

**GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA**

UNSTARRED QUESTION NO:279

ANSWERED ON:21.02.2006

INVESTMENT IN COIR INDUSTRY

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Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

- (a): whether the Government proposes to develop coir industry;
- (b): if so, the details of the action plan indicating the amount that would be invested in the sector;
- (c): the measures taken by the Government for the revival of sick units in Coir Sector; and
- (d): the number of jobs that would be generated as a result thereof, year-wise?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a)&(b): The Coir Board, a statutory organisation set up under the Coir Industry Act, 1953, has been implementing various developmental projects aimed at modernisation, research and development, technology upgradation, market promotion, skill development, infrastructure upgradation, etc., for development of the coir industry. The budget estimate of funds for 2005-06 for development of the coir sector is 23.00 crore. Pending presentation of the budget estimates for 2006-07, it is not possible to state the amount that would be invested.

Besides, the Government has approved a project titled Alappuzha Coir Cluster Development Project (ACCDP) with an outlay of Rs. 56.8 crore, under the Industrial Infrastructure Upgradation Scheme (IIUS) of the Ministry of Commerce & Industry (Department of IP&P), with Central grant of 75 per cent of the total outlay of Rs. 56.8 crore. The project aims at creation of infrastructure facilities to modernise the spinning sector by introducing motorized traditional ratts, setting up of Common Facility Centres for the benefit of small scale manufacturers, etc.

(c): As per the Reserve Bank of India (RBI) guidelines, small scale industries, including coir industries, which were set up with bank credit and have subsequently become sick, are eligible for rehabilitation assistance available to sick units. Further, with a view to making the traditional industries more productive and competitive and to facilitate their sustainable development, the Government has approved a Central Sector Scheme, titled Scheme of Fund for Regeneration of traditional industries (SFURTI), for khadi, coir and village industries. The programme, inter alia, envisages holistic development in 25 clusters of coir industries.

(d): The estimated potential of additional employment generation of the new schemes like SFURTI, ACCDP and Production Enhancement Linked Coir Workers Welfare Scheme and the ongoing schemes of the Coir Board is 11,200 per annum.