

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

STARRED QUESTION NO:511

ANSWERED ON:08.09.2011

PROMOTION OF KHADI PRODUCTS

Gawali Patil Smt. Bhavana Pundlikrao ;Nagorao Shri Dudhgaonkar Ganeshrao

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

- (a) whether the Government has introduced any scheme for modernization and renovation of sales outlets of the Khadi and Village Industries Commission (KVIC);
- (b) if so, the details thereof;
- (c) whether the Government has set up retail outlets of KVIC in foreign countries;
- (d) if so, the details thereof alongwith their locations;
- (e) whether the Government proposes to launch a campaign to promote export of khadi products;
- (f) if so, the details thereof; and
- (g) the funds earmarked and road map drawn up for the purpose?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI VIRBHADRA SINGH)

(a) to (g): A statement is placed on the Table of the Sabha.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (g) OF THE LOK SABHA STARRED QUESTION NO. 511 FOR ANSWER ON 08.09.2011.

(a) Yes, Madam.

(b) Government in the Ministry of Micro, Small and Medium Enterprises(MSME) through Khadi and Village Industries Commission(KVIC) has in 2008-09 introduced a scheme named 'Strengthening Infrastructure of Existing Weak Khadi Institutions and Assistance for Marketing Infrastructure' which inter alia, provides for renovation of 30 khadi sales outlets including four(04) sales outlets of KVIC, during XI plan period. The maximum financial assistance to the tune of rs 25.00 lakh per departmental sales outlets of KVIC in the form of Government grant is provided under this scheme. Besides this, a comprehensive 'Khadi Reform and Development Programme' has also been introduced with assistance to the tune of US \$ 150 million from Asian Development Bank (ADB) in 300 selected khadi institutions over a period of three years from 2009-10 which, inter alia, provides for opening of new sales outlets in metropolitan cities and state capitals and renovation and modernization of sales outlets, besides setting up of a Marketing Organization under Public Private Partnership.

(c) No, Madam.

(d) Does not arise.

(e) & (f) Government in the Ministry of MSME through KVIC has been striving to promote export of KVI products for which following measures have been taken:

(i) Identification of khadi products for introduction in foreign markets: KVIC has identified several items under silk khadi, woollon khadi,cotton khadi and muslin khadi for the promotion of export.

(ii) Export Promotion Council (EPC) for KVI products: Government in Ministry of Commerce and Industry has given the status of deemed EPC to KVIC for supporting the introduction of khadi and village industries (KVI) products in international markets. Till 2010-11, more than 900 Khadi Institutions and REGP/PMEGP units have become Members to enter the field of exports.

(iii) Export Incentive: Providing incentives to KVI institutions on direct export of KVI items @5% of the Free on Board (FOB) value to a maximum limit of rs 10.00 lakh.

(iv) Participation in International Trade Fairs: KVIC supports participation of KVI institutions and REGP/PMEGP units to expose them

to the world markets and also provide an opportunity of interacting with the foreign buyers. KVIC has also tied up with India Trade Promotion Organisation (ITPO) and Federation of India Exporters Organisation (FIEO) for participation in the events organized by these agencies. During last 3 years KVIC has participated in six(6) international Trade Fairs/Buy-seller Meets in different countries. To facilitate participation in International Trade Fairs, financial assistance is provided to the KVI institutions as well as REGP/PMEGP units for air fare and stall rent.

(v) Export Workshops: To make the KVI institutions/units aware about the export procedures/documentations and also other issues including quality, pricing, etc. export workshops are organized. Five (05) such workshop were organized during 2010-11 in New Delhi, Chennai, Bhubaneswar, Mumbai and Guwahati.

(vi) Participation in India International Trade Fair(IITF): KVIC participates in IITF held at Pragati Maidan, New Delhi every year in the month of November. Quality premium products of leading institutions /units are show cased in the event.

(g) Special efforts to increase the membership of EPC, participation in international exhibitions and formation of Marketing Organization are some of the efforts planned for accelerate the growth of export of KVI products. Funds to the tune of rs 65.00 lakh have been specifically earmarked in 2011-12 by KVIC for participation in International Trade Fair and for providing export incentive.