



Scheme of Fund for Regeneration of Traditional Industries

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Why in News

The **Ministry of Micro, Small & Medium Enterprises (MSME)** inaugurated 50 artisan-based **SFURTI** clusters, spread over 18 States, to provide a boost to the MSME sector.

The Ministry of MSME is implementing a Scheme of Fund for Regeneration of Traditional Industries (SFURTI) with a view to organize traditional industries and artisans into clusters to make them competitive and increase their income.

Key Points

- The Ministry of MSME launched this scheme in the year 2005 with the view to promote Cluster development.
Khadi and Village Industries Commission (KVIC) is the nodal Agency for promotion of Cluster development for Khadi as well as for Village Industries products.
- SFURTI clusters are of two types i.e., **Regular Cluster** (500 artisans) with Government assistance of up to Rs. 2.5 crore and **Major Cluster** (more than 500 artisans) with Government assistance up to Rs. 5 crore.
- The Ministry **supports various interventions** including setting up of infrastructure through Common Facility Centers (CFCs), procurement of new machineries, creating raw material banks, design intervention, improved packaging, improved skills and capacity development, etc.

- Besides, the scheme focuses on **strengthening the cluster governance systems** with the active participation of the stakeholders, so that they are able to gauge the emerging challenges and opportunities and respond to them.

It is done through building innovative and traditional skills, improved technologies, advanced processes, market intelligence and new models of public-private partnerships, so as to gradually replicate similar models of cluster-based traditional Industries.

Other Recent Initiatives to Promote MSME Sector

- **Udyog Aadhaar Memorandum (UAM):** It is a simple one-page registration form to promote ease of doing business for MSMEs in India.
- **A Scheme for Promoting Innovation, Rural Industry and Entrepreneurship (ASPIRE):** The scheme promotes innovation & rural entrepreneurship through rural Livelihood Business Incubator (LBI), Technology Business Incubator (TBI) and Fund of Funds for start up creation in the agro-based industry.
- **Credit Guarantee Fund Scheme:** To facilitate easy flow of credit, guarantee cover is provided for collateral free credit extended to MSMEs.
- **Prime Minister's Employment Generation Programme (PMEGP):** It is a credit linked subsidy scheme, for setting up of new micro-enterprises and to generate employment opportunities in rural as well as urban areas of the country.
- **Credit Linked Capital Subsidy Scheme (CLCSS) for Technology Upgradation:** CLCSS aims at facilitating technology upgradation of Micro and Small Enterprises (MSEs) by providing 15% capital subsidy for purchase of plant & machinery.

Source: PIB