

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

STARRED QUESTION NO:443
ANSWERED ON:04.08.2009
ASSISTANCE TO COIR INDUSTRY
Panda Shri Baijayant;Pradhan Shri Nityananda

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

- (a) whether the development of coir industry in the country is impeded due to several constraints including high production costs, dip in exports, default in payments due to fluctuation in major currencies etc.;
- (b) if so, the details thereof;
- (c) whether the Government proposes to provide any package to help the Coir industry; and
- (d) if so, the details thereof?

Answer

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

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

STATEMENT REFERRED TO IN ANSWER TO PARTS (a) to (d) OF LOK SABHA STARRED QUESTION NO. 443 BY SHRI NITYANANDA PRADHAN AND SHRI BAIJAYANT JAY PANDA FOR ANSWER ON 04.08.2009 REGARDING ASSISTANCE TO COIR INDUSTRY.

(a) & (b) The Ministry of Micro, Small and Medium Enterprises (MSME) through Coir Board, a statutory body under the administrative control of this Ministry, has taken various steps for the development of coir industry in the major coir producing states of the country viz., Kerala, Tamil Nadu, Karnataka, Orissa etc. The Industry is growing in the coconut producing states using coconut husk for the production of coir and allied products. The production of coir fibre is estimated to have increased from 4,37,800 M.T. in 2007-08 to 4,91,000 M.T. in 2008-09 and total employment in Coir sector is estimated to have increased from 6.59 lakh persons in 2007-08 to 6.75 lakh persons in 2008-09. The export of coir and coir products during the year 2008-2009 has shown increase of about 6.5% in terms of quantity and 8% in terms of value in rupee terms compared to 2007-08. There are no specific reports stating that the fluctuation in major currencies has affected the export of coir and coir products and development of coir industry.

(c) & (d) The Ministry of MSME through Coir Board is implementing a number of schemes for the Coir sector, which include assistance for participation in international exhibitions, coir industry awards, training/skill upgradation, Mahila Coir Yojana, domestic market promotion including market development assistance scheme, financial assistance for setting up of new units and modernization of existing units, group insurance scheme for artisans, etc. The allocated Plan budget of Coir Board has been increased from Rs.23 crore in 2006-07 to Rs.55 crore from 2007-08 onwards.

Further, under the Export Market Promotion Scheme, the Ministry of MSME, through Coir Board, has commissioned a Market Intelligence Study through the Indian Institute of Foreign Trade, New Delhi in order to assess the market trends and preferences of Europe particularly UK, Italy, Germany and Netherlands with the ultimate objective of boosting the exports of traditional and value added coir products and also to position coir products as Home Decor Products.

The coir products are also included in different schemes of Government of India for encouraging the exports as indicated below:

- (i) Exporters of Coir and Coir products are eligible to avail Duty Entitlement Pass Book Scheme (DEPB) at the rate of 1.5% of FOB value.
- (ii) Duty Drawback (DDB) given by Department of Revenue ranges from 1% to 6.3% of FOB value on various products of Coir. Coir mats and mattings were brought under DDB of 2.5% of FOB value in 2007 essentially to help coir exports to tide over dollar depreciation.
- (iii) Duty free scrip of 1.25% of F.O.B. value under the Focus Product Scheme of Ministry of Commerce, for selected products.
- (iv) Interest subvention on pre-shipment and post-shipment credits to ensure cash flow to the export related activities.
- (v) Financial assistance to exporters/entrepreneurs for undertaking various export promotion activities for participation in international fairs, Buyer Seller Meets, Trade Delegations etc. under External Market Development Assistance (EMDA) Scheme of the Ministry of

MSME, and

(vi) Assistance under EMDA scheme towards 25% of the cost of production of Brochures / Catalogue, produced for release abroad subject to a maximum of Rs.15,000/- once in a financial year.

Besides, a new Central Sector scheme on "Rejuvenation, Modernization and Technology Upgradation of the Coir Industry" (REMOT) has been launched in March, 2008 to assist spinning and tiny household sectors. Under this scheme, assistance is provided to groups of spinners and tiny household workers for replacement of outdated ratts/looms, respectively, and for constructing work sheds so as to increase production and earnings of such workers. The scheme envisages covering 4000 spinning units and 3200 tiny/house hold units during the XI plan period in the country.