

GOVERNMENT OF ASSAM
INDUSTRIES, COMMERCE & PE DEPARTMENT
BLOCK-"C", 2nd FLOOR
JANATA BHAWAN
DISPUR, GUWAHATI-781006

ORDERS BY THE GOVERNOR OF ASSAM
NOTIFICATION

Dated: Dispur, the 16th March, 2022

No.MI.52/2020/118: The Governor of Assam is pleased to notify "***The Handicraft Policy of Assam, 2022***". The Policy will come into effect from 1st February, 2022 and will remain in force for a period of 5 (five) years.

Sd/-

(Dr. K. K. Dwivedi, IAS)

Principal Secretary to the Govt. of Assam,
Industries, Commerce & PE Department

Memo **No.MI.52/2020/118-A**

Dated: Dispur, the 16th March, 2022

Copy to :

- 1) All Addl. Chief Secretary/Principal Secretary/Commissioner & Secretary/Secretary to the Govt of Assam for kind information.
- 2) The Principal Secretary to the Chief Minister, Assam, Dispur, Guwahati-6 for kind information.
- 3) The Principal Secretary to the Govt. of Assam, Finance Department, Dispur, Guwahati-6 for kind information.
- 4) The Resident Commissioner to the Govt. of Assam, Assam House, New Delhi for kind information.
- 5) The Agricultural Production Commissioner, Assam for kind information.
- 6) All Commissioner of Divisions, Assam for kind information.
- 7) The Commissioner of Taxes, Kar Bhawan, Dispur, Guwahati-6 for kind information.
- 8) The Under Secretary to the Govt. of India, Ministry of Commerce and Industries, Department of Industrial Policy & Promotion, Udyog Bhawan, New Delhi-110011, for kind information.
- 9) All Principal Secretaries of the Autonomous Councils, for kind information.
- 10) The Commissioner, Industries & Commerce, Assam, Bamunimaidam, Guwahati-21. He is requested to make wide circulation of this notification and to upload in the website.
- 11) All Deputy Commissioners, for kind information.
- 12) The Staff Officer to Chief Secretary to the Govt. of Assam, Dispur, Guwahati-6 for kind appraisal of Chief Secretary.
- 13) P.S. to Minister, Industries & Commerce Department for kind appraisal of the Hon'ble Minister
- 14) The P.S. to Addl. Chief Secretary to the Govt. of Assam, Industries & Commerce Minister, Department, Dispur, for information.
- 15) All P.S. to Ministers/Ministers of State, Government of Assam, for kind information.
- 16) The Managing Director, AIDC, Bamunimaidam, Guwahati-21. He is requested to upload the same in their website.
- 17) The Managing Director, AIDC Ltd., R.G. Baruah Road, Guwahati-24. He is requested to upload the same in their website.
- 18) The Managing Director, ASIDC Ltd., Bamunimaidam, Guwahati-21. He is requested to upload the same in their website.
- 19) The Director, Information and Public Relation, Assam, Dispur, Guwahati-6. He is requested to make wide publicity of the Notification.
- 20) The Deputy Director, Assam Govt. Press, Bamunimaidam, Guwahati-21 with a request to publish the Notification in the next issue of the Gazette and to submit 50 copies of the Gazette notification
- 21) All General Managers, DI&CC, for kind information
- 22) Bibhu Ranjan Saikia, Computer Operator, Industries and Commerce Department for uploading the same in the Departmental website
- 23) Investment Cell

By order etc.

Joint Secretary to the Govt. of Assam,
Industries, Commerce & PE Department

57

**HANDICRAFT POLICY OF ASSAM,
2022**

**INDUSTRIES, COMMERCE & PUBLIC ENTERPRISE
DEPARTMENT
GOVERNMENT OF ASSAM**

Table of Contents

Sl. No.	Topics	Page No.
1.0.0	Introduction	1
2.0.0	Preamble	2
3.0.0	Definition of Handicrafts	2
4.0.0	Vision	3
5.0.0	Objectives	3
6.0.0	Policy Period	4
7.0.0	Proposed support and Services	4
8.0.0	Fiscal incentives	7
9.0.0	Implementation and Monitoring	9
10.0.0	Interpretation	10
11.0.0	Rights of the State Government	11
12.0.0	Guidelines for Implementation	11

1. INTRODUCTION:

Assam is a melting pot of cultures; ethnically diverse cultures that have contributed to the formation of a society and where the traditions of each culture have continued to flourish even as assimilation has taken place at many levels. The tradition of fabricating items from available resources like bamboo, cane, wood, water hyacinth, jute, banana sheath, decorative or utilitarian, in a traditional way as a trade, as part of domestic work or as a hobby has continued among these small ethnic groups and among all communities living in the State. Over the years, handicrafts produced in Assam, have gained traction all over the world for their simplicity and elegance. The famous colorful Assamese Zapi (headgear), bell and brass metal works, traditional Assamese jewellery, masks (mukha) used in plays are testimony to the quality of craftsmanship available in Assam.

Handicraft production is an important segment of the de-centralized/unorganized sector. It is mainly rural based. Originally, handicraft production was as a part time activity in the rural areas. It has now transformed into a flourishing economic activity due to higher market demand with great potential for further growth.

The Handicraft sector has immense potential for generating livelihood/ employment as it can absorb new entrants in the craft-making activity over and above sustaining the existing set of artisans.

The handicraft sector is labour intensive and if proper market linkages are provided and the scale of local handicraft business expands, it is possible that the migration of people from rural areas to the urban areas may stand reduced.

This sector has however suffered due to its unorganized nature along with additional constraints like lack of education, capital, and poor exposure to new technologies, absence of market intelligence, poor institutional framework and less than desired level of quality.

Issues constraining the growth of the handicraft sector in Assam are broadly the following:

- (1) Old production techniques leading to higher cost and resultant compromise in quality
- (2) Production Schedules not in synchronization with orders
- (3) Product design and development not based on the market requirement
- (4) Non-Availability of raw material of proper quality, standard and specifications
- (5) Non-Standardization in product pricing
- (6) Lack of convergence with other government Departments/ Schemes
- (7) Lack of capital (absence of access to credit especially for working capital requirements)

- (8) Absence of adequate handicraft marketing outlets for direct marketing
- (9) Inadequate access to urban markets

2. PREAMBLE:

The State recognizes the importance of Handicraft Industries/ Enterprises/ Related Industries in providing self-employment opportunities to rural artisans, particularly to women and the weaker sections of society. The state also acknowledges the hindrances to the growth of the sector including lack of infrastructure, lack of financial support and lack of entrepreneurship and it is in this context that the Handicraft Policy of Assam is being enunciated.

3. DEFINITION OF HANDICRAFTS:

- (1) For the purposes of this policy, the definition of handicrafts, means,-

“Item or product produced through skills that are manual, with or without mechanical or electrical or other processes, which appeal to the eye due to the characteristics of being artistic or aesthetic or creative or ethnic or being representative of cultural or religious or social symbols of practices, whether traditional or contemporary. These items or products may or may not have a functional utility and can be used as a decorative item or gift.”

- (2) In addition to the above, the more nuanced definition of Handicrafts subsuming more complex variables of the producer, product and process, as provided by the UNESCO/ ITC Symposium: IV and accepted by the Government of India shall be accepted.

“Artisanal products are those produced by artisans, either completely by hand, or with the help of hand tools or even mechanical means, as long as the direct manual contribution of the artisan remains the most substantial component of the finished product. These are produced without restriction in terms of quantity and using raw materials from sustainable resources. The special nature of artisanal products derives from their distinctive features, which can be utilitarian, aesthetic, artistic, creative, culturally attached, decorative, functional, traditional, religiously and socially symbolic and significant.”

- (3) Handicraft Artisan/ Artisan/ Craftsman means any person engaged in/ practicing handicraft production as a source of his/ her livelihood
- (4) Handicraft enterprise means , any enterprise exclusively engaged in production of handicrafts items or handicraft products produces in Common Facility Centre (CFC) and owned and managed by an artisan/ entrepreneur/ Self Help Group/Co-operative Society/NGO/ Partnership firm or a producer Company.

4. VISION:

The Handicrafts Policy seeks to create, support and sustain an enabling environment for the development and growth of the handicrafts sector and for generating sustainable livelihood of people engaged in this sector across the state and to preserve and evolve traditional craft and artisanal skills and so they may remain an integral part of cultural fabric of the state of Assam. It also seeks to remove the constraints that have affected the growth trajectory of the sector.

5. OBJECTIVES:

This policy aims to achieve the following objectives:

- (1) Improve the socio-economic condition of artisans and craftpractitioners by ensuring minimum wages;
- (2) Facilitate growth of crafts-based businesses and to make them economically viable by providing financial support;
- (3) Develop the capacity of those engaged in the sector, both artisans and entrepreneurs, through training and technology support;
- (4) Conserve traditional knowledge, skills and heritage through use of GI etc;
- (5) Empower artisans by providing them with social security like Life Insurance, Health Insurance , ESI, Family pension , support to education, food security , etc. through the existing schemes of the State and Central Government;
- (6) Provide market linkage/ online marketplace for sale of such products using IT;
- (7) Provide scope for Research and Development;
- (8) Develop a mechanism to ensure Quality Control;
- (9) Assist the sector in making raw material available;
- (10) Assist entrepreneurs in the export of their products;
- (11) Harness the benefits provided by the Government of India , Export Promotion Councils , various institutions /organizations etc in various field of activities;
- (12) Construct Craft villages;
- (13) Set up Export village centrally at Guwahati to improve product and market development;
- (14) As part of marketing strategy, sign MoU with the Tourism Department to allow sale of handicrafts at / from all its wayside amenities centres and tourism properties.

6. POLICY PERIOD:

The policy shall come into force from the date of their publication in the Official Gazette and shall remain in operation for a period of 10 (ten) years or till the date of declaration of a new or revised policy, whichever is earlier.

7. SUPPORT AND SERVICES:

A. PRODUCT:

(1) Raw Material Support:

Shortage of raw materials has been a major problem for artisans of the State. State Government shall continue its efforts to facilitate easy availability of raw materials required by the handicraft artisans of the State. This shall be done through establishment of Raw Material Banks and adoption of innovative strategies for procurement of qualitative raw materials. Public Private Partnership shall be encouraged for this purpose.

(2) Forest-based Raw materials:

State Bamboo Mission, other forest department agencies, Panchayats etc. shall facilitate supply of forest based raw materials such as bamboo, wood, Lac, stones of different grades for sculpting etc. at cost to the artisans/SHGs/ Co-operatives/ Entrepreneurs on recommendation of the appropriate authority.

(3) Mineral based raw materials:

Department of Forests/ Mines and Minerals or any other concerned organization of Government of Assam shall be requested to provide suitable stones, directly or through its vendors at minimum rates for handicrafts and to supply the same to artisans/SHGs/Co-operatives/entrepreneurs/Handicraft Raw Material banks involved in production/marketing of handicrafts an recommendation of the appropriate authority.

(4) Raw Material Banks:

Financial assistance shall be provided to Government Agencies / private entrepreneurs to set up Raw material Banks in clusters or at strategic locations for the benefit of handicraft artisans.

B. DESIGN:

- (1) Design Development shall be encouraged across all crafts to ensure new products with a focus on utility items. Reputed designers shall be engaged on short/long term basis to conduct Design Development and Product Development programmes to develop market oriented/ life style/utility products, etc. Collaboration with reputed institutes working in this sector shall be encouraged. Partnership with private entities shall be entered into

- for crafting products with high marketability.
- (2) Financial assistance in form of subsidy shall be provided to the units for mechanization and up-gradation of technology for mass production, standardization and quality control. Research & Development & Mix-media Application Centre will be set up in different parts of the state.
 - (3) There are various schemes/ programmes being implemented by the Government of India through various agencies like National Institute of Design (NID), , Export Promotion Council of Handicraft, Indian Trade Promotion Council (ITPC) , Development Commissioner (Handicraft & Handloom), Craft Council, etc . State government shall obtain the benefits from all such schemes for the craftsmen of the State.

C. PRODUCER:

(1) Survey and Data Base Management:

- (a) Undertake a baseline survey of production of each and every type of Handicraft in the state. The database so created shall be utilized for implementation of various programme and to provide assistance as and when required.
- (b) For conducting the survey, Government may engage an agency or may carry out the survey departmentally.
- (c) A portal or an App shall be developed to assist the craftsmen in procurement of Raw materials, marketing of products, export of products, use of innovation and technology etc.

(2) Photo Identity Card for Artisans:

Artisans shall be required to possess a Photo Identity card to be able to enjoy any benefit under the policy. The District level officials shall identify the Artisans under their jurisdiction and issue Photo Identity card for a period of 3 (three) years initially to be renewed every two years.

D. SECTORAL SUPPORT:

(1) Cluster Development:

- (a) For all round development of a craft in a particular cluster, Government shall provide appropriate technology, facilitate supply of raw materials, arrange capacity development of the artisans and initiate steps for product design and marketing.
- (b) It is proposed to take the advantage of cluster development schemes of Khadi and Village Commission (KVIC) , Development Commissioner MSME , Ministry of Textiles , etc. Government will provide necessary logistic and financial support to the Implementing Agency as and when required.

(2) Infrastructure:

Lack of infrastructure is the bottleneck for development of handicrafts sector of the State. Proper infrastructure shall be developed in clusters and strategic locations by Government in association with private partners to provide Common Facilities Centres (CFC), Marketing Hubs , Craft Villages, Export village , Training Centres, etc.

(3) Brand Building:

Government shall initiate measures to branding "Craft of Assam" by registration of a common logo , publicity through print , electronic and social media , opening of dedicated web portal , tied up with National and International online portal for selling of craft items , encouraged to setting up of souvenir shops nearby Tourist destination ,etc.

8. FISCAL INCENTIVES:

Following are the fiscal benefits available for Handicraft units (Detailed list at Annexure-I) of the State:

(1) State Capital Investment Subsidy for Micro units:

(a) Handicraft unit/ Raw Material Bank shall be granted State Capital Investment subsidy @ 30% on the amount spent on workshop shed (only required for production activities), plant & machinery, tools, cost of land, installation & internal electrification subject to a maximum of Rs.15 lakh, subject to the condition that the applicant has not claimed similar subsidy under any other scheme of Central/State Government earlier.

(b) State Capital Investment subsidy @ 30% on the amount spent on subject to a maximum of Rs. 5 lakh, shall be granted to old handicraft units for mechanization and up-gradation of technology for mass production, standardization and quality control subject to the condition that the applicant has not claimed similar subsidy under any other scheme of Central/State Government earlier.

(2) Marketing Assistance:

Marketing assistance towards issuance of Advertisement in print/electronic/social media shall be reimbursed upto 50% subject to a maximum ceiling of Rs. 30000.00 per annum for a period of three years.

(3) Interest subsidy on Working capital:

Interest subsidy on working capital shall be provided to Handicraft unit @5 % of interest paid against working capital loan to Bank/Financial Institutions for a period of 5 years subject to a ceiling of Rs. 2.00 lakhs per unit/year.

(4) Online marketing:

One- time financial assistance up Rs.30000.00 shall be provided for development of web portal/App for online marketing of products.

(5) Awards to Handicraft:

Every year, 3 (three) Awards shall be given to the Handicraft units in each district of Assam. The Award shall be in Cash (1st @Rs.10000.00, 2nd @Rs.7000.00 and 3rd @Rs.5000.00) with a citation. These awards shall be given to the handicraft units on Independence Day/Republic day celebration or Annual Handicraft Week.

(6) Assistance for Participation in Fairs / Exhibition:

The following incentives are proposed under the Policy:-

- (a) **Within the State :** Support on (i) reimbursement of Stall rent subject to a limit of Rs.7000 maximum and (ii) Rs. 500 per day as lump-sum grant on food and lodging expenses for a period of maximum 10 days or the date of actual fair , whichever is earlier.
- (b) **Outside the State but within India:** Support on (i)reimbursement of stall rent @ 75% subject to a ceiling of Rs.10000 maximum, (ii) Actual railway sleeper Class to and fro fare and(iii) Rs. 500 per day on food and lodging expenses for two persons for a period of maximum 10 days or the date of actual fair , whichever is earlier.
- (c) **Outside India:** Support on (i) 100% reimbursement of stall rent on sharing basis (ii) Actual Economy Class to and fro Air fare and (iii) Rs. 1000 per day on food and lodging expenses for one person for a period of maximum 10 days or for the dates of actual fair , whichever is less.

9. IMPLEMENTATION AND MONITORING:

- (a) There shall be a State Level Monitoring Committee (SLMC) under the Chairmanship of Minister of Industries and Commerce, Assam to review the progress of implementation of the Policy. The other members of the Committee shall be notified by the Government. The Committee shall be empowered to take up any review/ modification of incentives, programmes etc. in the interest of public.
- (b) All incentives under this policy can be claimed only after obtaining the Photo Identity Card from the concerned General Manager, District Industries and Commerce Centre.
- (c) There shall be a District Level Committee (DLC) with the following members:

(i)	Deputy Commissioner/ District Development Commissioner of the district	: Chairman
(ii)	Additional Director of Industries & Commerce (Zonal)	: Vice Chairman
(iii)	Deputy Commissioner of Taxes (in charge of the district)	: Member
(iv)	District Employment Officer	: Member
(v)	District Agriculture Officer	: Member
(vi)	Lead District Manager	: Member
(vii)	District Officer of ASRLM	: Member
(viii)	Representatives of lending banks	: Member
(iv)	General Manager, District Industries & Commerce Centre Secretary	: Member

9.1. Terms of reference of the Committee:

- (1) The Committee shall scrutinize the application/s and approve the fiscal incentives under the policy.
- (2) The Committee shall meet as and when necessary an at least once in a quarter.
- (3) The Chairman of the Committee may co-opt any expert/s, Officer for specific proposals.
- (4) At least five members including Chairman, Member Secretary and Commissioner Taxes shall be necessary for quorum at the committee meeting.
- (5) The Member Secretary shall submit a report to the Government about the holding of meeting/s, progress of implementation of the policy.
- (6) The Committee may also review the implementation of various incentives in the State and may suggest remedial measures to the higher authority as and when felt necessary.

10. INTERPRETATION:

The decision of the Industries and Commerce Department, Government of Assam in regards to interpretation of any clause of the policy shall be final and binding.

11. RIGHTS OF THE STATE GOVERNMENT:

- (a) Industries, Commerce and Public Enterprise Department, Government of Assam reserves the right to amend any provision(s) including amendment or withdraw any of the incentives/ subsidies as and when necessary for development of handicraft and in the interest of the general people of the State from time to time under the provision of the Policy.
- (b) Industries, Commerce and Public Enterprise Department, Government of Assam reserves the right to review the matter regarding sanction/ disbursement of incentives to the eligible handicraft unit(s) and in this connection, the State Government's decision shall be final and binding.
- (c) Industries, Commerce and Public Enterprise Department, Government of Assam reserves the right to make/ amend the necessary rules for implementation of this policy, as and when required.

12. GUIDELINES FOR IMPLEMENTATION:

A set of guidelines including application forms and procedures for getting various incentives will be issued separately.

List of Handicraft Industries (Recognized Crafts)

1. Bell Metal
2. Brass Metal
3. Fireworks Craft
4. Craft on Jute Diversification
5. Bamboo, Cane, Sitalpati Craft
6. Water Hyacinth
7. Areca Nut Leaf
8. Jewellery Craft
9. Pottery
10. Craft from dry tea bushes
11. Wood carving
12. Decorative Candle
13. Silk Fabrics
14. Mask Making Art
15. Terracotta Handicrafts