

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

STARRED QUESTION NO:66
ANSWERED ON:02.03.2010
CONDITION OF TRADITIONAL INDUSTRIES
Kodikunnil Shri Suresh;Venugopal Shri K. C.

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

- (a) whether the Government has conducted any study on the condition of the traditional industries and the workers engaged therein;
- (b) the action taken to improve the condition of such industries and the workers thereof;
- (c) whether the Union Government has received any request from various State Governments for setting up of more clusters of traditional industries in the country;
- (c) if so, the details thereof, State-wise including Kerala; and
- (e) the time by which such clusters are likely to be set up and the funds allocated for the purpose?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MICRO, SMALL AND MEDIUM ENTERPRISES(SHRI DINSHA PATEL)

(a) to (e): A statement is placed on the table of the Sabha.

STATEMENT REFERRED TO IN ANSWER TO PARTS (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO. 66 FOR ANSWER ON 02.03.2010.

(a)to(e): The Government in the Ministry of MSME has not conducted any exclusive study as such on the condition of the traditional industries and workers engaged therein in recent years. Nevertheless, for the development of traditional industries clusters from khadi, village and coir sectors, the Scheme of Fund for Regeneration of Traditional Industries (SFURTI) is being implemented with a total cost of Rs. 97.25 crore over a period of 5 years (beginning 2005-06) with a view to making these traditional industries more productive and competitive and to increase the employment opportunities in the rural areas of the country. The Scheme envisages need-based assistance for replacement of production equipment, setting up of common facility centres (CFC), product development, quality improvement, improved marketing, training and capacity building of artisans, etc. Detailed guidelines of SFURTI are available on the website of the Ministry at www.msme.gov.in.

Under SFURTI, the Ministry does not receive any proposal directly from State/Union Territory (UT) Governments. The cluster development proposals are received through Nodal Agencies, i.e. Khadi and Village Industries Commission (KVIC) and Coir Board from Khadi Institutions, NGOs, agencies of the Central and State Governments, semi Government institutions, etc. After scrutinizing the proposals received by Nodal Agencies, the Scheme Steering Committee (SSC) of SFURTI constituted under the chairmanship of Secretary(MSME) approves them and so far, the SSC has approved 105 clusters (29-khadi, 50 - VI and 26- coir) throughout the country, including Kerala. State-wise clusters approved under SFURTI is given at Annex.

As on 31 January 2010, an amount of Rs. 71.29 crore has been released by the Government since inception of the scheme to the Nodal Agencies for development of such 105 clusters and Rs. 17 crore has been allocated in BE 2010-11.

Besides, a number of other programmes are being implemented by KVIC for increasing the efficiency and productivity of khadi and village industries sectors and providing worksheds to spinners in the country. In coir producing States, the Government through Coir Board is implementing a number of schemes for the Coir sector, which include financial assistance for setting up of new units and modernization of existing units under Development of Production Infrastructure Scheme, financial assistance to groups of spinners and tiny household workers for replacement of outdated ratts/looms, respectively, and for constructing worksheds under Rejuvenation, Modernization and Technology Upgradation of the Coir Industry" (REMOT), training/skill upgradation, Mahila Coir Yojana, domestic market promotion including market development assistance scheme, etc.