

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:1770

ANSWERED ON:07.03.2006

EXPORT SHARE OF SSI

Chandrapan Shri C.K.;Rao Shri Kavuru Samba Siva;Ravindran Shri Pannian;Surendran Shri Chengara

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the present share of handloom and handicrafts export in the International market;
- (b) the difficulties being faced by the sector in enhancing its share in international export;
- (c) the effect of free trade Agreements held with neighbouring countries on indigenous industry and on export of handicrafts and handlooms;
- (d) the steps taken by the Government to review the present policy to provide financial support to the cottage industries and
- (e) the other steps taken/to be taken by the Government to make the handlooms and handicrafts sector competitive in the World Market?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH)

- (a) The share of handicrafts exports from India in the world market was 1.27% in the year 2005. However, the present share of Handlooms items is not available due to some technical difficulties in generation of export data.
- (b) Lack of Brand image, marketing competition from some countries, severe competition from powerloom and mill sector and lack of flexibility in Labour Laws are some difficulties faced by these sectors.
- (c) The Free Trade Agreements with neighbouring countries do not have any significant effect on indigenous industry and on export of handicrafts and handlooms as export to these countries is negligible and bilateral trade with these countries has been growing steadily.
- (d) The Government has provided financial support to the handicraft sector in setting up common facility centres for design development at Saharanpur, Jodhpur and also for aggressive international marketing project of development of North-Eastern Crafts. The office of Development Commissioner (Handlooms), Ministry of Textiles has been implementing a scheme under the name `Handloom Export Scheme`. This scheme provides financial assistance to the eligible agencies for development of exportable range of handloom products and international marketing thereof. As present there is no proposal to review the guidelines of the scheme.
- (e) The Government has taken the following steps:
 - # In the Foreign Trade Policy (2004-09) handloom and handicraft sectors have been identified as thrust areas for special focus initiatives.
 - # The Government has decided to develop a trademark for handloom on the lines of `Woolmark` and `Silkmark`.
 - # New towns of excellence in handloom sector with a threshold value of Rs. 250 crore have been notified at Kannur, Kekra, Karur and Madurai.
 - # Financial assistance has been provided to the Export Promotion Council for Handicrafts for setting up of Common Facility Centres for design development.
 - # Assistance to the Handloom Export Promotion Council and the Export Promotion Council for Handicrafts is provided for participation in International trade fairs and organising Reverse Buyer-Seller Meets in India.