of goods or rendering services with or without use of power. All village units with fixed capital investment of less than Rs. 1 lakh per head of an artisan or worker is defined as village industry. The investment criteria for units in hilly states may differ based on government notification from time to time.

These industries are engaged in agro based and food processing, handmade pottery, stone cutting, polishing, metal crafts, wellness & cosmetics manufacturing, handmade paper, leather & plastics, farm implements, carpentry, household metal utensils and small units in service sectors. In the north east and other hilly areas, the government is promoting village industries in sectors such as beekeeping, cane & bamboo, fruit & vegetable processing, weaving etc.

| Annual Production and sales in village industries | | | | |
|---|------------|--------|-----------|--------|
| YEAR | Production | | Sales | |
| | Rs. Crore | Growth | Rs. Crore | Growth |
| 2016-17 | 41110 | | 49992 | |
| 2017-18 | 46455 | 13% | 56672 | 13% |
| 2018-19 | 56167 | 21% | 71077 | 25% |
| 2019-20 | 65343 | 16% | 84664 | 19% |
| 2020-21 (estimated) | 76582 | 17% | 101307 | 20% |

Source: Ministry of MSME, GoI

The government has supported 78 village industry clusters under the Scheme of Fund for Regeneration of Traditional Industries (SFURTI), which was launched in 2005. Under this scheme, the government supports clusters in setting up of Common Facility Centers, Raw Material Banks, procurement of machines, training, branding and marketing, among others.

The government Science & Technology scheme to boost productivity and quality of products in village industries by collaborating with reputed scientific institutions. Artisans engaged in pottery have been provided electric Potter Wheel by Khadi and Village Industries Commission (KVIC) to increase their productivity.



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Government of India is implementing various other schemes through the Khadi & Village Industries Commission (KVIC) to support long term viability of village industries.

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