

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

UNSTARRED QUESTION NO:3440

ANSWERED ON:23.12.2008

PRODUCTION AND SALE OF KHADI PRODUCTS

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**Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:**

- (a) the details of the demand, production and sale of Khadi products in the country, State-wise, product-wise in terms of annual targets and achievement during each of the last three years and the current year;
- (b) whether the sale of khadi products have declined during each of the last three years;
- (c) if so, the details thereof alongwith the reasons therefor and the financial assistance provided in this regard during the said period;
- (d) the steps taken to raise productivity and sale of Khadi in the country, State-wise; and
- (e) the details of the employment generated in the Khadi industry in terms of targets and achievement during the above period,State-wise?

**Answer**

MINISTER OF MICRO, SMALL & MEDIUM ENTERPRISES (SHRI MAHABIR PRASAD)

(a): Khadi products can be categorized as cotton, woolen, and silk varieties. The State/Union Territory-wise details of the value of production and value of sales of these 3 three varieties of khadi during the last three years, are given at Annex I & II respectively. The relevant figures of the value of production and sale generated/to be generated during 2008-09 will become available only after the year is over and the data are compiled.

(b): No, Sir. The value of sale of khadi products in the khadi sector, have increased in the last three years, as may be seen from the data given at Annex II.

(c): Does not arise.

(d): In order to raise the productivity, and sales of khadi following steps have been taken.

(i) Scheme for 'Enhancing Productivity and Competitiveness of Traditional Khadi Industries and Artisans' with the objective, inter alia, to make khadi industry more competitive, more market-driven, and ensure an evenly balanced and need-based support in all areas of Khadi activities viz. production, distribution, promotion and capacity building. Government has allocated Rs. 10 crore for this purpose. An action plan for the implementation of the scheme initially to cover 200 Khadi Institutions has been prepared by KVIC.

(ii) A Workshed Scheme for Khadi Artisans has been launched with the objectives to provide better worksheds / infrastructure to artisans to enable them to carry out their spinning and weaving work efficiently, to provide more storage and working space for housing splicers, raw material, implements and accessories, dobby, jacquard yarn, cloth, to improve efficiency and productivity of the spinners through the electrical connection and lighting to the workshed. Government has allocated Rs.25 crore to implement the scheme for construction of 10,000 worksheds in 2008-09.

(iii) Government has continued to extend sales promotion assistance, in the form of rebate on sales of khadi in 2008-09.

(iv) A scheme known as Product Development Design Intervention and Packaging (PRODIP) has been launched to bring out better khadi products including improvement in design, packaging, etc., so as to make their competitive in the market.

(v) To improve the marketability of KVI products, three exclusive brands viz. 'Khadi India', 'Desi Aahar' and 'Sarvodaya' were introduced.

(vi) In order to create awareness about the quality of KVI products and boost the sales assistance for organising exhibitions at various levels are being provided. During the year 2007-08, 118 such exhibitions/ events were organized through out the country.

(vii) KVIC continued to extend incentives to export oriented units to accelerate the export of KVI products. The Deemed Export Promotion Council (EPC) status has been accorded to KVIC by the Government in order to streamline export of KVI products. 750 units/Institutions have so far become members of KVIC-EPC.

(viii) KVIC has signed an MoU with IITs and NITs for product development and product innovation. To introduce modern designs and styles in Khadi Fabric and garments, KVIC has developed linkages with National Institute of Design (NID), Ahmedabad and National Institute of Fashion Technology (NIFT), New Delhi. Under these projects a number of designs have been developed by the NID experts, which enhanced the sales of Khadi products.

(ix) In order to attract the young generation customers, new items made from the Khadi fabric in better designs as well as colour and packaging have been introduced in the market such as Khoobsurat Khadi, Denim jeans, soft and stiff Khadi.

(e): The State/Union Territory-wise details of State/Union Territory-wise details of employment provided in the khadi sector during the last three years, are given at Annex.III.