

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

UNSTARRED QUESTION NO:6284  
ANSWERED ON:04.05.2010  
PROMOTION OF KVIC PRODUCTS  
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**Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:**

- (a) whether the Government proposes to promote export of the products manufactured in the villages under the Khadi and Village Industries Commission (KVIC);
- (b) if so, the details thereof;
- (c) whether it is also proposed to confer the status of Export Promotion Council to KVIC to facilitate the same;
- (d) if so, the details thereof;
- (e) whether new jobs are likely to be created for the women and rural people as a result thereof; and
- (f) the details of the employment opportunities created during each of the last three years, State-wise?

**Answer**

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

(a) & (b): The Government (in the Ministry of Micro, Small and Medium Enterprises) has taken several measures to promote export of the products manufactured in the villages by the units under the purview of the Khadi and Village Industries Commission (KVIC). KVIC participates from time to time in international exhibitions / trade fairs along with khadi institutions/village industry units by providing incentives on airfare, space rent, etc., as follows:

(i) 75 per cent of the air fare towards travel by economy class or train fare, as the case may be to one representative each of the participating units of the general category while 100 per cent of such airfare is provided to one representative each of the participating units belonging to women entrepreneurs, SC/ST entrepreneurs and entrepreneurs from North Eastern Region;

(ii) up to 50 per cent of the space rent actually paid is reimbursed. In case of women entrepreneurs, SC/ST entrepreneurs and entrepreneurs from North Eastern Region, etc., reimbursement of space rent is 100 per cent,

(iii) assistance for space rent and travel expenses for each participating entrepreneur/unit would be limited to Rs. 1.25 lakh; and

Besides, all exporting units/institutions are eligible to get 5 per cent export incentives on 'Free-on-board (FOB)' value of the items exported directly by them.

(c) & (d): In order to streamline and increase the export of khadi and villages industries (KVI) products, the Government (in the Ministry of Commerce and Industry, Department of Commerce) has granted "Deemed Export Promotion Council (EPC)" status to KVIC. KVI products, under the fold of KVIC – EPC, are promoted through the Market Development Assistance Scheme implemented by the Government (in the Ministry of Commerce and Industry, Department of Commerce). About 880 units / institutions have become members of KVIC – EPC till the end of March 2010.

(e) & (f): Since the KVIC – EPC is in its initial stage of operation, jobs / employment opportunities likely to be generated for women and rural people specifically attributable to deemed EPC status of KVIC cannot be ascertained in a definitive manner. This status is however expected to have positive effect also on employment generation in KVI sector especially as exports of KVI products have shown an increasing trend and grown from Rs. 53.73 crore in 2006-07 to Rs.104.85 crore during 2008-09.