

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

UNSTARRED QUESTION NO:197
ANSWERED ON:27.02.2007
EXPORT PROMOTION COUNCIL STATUS TO KVIC
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Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

- (a): whether there is any proposal to provide Export Promotion Council status to the Khadi and Village Industry Commission (KVIC);
- (b): if so, the details and objectives thereof;
- (c): the steps taken/proposed to be taken and assistance to be provided to strengthen the KVIC; and
- (d): the extent to which it would be beneficial to the sector?

Answer

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

(a)&(b): During December, 2006, the Government (in the Ministry of Commerce and Industry, Department of Commerce) has conveyed the approval of the competent authority granting the deemed Export Promotion Council (EPC) status to the Khadi and Village Industries Commission (KVIC) and to extend assistance to KVIC on the pattern of an umbrella EPC like Federation of Indian Export Organisations (FIEO). With the grant of EPC status to KVIC, its proposals for participation in International Fairs, organising Buyers Sellers Meets (BSMs), etc., would be approved, as per admissibility under Market Development Assistance (MDA)/Market Access Initiative (MAI) guidelines but no regular MDA grant would be available to KVIC. The objectives for providing deemed EPC status to KVIC include enhancing the image of khadi and village industry (KVI) products abroad as high quality products, organising BSMs in India and abroad to promote interaction between potential buyers and suppliers, ensuring genuineness of products and setting quality standards for export oriented KVI products.

(c) & (d): To strengthen the khadi and village industries (KVI) and make them competitive in the global economy, Government (in the Ministry of Agro and Rural Industries) has been implementing schemes like Interest Subsidy Eligibility Certificate Scheme (ISEC) providing subsidized rates of interest on bank loans, Product Development, Design Intervention and Packaging (PRODIP) Scheme for improving designs and packaging of KVI products, and Rural Employment Generation Programme (REGP) through KVIC, for setting up village industries by providing subsidy in the form of margin money. Assistance is also provided to KVI units to participate in exhibitions at the national, sub-national levels to assist marketing of KVI products. These facilities are available to all eligible cottage and rural industries. Further, the Government has launched the Scheme of Fund for Regeneration of Traditional Industries (SFURTI) in 29 khadi, 50 village and 25 coir industry clusters for five years beginning 2005-06. SFURTI envisages assistance for setting up of common facility centres, quality improvement, training and capacity building, development of new products, improved packaging, new design, market promotion, etc.

Further, the Expert Committee constituted to suggest measures for revamping of KVIC and programmes/schemes had, inter alia, recommended strengthening of the khadi and village industries by restructuring of some of the on-going schemes. In pursuance of the accepted recommendations, KVIC has prepared proposals in this regard with aim of creating more employment opportunities in the KVI sector.