

**GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:1082
ANSWERED ON:20.08.2007
PROMOTION OF RURAL INDUSTRY PRODUCTS
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Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a):whether the Government proposes to formulate any scheme for promoting the sales of products from Rural Industries;
- (b): if so, the details thereof;
- (c): whether subsidy is being given by the Government on products of Rural Industries;
- (d): if so, the percentage of sales promotion achieved as a result thereof, State-wise/product-wise;
- (e): whether any scheme/plan has been developed for promoting competitiveness of Cottage and Rural Industries in the International market; and
- (f): if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF MICRO,SMALL & MEDIUM ENTERPRISES (SHRI MAHABIR PRASAD)

(a) &(b): No, Sir. However, Khadi and Village Industries Commission (KVIC) continues its sales promotion endeavour for village industry products under its ambit through its departmentally run 12 sales outlets and by conducting exhibitions/fairs. It provides financial assistance for organizing District/State/Zonal and National level exhibitions, besides financing special exhibitions/events being organized on various special occasions. During 2006-07, 106 such exhibitions were organized in various parts of the country. The pattern of financial assistance for organizing exhibitions is given below:

Type of Exhibitions Maximum financial assistance
provided per exhibition (Rs. lakh)

National level Exhibitions 40.00

Zonal level Exhibitions 25.00

State Level Exhibitions 10.00

District level Exhibitions 2.50

Details of the exhibitions organized as well as sales generated during 2006-07 are as under:

Nature of Exhibitions Number of Exhibitions Sales (Rs. lakh)

National level Exhibitions 3 1,274.93

State level Exhibitions 18 1,770.68

District level Exhibitions 80 1,521.10

Total 106 4,615.02

(c): No, Sir. Subsidy is not given on village industry products promoted by KVIC.

(d): Does not arise.

(e) and (f): No, Sir. However, to strengthen the khadi and village industries (KVI) and to make them competitive in the global economy, Government (in the Ministry of Micro, Small and Medium Enterprises) has been implementing schemes like Interest Subsidy Eligibility Certificate Scheme (ISEC) providing subsidised 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 34 khadi, 62 village and 26 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.