



75
WONDERS OF
UTTAR PRADESH

Uttar Pradesh Transforming at the Grassroots

Scheme



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Special Messages

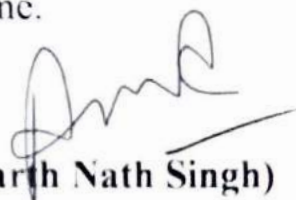


Sidharth Nath Singh
Cabinet Minister,
Govt. of Uttar Pradesh

India's vast and rich diversity of local cultures and heritage is well-known and respected the world over. Consequently, the government has accorded the highest priority to preserving, reviving and popularising local arts and crafts, to ensure sustainable livelihoods for the millions of people engaged in them.

A major step taken in this direction is by India's largest state, Uttar Pradesh, where the state government has formulated a landmark program of 'One District, One Product' (ODOP) scheme. The ODOP scheme aims to encourage indigenous and specialized products and crafts that are found nowhere else. Launched in 2018 by Hon'ble Chief Minister Sri Yogi Adityanath ji, this unique initiative with its exemplary implementation in each of the 75 districts is paying rich dividends to both, the local people and the state.

Aiming to showcase the many opportunities that ODOP has generated in the state of Uttar Pradesh for global investors, I would like to congratulate the Strategic Investment Research Team (SIRU) at Invest India for undertaking this initiative to launch the report on Uttar Pradesh Transforming at the Grassroots: One District One Product Scheme.



(Sidharth Nath Singh)

Special Messages



Chaudhary Udaybhan Singh
Minister of State for Khadi and Villages
Industries, Sericulture Industries, Textile,
Micro, Small and Medium Enterprise,
Export Promotion

“एक जनपद एक उत्पाद” (ODOP) कार्यक्रम भारत के सबसे बड़े राज्य उत्तर प्रदेश द्वारा पहली बार शुरू की गई एक अनोखी पहल है। इसका लक्ष्य उत्तर प्रदेश के प्रत्येक 75 ज़िलो में से एक अद्वितीय उत्पाद की पहचान करना और उत्पाद-विशिष्ट पारंपरिक औद्योगिक केंद्र बनाना है।

उत्तर प्रदेश के सबसे छोटे शहर और जिले भी अपने स्वदेशी और विशेष उत्पाद एवं कारीगरी के लिए बेहद लोकप्रिय हैं और हम उन्हें बढ़ावा देने में अनुकरणीय सफलता प्राप्त कर रहे हैं। केवल दो वर्षों में उत्तर प्रदेश में एक जनपद एक उत्पाद की सफलता ने कई अन्य भारतीय राज्यों को स्थानीय कारीगरी और उत्पादों के ज़िला स्तरीय पुनरुद्धार और देश भर में उद्यमशीलता को बढ़ावा देने के लिए इसी तरह की पहल करने के लिए प्रेरित किया है।

वैश्विक निवेशकों के लिए उत्तर प्रदेश राज्य में ओडीओपी द्वारा उत्पन्न किए गए कई अवसरों का प्रदर्शन करने के उद्देश्य से, मैं इन्वेस्ट इंडिया में स्ट्रैटेजिक इन्वेस्टमेंट रिसर्च टीम (SIRU) को उत्तर प्रदेश में रिपोर्ट लॉन्च करने के लिए बधाई एवं हार्दिक शुभकामनाएँ ज्ञापित करता हूँ।



(चौ० उदयभान सिंह)

Special Messages




Navneet Sehgal
ACS

'One District, One Product' (ODOP) scheme is a unique initiative first launched and implemented by the government of Uttar Pradesh to revive and promote the state's cultural heritage from the district level itself. Since its launch in 2018, this scheme has had a transformative impact in not just rejuvenating the endangered local crafts in Uttar Pradesh right from the district levels but also in securing the livelihoods of millions of rural people engaged in these activities.

Besides job generation and stable income to numerous impoverished, mostly craftsmen and artisans engaged in the production of traditional products, the scheme's implementation in Uttar Pradesh has enhanced its export capacity by over 30 per cent since the launch of the scheme in 2018. In just two years, the success of the ODOP in Uttar Pradesh has inspired several other Indian states to adopt similar initiatives for district-level revival of local crafts and products and promotion of entrepreneurship across the country.

The report charts out how this unique ODOP scheme aims to develop specialised clusters in each of the state's 75 districts. It also details the state's flagship products that harness the district's strengths, along with the well-developed value chain to maximise the export potential and bring in investments to transform the lives of people involved in the trade.

I would like to congratulate the Strategic Investment Research Team (SIRU) at Invest India for their endeavour in bringing out a detailed report on Uttar Pradesh Transforming at the Grassroots: One District One Product Scheme.



(Navneet Sehgal) 13/11/2021
Additional Chief Secretary

Special Messages



Deepak Bagla
Managing Director and CEO,
Invest India

The Hon'ble Prime Minister of India emphasizes on empowering all strata of our society for India to truly emerge as a global power. Indeed, only when every citizen has sustainable sources of livelihood, can the country witness all-round development for everyone.

The 'One District, One Product' (ODOP) scheme, a Uttar Pradesh government's flagship initiative, is a landmark program for the country as it takes rural employment and entrepreneurship to the district level. It envisions transforming each of the country's districts into world-class hubs having the entire value chain from production, sales and marketing to export capacity, for a district's specialty product. ODOP acquires further significance and relevance in the context of the pioneering "Aatma Nirbhar Bharat Abhiyan" campaign launched by Prime

Minister Narendra Modi with the aim to strengthen the domestic industries and make India self-reliant.

This report focuses on the 'One District, One Product' (ODOP) scheme. This unique initiative of the government of Uttar Pradesh is now being considered as a model scheme to be replicated across other state governments. The report further examines the Uttar Pradesh government's approach to implementing ODOP, highlights its key learnings and scope to transform the lives of millions of our artisans.

I hope you find it informative and useful.

Preface

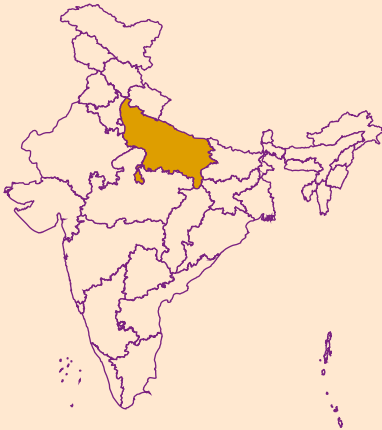
One District One Product (ODOP), a flagship programme of Government of Uttar Pradesh (GoUP), was launched in 2018, with an aim to preserve, develop and promote local arts, crafts and traditional skill of communities. The programme is aimed to add to the income and local employment, thus preventing out-migration. Under this programme, one unique product from each district of the state is selected and gaps/challenges across all aspects of its product ecosystem, including value chain gaps and infrastructure gaps are addressed. Renounced global and national consulting/ advisory firms were hired through a transparent and complete bidding process to prepare Diagnostic Study Reports (DSR) for each district of the State.

Ernst & Young LLP has been selected as Knowledge Partner for implementation of the

programme by the state. EY team, serving as PMU for the programme, has its resources deployed both at state level and at division level for effective collaboration with the officials and relevant stakeholder. This report has been conceived with an objective to enhance the understanding of ODOP programme and Silk products of Varanasi in particular. The intent is to undertake a diagnostic approach of ODOP cluster and ascertain the areas for investment.

For this desired purpose, primary and secondary research was conducted. The data has been sourced from multiple avenues, including but not limited to UAM data (2019), DIEPCs, 2011 Census of India, Diagnostic Study Reports, stakeholder consultations and several other secondary resources.

The Emerging Economic Powerhouse of India: *Uttar Pradesh*



Uttar Pradesh, on whose land the crown jewel of India's remarkable heritage, the Taj Mahal stands, where the Buddha preached his first sermon, where we witness the Sangam (confluence) of the sacred rivers and hold one of the largest peaceful gatherings in the world, known as the 'Kumbh Mela'.

Situated in north-central part of India, Uttar Pradesh is bordered by the state of Uttarakhand and the country of Nepal to the north, the state of Bihar to the east, the states of Jharkhand and Chhattisgarh to the southeast, the state of Madhya Pradesh to the south, and the states of Rajasthan and Haryana and the national capital territory of Delhi to the west.

From a formidable industrial power to being a repository of North India's finest traditions of classical music, dance, theatre, art, and

literature, Uttar Pradesh is indeed the torchbearer of a rising new India, spearheading the transformation across all spectrums.

Accounting for approximately 17 percent of India's population¹, Uttar Pradesh is the most populous state with the third-largest economy. Uttar Pradesh's GSDP has grown 10 percent in last three years (2017-18 to 2019-20). The current contribution of UP to the national GDP is 8 percent. As per the statistical reports of UPDES, the share of the primary sector in the state's output is 25 percent most of which is on agriculture. The secondary sector accounts for 25.9 percent, and the rest is accounted for by the tertiary sector in 2017².

Having its economy primarily driven by agriculture, the state is witnessing a substantial upsurge in industrial manufacturing. Sectors that substantially contribute to the state's overall industrial

1. <http://invest.up.gov.in/demography/>

2. Handbook of Statistics on Indian States, Official website of Reserve Bank of India, <https://www.rbi.org.in/Scripts/Publications.aspx?publication=Annual>

output include electronics sector, information technology (IT), tourism, fabricated metals, textiles and apparel, handlooms and handicrafts, biotechnology leather-based and sports goods industries, food processing/products and petroleum. High livestock population in the state makes it one of the leading producers of leather products. The state is also a leader in milk production and multiple food and horticulture crops such as wheat, sugarcane, potato, and mango.

Uttar Pradesh is also undergoing a major transformation in terms of infrastructure. Falling under the influence area of key industrial corridors such as North-South and East-West (NS-EW) Corridor, the state has built several expressways and highways providing the last mile connectivity to the most remote parts of the country. There are 12 major rivers that pass through the state, including the Ganges, on which the first inland waterways is being created.

Noida-Greater Noida region in the state is home to eight operational IT SEZs and will receive more impetus to become a global investment hub with the upcoming Jewar airport. The state has the highest number of cities identified under the Smart Cities Mission of the government.

Uttar Pradesh emphasises promoting domestic entrepreneurship and employment opportunities across large, medium and small

enterprises both urban and rural with a rich resource base and a favourable demographic dividend (56 percent of its population size under working age group) setup. The state saw over 143,000 MSMEs and heavy industrial units setup their base during the 12th five-year plan. Classified among India's top five manufacturing states, Uttar Pradesh has the highest number of MSMEs, 9 Million in number.

The state has also been a torchbearer of formulating and implementing attractive policies to promote industrial growth, bringing in investments and ensuring sustainable development.

The Industrial Investments and Employment Promotion Policy 2017 is an umbrella policy providing attractive incentives to all industries irrespective of sector offering a range of incentives on land, capital, transport, infrastructure interest, so on and so forth.

The state government has come up with specific policies for 20+ sectors and accorded the highest priority to preserving, reviving and popularizing local arts and crafts by formulating a landmark program of 'One District, One Product' (ODOP) scheme.

ODOP acquires further significance and relevance in the context of the pioneering campaign launched by Prime Minister Narendra Modi, called the "Aatma Nirbhar Bharat Abhiyan" aiming to strengthen the domestic industries and making India self-reliant.

Advantage Uttar Pradesh³



Top growth cities include Noida, Lucknow, Agra, Meerut, Ghaziabad, Kanpur, Gorakhpur, Varanasi, Jhansi



Logistics Performance Index (2019):
9th Rank



Amongst Top 5 exporting states of India registering highest export growth of
18 % year on year (2019) & State's contribution to India's Exports (FY 19):
4.8 %



75 Universities ,
4000+ colleges,
125,000+ ITI seats
and world class institutes like IIT-K, IIT-BHU, IIM-L etc.



Being India's 3rd largest economy, State's GSDP has grown
10% in last 3 years (2017-18 to 2019-20)



More than
20,000 acres
of ready to move industrial land bank



UP categorised as "Achiever State" on implementing 'Ease of Doing Business' reforms (BRAP, DPIIT 2018)



1,000 miles
of inland waterways
opening up South east Asian market



Around **1120 miles**
of 8-lane expressways



10,000 miles of
railway network

3. <https://www.investindia.gov.in/state/uttar-pradesh>



Upcoming world class international airport city at Jewar about

1.50 hrs

drive from the capital



Highest number of Million+ Urban-Agro agglomeration in India



#1

number of micro, small and medium enterprises (MSME) in India.

14.2 % of total



#2

producer of leather products in India



#3

producer of thermal power



#5

state for manufacturing. No. of Factories in State (FY 18):

15,830



2 international airports,

5 domestic airports and

15 upcoming regional airports



#1

milk-producer in India



#1

producer of foodgrains in India (FY 18)

18.5 % of total



#2

producer of hydel power



#3

fabric producer



#5

silk producer in India

Consumption Metrics



India's largest consumer base with

230 Mn
population (16.5 percent of total
Indian population) (Census 2011)



Hosts seven cities with

1 Mn+
and seven others with over
0.5 Mn+ population



7%
growth in Per capita income in last
3 years (2017-18 to 2019-20)



Rapidly urbanising, UP is India's
2nd
largest urban state (11.7 percent of
India's urban population);
28 percent growth in urban population
(Census 2001-2011)

One District One Product (ODOP)



Diversity, a key hallmark of our nation which is respected the world over, is being further honed in a New India. The government has assigned this diversity, existing in myriad dance forms, music, art, food and handicrafts prime importance. Consequently, the government has accorded the highest priority to preserving, reviving and popularising local arts and crafts, to ensure sustainable livelihoods for the millions of people engaged in them.

In India's largest state too, where food, textiles, languages, dance forms and art change every few kilometres, a comprehensive programme was the need of the hour to recognise,

safeguard and nurture our traditional skills. We accomplished this feat on January 24, 2018, when the Government of Uttar Pradesh, inaugurated the One District One Product (ODOP) programme. **The state government's vision was to identify one unique product from each of the 75 districts of Uttar Pradesh and create a product-specific traditional industrial hub.**

The smallest of towns and districts in Uttar Pradesh are hugely popular for their indigenous and specialised products and crafts. There are products found nowhere else – like the ancient and nutritious kalanamak chawal, the rare and intriguing wheat-stalk

craft, world-famous chikankari and zari-zardozi work on clothes, and the intricate and stunning horn and bone work that uses the remains of dead animals rather than live ones, a nature-friendly replacement for ivory. Many of these products are GI tagged, which means they are certified as specific to that region in Uttar Pradesh. Many of these were also dying community traditions that needed reviving through modernisation and publicization. Based on a district's strengths, ODOP has been a transformational step towards realising the true potential of a district, fuel economic growth and generate employment and rural entrepreneurship. Focus continues to be placed on enabling ecosystem and providing assistance schemes for a single commodity, including manufacturing infrastructure; and stable marketing platform to improve income, local employment, skills and livelihood beyond the urban areas and create productive manufacturing from a rural/semi urban area.

Key Objectives⁴

- Preservation and development of local crafts / skills and promotion of arts
- To resolve issues of economic disparity and regional imbalance
- To take ODOP products to national and international markets
- Increase in incomes/local employment, thus minimising migration for jobs
- Improvement in product quality and skill development
- Assistance in key areas - technology, skill development, infrastructure, and finance
- Resolve the issues of economic difference and regional imbalance
- Increase overall exports of the selected products
- To connect the production with tourism (Live demo and sales outlet – gifts and souvenir).

Four Pillars of ODOP

For successful implementation of the state-wide ODOP programme, it was imperative to identify and address policy gaps, improve access to finance, ensure infrastructure availability, enhance quality, packaging and design of the unique product, introduce new technology and create a successful branding strategy for both marketing and export promotion.

Under the ODOP programme, the state government of Uttar Pradesh offers various credit facilities and subsidies under four different categories of schemes for promoting infrastructure development, providing seamless access to finance, initiating skill development and providing marketing assistance to manufacturers of the unique product in a particular district.

1. Common Facility Centre (CFC) Scheme⁵

In terms of infrastructure development, the state government of Uttar Pradesh assists in the creation of Common Facility Centre (CFC) comprising of various facilities required for the production process. Under the scheme, common gaps in the ODOP value chain of a particular district would be addressed by setting up CFC.

A CFC shall comprise some of these:

- Testing Lab
- Design Development and Training Centre
- Technical Research and Development centre
- Product exhibition cum Selling Centre
- Raw Material Bank / Common Resource Centre
- Common Production / Processing Centre
- Common Logistics Centre
- Packaging, Labelling and Barcoding facilities

Incentive by the state government:

90 percent financial project cost reimbursed by state government up to INR 15 Cr.

4. <http://odopup.in/en/page/objective>

5. <http://odopup.in/en/article/cfc-scheme>

2. Marketing Development Assistance Scheme

The scheme aims to achieve fair pricing for the artisans, weavers, entrepreneurs and exporters of the ODOP products through better marketing. The scheme also provides for on-boarding of artisans across various e-commerce portals such as Amazon, Flipkart. It also ensures the participation of workers, artisans, weavers, entrepreneurs and production units in regional, national and international exhibition events.

Incentive by the state government:

For participation in fairs within and outside the state and country, few incentives aided are:

- 75 percent of stall charges
- 75 percent of transportation charges
- To and fro travel ticket

Under the scheme, entrepreneurs are encouraged to on-board, sell and market their produce on e-commerce portals. The state reimburses On-boarding costs.

3. Finance Assistance Scheme (Margin Money Scheme)

To benefit artisans/workers/ entrepreneurs through financial incentives for the overall development of ODOP products, the state government of Uttar Pradesh has launched Finance Assistance Scheme where financial assistance of up to INR 20 lakh per applicant is provisioned depending upon the cost of the project. All national, rural and scheduled banks are covered to provide this financial assistance.

Project Cost (INR in Lakhs)	Margin Money Subsidy
Up to 25	25 per cent of the Project Cost INR 6.25 lakhs, whichever is less
More than 25 to up to 50	20 per cent the Project Cost or INR 6.25 lakh, whichever is high
More than 50 to up to 150	10 per cent of the Project Cost or INR 10 lakhs, whichever is high

Project Cost (Rs. in Lakhs)	Margin Money Subsidy
More than 150	10 per cent of the Project Cost or INR 20 lakhs, whichever is less

Apart from direct loaning by banks, the state government is implementing various schemes under the larger umbrella of other schemes such as The Prime Minister Employment Generation Programme (PMEGP), Mukhya Mantri Yuva Swarojgar Yojana, ODOP Vitta Poshan Sahayata Yojana, Pradhan Mantri MUDRA Yojana (PMMY), Stand Up Scheme and Start Up Scheme.

4. Skill Development and Toolkit Distribution Scheme⁸

Under its Skill Development and Toolkit Distribution Scheme, the state government aims to fulfil current and future skilled workforce requirements and equip the artisans/workers with relevant skill sets. The scheme targets skilled and unskilled artisans for training under different modules and certifications and provides a free advanced toolkit to trained artisans.

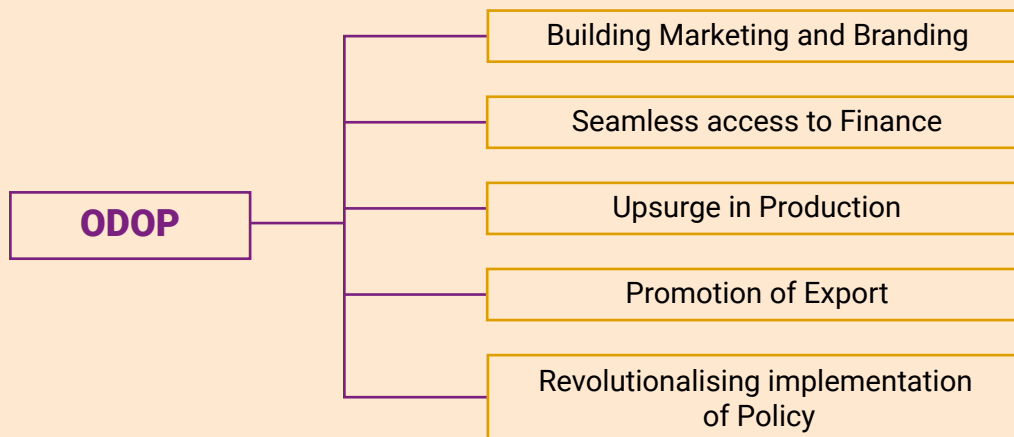
Incentive by the state government:

- Under the scheme, artisans/ handicraft persons/ udyamis are provided ten days skill and entrepreneurship training by reputed institutes.
- Trained people are assessed by related SSC (Sector Skill Council) and certified through RPL (Recognition of Prior Learning).
- An honorarium of INR 200 per day is given to each trainee during the training period
- After the training, necessary tool kits belonging to the district's ODOP Product are distributed free of cost.
- To strengthen skill training, an MOU with Quality Council of India (QCI) has been signed, and Dr A.P.J. Abdul Kalam Technical University (AKTU) and IIT Kanpur are in progress.

6. <http://odopup.in/en/article/marketing-development-assistance-scheme-with-amendments>
7. <http://www.diuipmsme.upsdc.gov.in/>

8. <http://odopup.in/en/article/skill-development-scheme>

Key Achievements



The 'One District, One Product' (ODOP) scheme, the Uttar Pradesh government's flagship initiative, is a landmark program for the country as it takes rural employment and entrepreneurship to the district level. It envisions transforming each of the country's districts into world-class hubs having the entire value chain from production, sales and marketing to export capacity, for a district's speciality product. ODOP acquires further significance and relevance in the context of the pioneering campaign launched by Prime Minister Narendra Modi, called the "Aatma Nirbhar Bharat Abhiyan" aiming to strengthen the domestic industries and making India self-reliant.

"One District, One Product creates a holistic ecosystem for a product and helps in skill development, product marketing, packaging and branding, all at the local level."



**Prime Minister
Narendra Modi**

A core component of India's push towards self-reliance or "AatmaNirbharta" is to promote domestic entrepreneurship and employment opportunities by leveraging India's strengths and focusing on capacity building in infant/under-developed sectors. The impact of ODOP is in realising the vision of a self-reliant India coming to the fore.

India's journey towards self-reliance is and will continue to be, spearheaded by our local and grassroots entrepreneurs, particularly the rural ones. As an initiative centred around promoting and marketing specialised products across districts, ODOP aims to develop its Micro, Small and Medium Enterprises (MSME) sector.

MSME sector forms the backbone of economic progress and development of Uttar Pradesh, because of its contribution to industrial productivity, employment generation, versatile nature, adaptability and contribution in export. MSME industries constitute an important segment of the economy of Uttar Pradesh in terms of employment generation and as a source of foreign exchange earning through exports.

"The state government had started an innovative scheme called One District-One Product (ODOP) in 2018 to support traditional entrepreneurs. While Prime Minister is working towards making India a 5 trillion dollar economy, our traditional entrepreneurs are committed to working towards making the state a 1 trillion dollar economy."



**Uttar Pradesh
Chief Minister
Yogi Adityanath⁹**

9. https://www.business-standard.com/article/news-ani/traditional-entrepreneurs-working-to-make-up-1-trillion-dollar-economy-yogi-120021700217_1.html

10. <http://odopup.in/en/page/achievements>
11. http://odopup.in/site/writereaddata/UploadNews/corrigendum/pdf/C_202008081438133903.pdf

Listed below are some major achievements of the Government of Uttar Pradesh:

- Establishment of 9 Mn MSME Units, 2nd highest number in India
- 5 lakh youth have established their ventures under ODOP by receiving loans under Pradhan Mantri Mudra Yojana, Stand Up and Startup India.
- Export of around INR 89,000 Cr (USD 12.1 Bn) in 2019-20
- Yogi Adityanath, Chief Minister, Uttar Pradesh laid down the foundation stone for 13 Common Facility Centers across the state under the ODOP Program¹¹
- Training and tool kit has been arranged for 5 lakh artisans under Vishwakarma Shram Samman Yojana. Under the special drive of ODOP and Vishwakarma Shram Samman, 3.14 lakh entrepreneurs have been benefitted¹².
- A credit of about INR 57,000 Cr was extended to the MSMEs in by financial institutions in FY 2018-19
- Uttar Pradesh Chief Minister Yogi Adityanath has transferred loans to 98,743 new Micro, Small and Medium Enterprises (MSME) units online worth INR 2,447 Cr in FY 2020-21¹³
- MOU signed with Bank of Baroda to provide easy access of finance to the sector by inaugurating an online loan portal namely ODOPPSB59 (www.psbloansin59minutes.com/bob) from Bank of Baroda. The portal has a dedicated tab, solely for ODOP artisans, manufacturers and traders to apply for a loan and get an approval for it within 59 minutes¹⁴.
- MOU signed with Small Industries Development Bank of India (SIDBI), the principal financial institution engaged in the promotion, financing and development of MSME ecosystem. Under the agreement with SIDBI entrepreneurs will get equity infusions, rebate in interest on loans and other financial support. Sidbi will conduct a case-by-case study to promote exports of OPOP products.
- MOUs signed with the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange (BSE), help the units raise

capital through equity market. Till now, eight companies listed which raised INR 103 Cr

- MOUs with IIT Kanpur, IIT Varanasi, Dr A.P.J. Abdul Kalam Technical University (AKTU), IIIT Allahabad, IIP (Indian Institute of Packaging, Quality Council of India (QCI), National Institute of Fashion Technology (NIFT), National Institute of Design (NID) would help the small units in development of new product designs, enhancement of product quality and innovative product packaging
- MOU signed with Amazon, Flipkart and eBay. On Amazon, 353 sellers with nearly 11,000 products on-boarded to date.
- To augment infrastructure for making exports feasible, the government of Uttar Pradesh launched UP Warehousing and Logistics policy 2018. ODOP Branding Scheme is under process which envisages branding and marketing of ODOP products through shops at block, tehsil and district level.

Upcoming Initiatives

- Working on a scheme which envisages reimbursing the AGF (annual guarantee fee) and service charge to micro and small units covered under CREDIT GUARANTEE FUND TRUST FOR MICRO AND SMALL ENTERPRISES (CGTMSE) scheme
- A scheme to provide purchase preference to the state units is in progress
- Tie-up with Lonely Planet is in the offing to include fairs and exhibitions on their network
- Marketing hubs are proposed in Lucknow, Bhadohi, Agra, Moradabad and Agra
- Improving EoDB scenario in the state and creating a conducive business environment
- New MSME Policy which shall allow MSMEs to start operations immediately pending approvals
- A PPP-based industrial park policy is under

12. http://odopup.in/site/writereaddata/UploadNews/corrigendum/pdf/C_202009221449131781.pdf

13. <https://knnindia.co.in/news/newsdetails/state/up-cm-transfers-loans-to-new-msme-units-worth-rs-2447-cr>

14. http://odopup.in/site/writereaddata/UploadNews/corrigendum/pdf/C_202005271828468218.pdf

development wherein private land will be used to develop modern integrated industrial areas, primarily for MSMEs in the vicinity of the state's vast expressway network

- Working on a policy to help stressed MSME
- New Export Policy 2020-25 is being drafted

Uttar Pradesh's ODOP scheme: List of all 75 districts and products

District	Product	District	Product
Agra	Leather Products	Fatehpur	Bedsheets and Iron Fabrication Works
Amroha	Musical Instruments	Firozabad	Glassware
Aligarh	Locks & Hardware	Gautam Buddha Nagar	Readymade Garments
Auraiya	Food Processing (Desi Ghee)	Ghaziipur	Jute Wall Hanging
Azamgarh	Black Pottery	Ghaziabad	Engineering Goods
Ambedkar Nagar	Textile Products	Gonda	Food Processing (Pulses)
Amethi	Moonj Products	Gorakhpur	Terracotta
Ayodhya	Jaggery	Hapur	Home Furnishing
Budaun	Zari-Zardozi	Hardoi	Handloom
Baghpat	Home Furnishings	Hathras	Hing 'Asafoetida'
Bahraich	(Wheat-Stalk) Handicrafts	Hamirpur	Shoes
Bareilly	Zari-Zardozi	Jalaun	Handmade Paper Art
Ballia	Bindi (Tikuli)	Jaunpur	Woollen Carpets (Dari)
Basti	Wood Craft	Jhansi	Soft Toys
Balrampur	Food Processing (Pulses)	Kaushambi	Food Processing (Banana)
Bhadohi	Carpet (Dari)	Kannauj	Perfume (Attar)
Banda	Shazar Stone Craft	Kushinagar	Banana Fiber Products
Bijnor	Wood Craft	Kanpur Dehat	Aluminium Utensils
Barabanki	Textile Products	Kanpur Nagar	Leather Products
Bulandshahar	Ceramic Product	Kasganj	Zari Zardozi
Chandauli	Zari-Zardozi	Lakhimpur Kheri	Tribal Craft
Chitrakoot	Wooden Toys	Lalitpur	Zari Silk Sarees
Deoria	Decorative Products	Lucknow	Chikankari & Zari Zardozi
Etawah	Textile Products	Maharajganj	Furniture
	Ankle Bells (Ghungroo), Bells and Brass Products	Meerut	Sports Products
Etah Farrukhabad	Textile Printing	Mahoba	Gaura Stone Craft

Uttar Pradesh's ODOP scheme: List of all 75 districts and products

District	Product	District	Product
Mirzapur	Carpets	Shahjahanpur	Zari-Zardozi
Mainpuri	Tarkashi Art	Shamli	Iron Arts
Moradabad	Metal Craft	Saharanpur	Wood Crafting
Mathura	Sanitary Fittings	Shravasti	Tribal Craft
Muzaffarnagar	Jaggery	Sambhal	Handicraft (Horn-Bone)
Mau	Powerloom Textile	Siddharthnagar	Kala Namak Rice
Pilibhit	Flute	Sitapur	Carpet (Dari)
Prayagraj	Moonj Products	Sonbhadra	Carpets
Pratapgarh	Amla Products	Sultanpur	Moonj Products
Raebareli	Wood Work	Unnao	Zari Zardozi
Rampur	Applique work along with Patch Work, Zari Patchwork	Varanasi	Banarasi Silk Saree
Sant Kabir Nagar	Brassware Craft		



Varanasi, Uttar Pradesh

District: *Varanasi*

Product: *Banarasi Silk Products*



Varanasi, the spiritual capital of India, is famously known for its mesmerising view of the ghats. Every year, 6.7 Mn tourists visit the holy land and experience life at one of the world's oldest living cities. They engage in visiting the ghats and temples and savour the delicacies the holy city offers along with devouring in the richest collection of textiles, especially silk.

Varanasi has an ancient history of textile designing and silk weaving. The most exquisite brocades in silk and gold are woven by the weavers on silk pit loom using intricate and exclusive designs. The exclusivity of the design is maintained to make it impossible to copy or imitate the saris.

The city, alongside its spiritual importance, has also assumed a huge political and economic importance. Experiencing an overhaul in its infrastructure, the city is undergoing a glorious development journey. On November 8, 2020,

Prime Minister Narendra Modi laid the foundation stone of various development projects in Varanasi. These development projects are related to the agriculture, tourism and infrastructure sectors worth INR 614 Cr¹⁶. Prime Minister Narendra Modi launched seven new infra projects worth USD 682 Mn in Varanasi as part of Smart Cities Mission¹⁷.

For the first time in India's history, river transport has begun starting with Varanasi. In 2019, the Prime Minister inaugurated India's first multi-modal terminal on the Ganga river in Varanasi and received the country's first container cargo transported on inland waterways from Kolkata. The city is connected via four national highways along with one international airport at Babatpur. The city alongside having several prominent educational institutions, high-end medical facilities also has a vibrant MSME landscape with 2750 units of silk and silk-based industries, 610 engineering units, 1098 repairing and servicing units, 580 units of

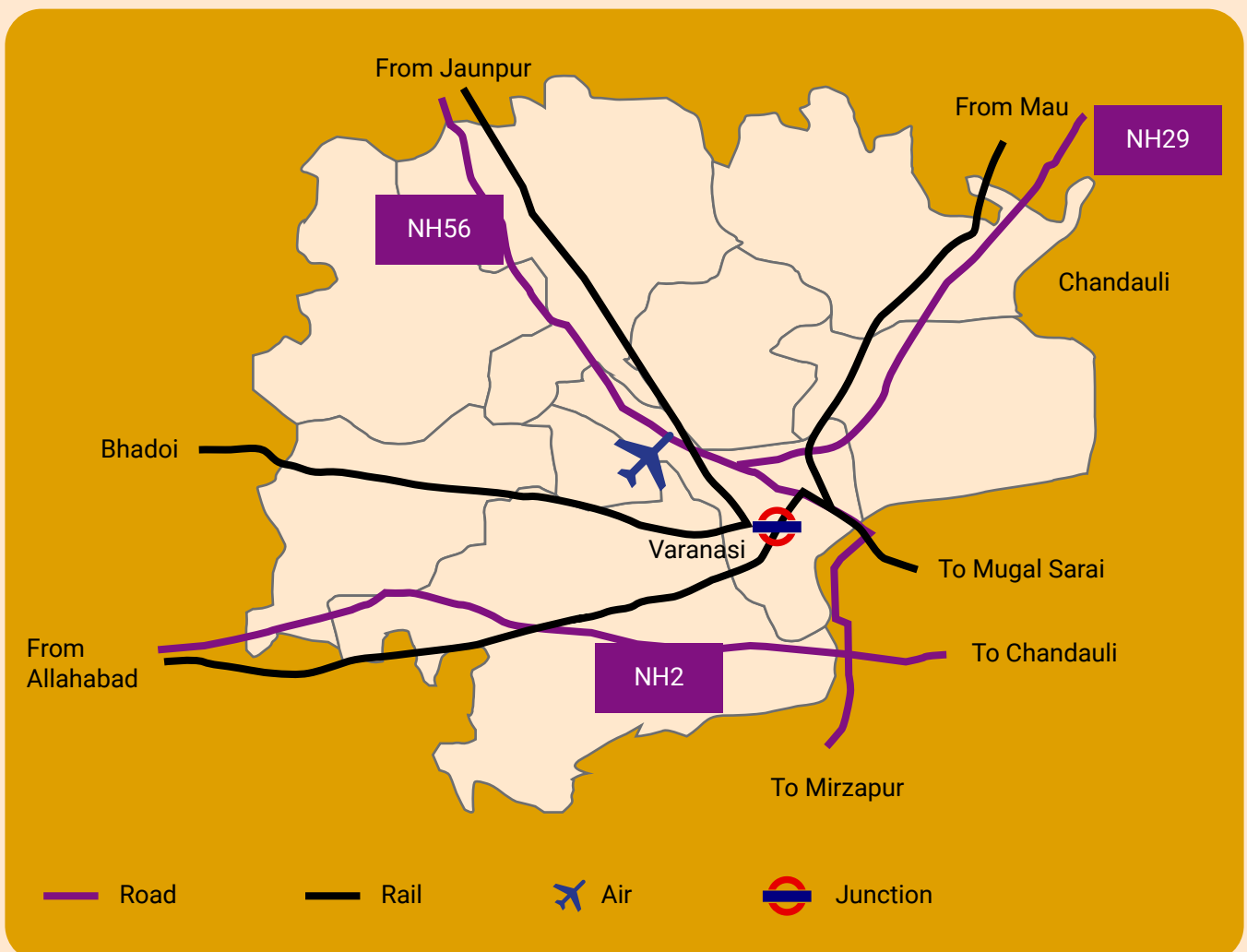
chemical-based industries, 515 units of metal and fabricated metal-based industries, 585 units of wood-based industries.

Development Indicators

- **Top industries:** Silk industry, cotton textiles, ready-made garments, woollen garments, chemicals, engineering units
- **Closest Airport:** 26 kms from Lal Bahadur Shastri International Airport located at Babatpur
- **Closest Railway Station:** Varanasi Junction railway station
- **Closest National Highway:** NH-56 (Lucknow to Varanasi), NH-2 (Delhi to Kolkata) and NH -29 (Varanasi to Gorakhpur) Several road

transport and highway projects such as four-lane project of Ghaghra Bridge to Varanasi section of NH 233. With the coming of Varanasi Bypass Ring Road places like Bhagwanpur, Ashapur, Chunar, etc., is expected to witness further growth. In January 2015, the six lane project of Varanasi-Aurangabad section of NH 2 was launched.

Parameter	Uttar Pradesh
Land cost	USD 212 per sq.mt (Circle rate - Unnao)
Legal minimum wage per month	USD 141 (Skilled)
Power (Industrial) (per kWh)	9.2-9.88 US cents (Open Access power supply allowed)





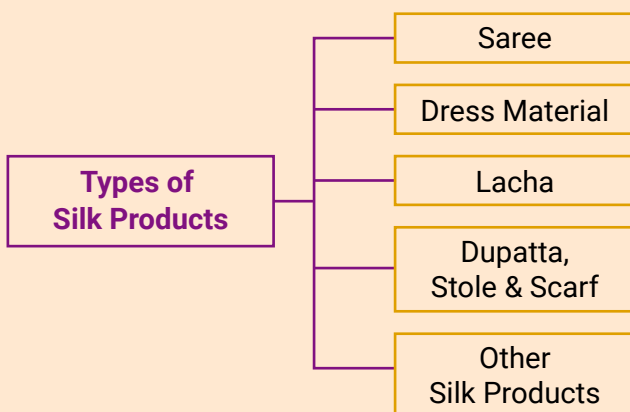
Product: Banarasi Silk Products

Varanasi is primarily known for its fine quality silk and related products including sarees with brocades, lehenga/ lacha and stole/ scarf. Considering their popularity with Indian and global consumers, 'Banarasi Silk Products' are identified as ODOP products for the Varanasi District. 'Banarasi Silk Products' have a unique design which is well accepted by the world through GI (Geographical Indication) tag to these products. At present, there are nearly 18,000 handlooms and 7,500 power looms in the district and 80 percent of the total silk products in Varanasi are manufactured on handlooms only.

Key Figures

- **18000** handlooms, **7500** power looms
- Ten manufacturing clusters in eight blocks employing **29,800** people
- **16,067** employed by labour-intensive handlooms
- **INR 1300 Cr** Turnover of the cluster
- Price **INR 4500** to Lakhs per piece due to real gold and silver zari threads used
- **INR 260 Cr** Exports of silk products

Focus Sub-Products

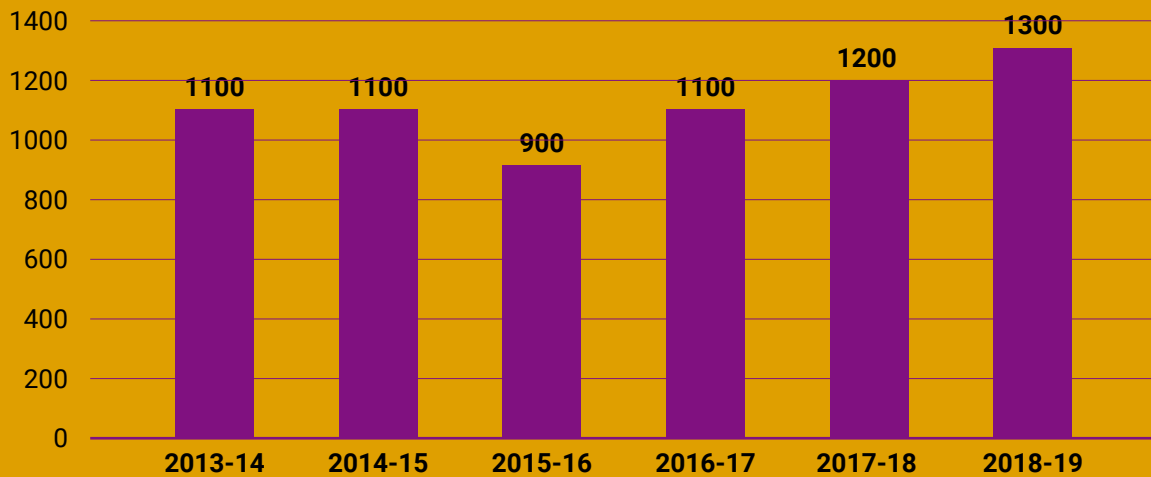


- **Saree:** Commanding 80 percent of the market, the famed Banarasi gold and silver brocade saree is made with fine heavy gauge silk yarn woven as warp and weft along with gold and silver threads (zari yarn) to create brocade designs. It is the most widely manufactured silk product in Varanasi. Some of the most famous silk sarees of Varanasi are the Banarasi jamdani, jangla, jamawar, tanchoi, tissue, and cutwork and butidar sarees.
- **Lacha:** Having a 5 percent share of the total market, Banarasi silk lacha or lehenga has a high demand, particularly in the bridalwear segment.
- **Dress Material:** Banarasi silk salwar-suit are the main constituents of dress material commanding a 10 percent of the total market share.
- **Dupatta Stole/Scarf:** These are evergreen items used by different types of customers at all the places and constitute 5 percent of the market.
- **Other Silk products:** Silk Carpets are also made with Banarasi Silk, which is made by weavers on order basis and make up for 1 percent of the total market

Market Size and Access

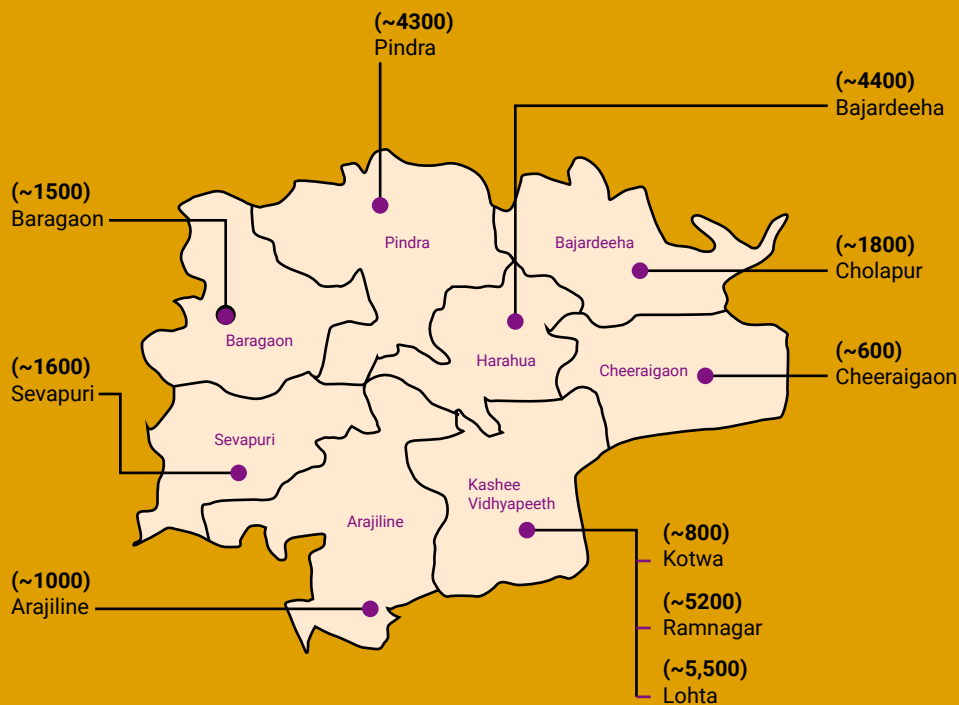
- The size of Silk product industry in Varanasi is estimated to be ~INR 1300 Cr¹⁹.
- There are around ten clusters located in eight blocks of Varanasi, namely Kashi Vidyapith, Bajardeeha, Pindra, Cholapur, Ramnagar, Cheeraigaon, Ajari line, Sevapuri, Kotwa, Lohta and Kuri.

Size of the silk product industry in Varanasi (in INR Cr)



Size of the Silk Product industry in Varanasi (in INR Crore)

Clusters



Block
Cluster within the block

Name of the cluster (~numbers of handloom weavers within the clusters)

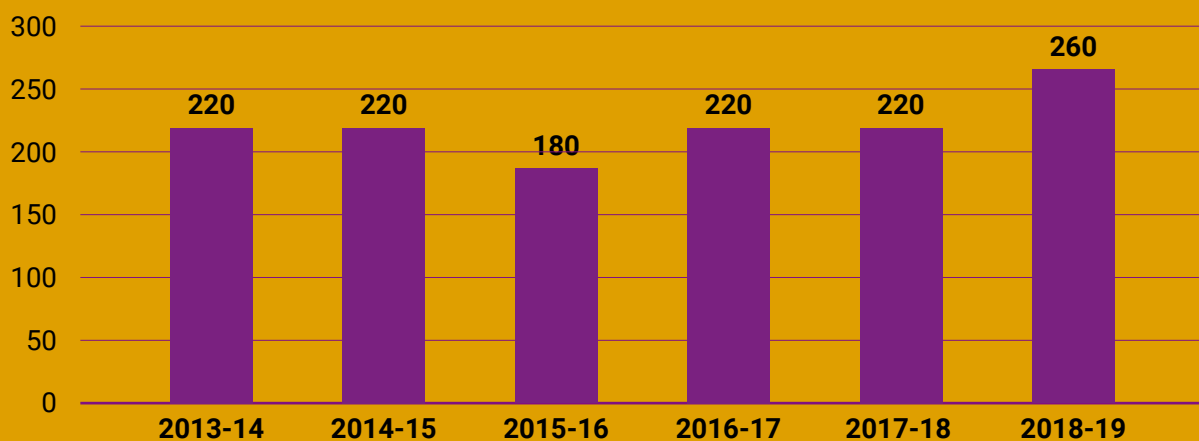
Exports²⁰

(Amount in USD Thousand for 2019)

- 1,990,774 Total Export Market for Silk in the world
- 4.23 percent Share of Indian Silk Exports in the world
- 37,142 Exports from Uttar Pradesh
- 44 percent Share of Uttar Pradesh in India's Silk Exports

With a wide variety of textile products exported from India over the years, India's total exports of the products are worth USD 84 Mn (2019) with UP's share of 44 percent (2018-19). **The total exports of silk products from Varanasi district has increased from ~INR 180 Cr in 2016 to ~INR 260 Cr in 2019.**

Size Product Export from Varanasi (in INR Cr)



■ Size of the Silk Product industry in Varanasi (in INR Crore)

International Consumer of Indian Silk Products



Silk industry players cater to the domestic market (cities like Hyderabad, Bangalore, Chennai, Coimbatore, Kolkata, Jaipur, Ahmedabad, Lucknow and Mumbai). **International markets like UAE, USA, UK, France and Italy are the top five countries**

importing Indian silk and silk products, mopping up ~67 percent of total silk and silk product exports from India. UAE and France mainly import garments whereas USA, UK, Germany import silk made-up.

Skill Availability and Wages



Hierarchy of People engaged with Silk Product Manufacturing of Varanasi Cluster

- **21 unique job** roles have been mapped across the silk handloom and powerloom weaving industry in Varanasi.
- Among these, **19,157 workers are estimated to be working in the handloom industry**, while 10,645 workers in the power loom industry across the value chain lead to 29,802 people employed in the industry.
- Of this 57 percent belong to the skilled category, 33 percent to the semi-skilled category and 10 percent to the unskilled category.
- In the current scenario, formal training and capacity building interventions are conducted through the government Institutes such as Indian Institute of Handloom Technology and National Institute of Fashion Technology, Varanasi, NSQF aligned training, Industrial Training Institutes and polytechnics, scheme-based training imparted by the Weaver Service Centre, Powerloom Service Centre and Handloom Department

With active interventions undertaken by the state government, it is expected that Varanasi with its unique product Banarasi silk will attract investments worth INR 800-1100 Cr by 2030 and increase in annual turnover from existing INR 1300 Cr. to 3000 Cr. by 2030. As skill training initiative, the state government aims to train 56000 workers and generate ~74,000 jobs by 2030 in the cluster.

Conclusion

ODOP is a unique and highly successful initiative of the Uttar Pradesh government. **The scheme's implementation in Uttar Pradesh has enhanced the state's export capacity by over 30 per cent since 2018 (the year ODOP was launched by Uttar Pradesh).** It has also provided stable income sources to numerous impoverished, mostly craftsmen and artisans engaged in the production of traditional products. In just two years, the success of the ODOP in Uttar Pradesh has inspired several not only other Indian states to adopt similar initiatives for district-level revival of local crafts and products. Promotion of rural entrepreneurship across the country has also acted as a major catalyst in pushing for ODOP implementation at the national scale.

To realize the true economic potential of rural India and align it with the clarion call of the Prime Minister to make 'Aatmanirbhar

Bharat', the Ministry of Commerce and Industry is putting in place an institutional mechanism to propagate 'One District One Product' as a movement with the help of all state governments and Union Territories. The objective will be to identify one product per district based on the potential and strength of a district and national priorities and develop a cluster for that product in the district capable of producing world-class product with quality, scalability, and a brand also provide market linkages.

The successes of the ODOP resonates at the highest levels of the government. Highlighting India's untapped potential in terms of land availability, labour, and natural resources, our Prime Minister and Union ministers' statements repeatedly assert that it is time to fully explore the nation's prospects through value-addition.



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