

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

UNSTARRED QUESTION NO:1445
ANSWERED ON:03.08.2010
CONDITION OF TRADITIONAL INDUSTRIES
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Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether the condition of the Traditional Industries like coir and khadi is in a dismal state;
- (b) if so, the details thereof;
- (c) the total number of such sick industries closed down during each of the last three years and the current year, State-wise;
- (d) whether the Government has any proposal to provide any special packages for these industries;
- (e) if so, the details thereof; and
- (f) the other steps taken by the Government to strengthen/modernise the traditional industries and to improve the condition of the workers therein?

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), supplements the efforts of the States / Union Territories for development and promotion of micro, small and medium enterprises, including khadi, village, coir and cottage industries, through various schemes / programmes relating to credit, infrastructural development, technology upgradation, marketing, entrepreneurial development, etc, throughout the country. The value of production of khadi in the country has been showing an upward trend during the last 5 years. The estimated value of production of village and coir industries has also shown consistently upward trend. The details of growth in the value of production and sales of the KVI sector as well as employment during each of the last three years are given below:

Year	Production (Value Rs. crore)	Sales/Export (Value Rs. crore)	Cumulative (lakh persons)	Employment
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Year	Khadi (Value Rs.crore)	V.I. (Value Rs.crore)	Coir (Value Rs.crore)	Khadi (Quantity in lakh MTs)	V.I. (Quantity)	Coir (Quantity)	Khadi V.I. Coir
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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
2006-07	491.52	13527.19	4.30	663.19	18888.21	605.17	8.84	80.08	6.41
2007-08	543.39	16134.32	4.38	724.39	20819.09	592.88	9.16	90.11	6.59
2008-09	585.25	16753.62	4.91	799.61	21948.59	639.97	9.50	94.41	6.75

(c): Some 'micro enterprises' / Village Industry units /self-employment ventures do suffer losses and close down. The reasons for such losses include use of obsolete technology, inconsistent quality of products, product design not being in keeping with market demand, lack of entrepreneurial and managerial skills, etc. The State-wise details of sick industries which have closed down are not maintained centrally.

(d) to (f): The Ministry of Micro, Small and Medium Enterprises since 2005-06 has been implementing a cluster-based SFURTI (Scheme of Fund for Regeneration of Traditional Industries) through the Khadi and Village Industries Commission (KVIC) and Coir Board under which 29 khadi, 50 village industries and 26 coir clusters each having more than 500 traditional artisans, have been targeted by providing them with improved equipments, business development services, training, capacity building and exposure visits, design and marketing support, common facilities centres, etc., to make these activities competitive and become sustainable. Further, there is a scheme of 'Strengthening Infrastructure of existing weak khadi institutions and Assistance for Marketing Infrastructure' with a target of revitalization of 100 weak khadi institutions. Besides, under the scheme of Khadi Reform and Development Programme, revitalization of khadi activities have been targeted in 300 khadi institutions all across the country. Barring these, there is no fresh

proposal at present for any special package for these industries.

Also for increasing earnings and improving working conditions of coir spinners and weavers, the Ministry in March 2008 has launched a scheme, namely, 'Rejuvenation, Modernization and Technological Upgradation of Coir Industry' by providing assistance to groups of spinners and tiny / household units in the form of replacement of ratts and looms and providing worksheds at a total outlay of Rs. 243 crore, including government grant of Rs. 99 crore.