

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

STARRED QUESTION NO:83
ANSWERED ON:09.03.2005
DECREASE IN PRODUCTION OF AGRO AND RURAL INDUSTRIES
Mahtab Shri Bhartruhari

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

- (a): whether production in the Agro and Rural Industries Sector is decreasing in comparison to the total industrial production of the country;
- (b): if so, the reasons therefor; and
- (c): the steps taken or proposed to be taken to boost these industries?

Answer

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

(a)to(c): A Statement is placed on the Table of the Sabha.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHA STARRED QUESTION NO. 83 TO BE ANSWERED ON 09.03.2005.

(a)&(b): No, Sir. The production in the Khadi and Village Industries (KVI) sector, which is the major component of the agro and rural industries sector, and also the total industrial production of the country have both been showing an increasing trend. As per the data published by the Reserve Bank of India in its Handbook of Statistics on the Indian Economy(2003-04), the industrial production in the country in the first year of the 9th Plan (1997-98) was Rs.300696 crore which grew to Rs.516023 crore (both at current prices) by the end of the year 2003-04. During the same period, the production in the KVI sector increased from Rs. 4519 crore (1997-98) to Rs.9682 crore (2003-04) (both at current prices). Thus, during the period 1997-98 to 2003-04, the nominal growth of total industrial production in the country was 71.6 per cent, compared with 114.3 per cent in the KVI sector.

(c): The agro and rural industries sector continues to receive support of the Government. A new Ministry of Agro and Rural Industries was created out of the erstwhile Ministry of Small Scale Industries and Agro & Rural Industries in September 2001. Against the original Tenth Plan outlay of Rs. 2950 crore for the Ministry of Agro and Rural Industries, an amount of Rs. 2745.03 crore has already been made available during the first four years of the Tenth Plan (2002-03 to 2005-06).

Further, the Government has been implementing the Rural Employment Generation Programme (REGP), through the Khadi and Village Industries Commission (KVIC), to assist setting up of agro and rural industries in the rural areas by providing subsidy in the form of margin money assistance along with loans from banks. Other relevant schemes implemented through the KVIC include the Interest Subsidy Eligibility Certificate Scheme (ISEC) for providing bank loans to KVI units at subsidized rates of interest, assistance to KVI units in marketing their products, including setting up of Confederation for Promotion of Khadi and Village Industries (CPKVI) for strengthening the marketing networks of the KVI products, Product Development Design Intervention and Packaging (PRODIP) Scheme for improved designs and packaging, improved raw material management by optimizing production of slivers/rovings in the Central Sliver Plants (CSPs) and introduction of better quality standards for village industries products.

Under the Pradhan Mantri Rozga Yojana (PMRY), implemented through the District Industry Centres of the State/Union Territories and the banks, loans and subsidy are provided to the educated unemployed to set up self-employment ventures, including agro and rural industries.

The Government also supports the development of the coir sector through the Coir Board, a statutory body, under various schemes and programmes of assistance, viz., domestic market promotion, export market promotion, development of production infrastructure, supply of equipment and machinery at subsidized costs, Mahila Coir Yojana, training and extension, etc.