

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

UNSTARRED QUESTION NO:5902

ANSWERED ON:08.09.2011

AGRO AND RURAL INDUSTRIES

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

- (a) whether Orissa has vast potential for the growth of agro and rural industries like traditional items made out of clay, bamboo etc.;
- (b) if so, the details thereof;
- (c) whether any action plan for the removal of rural unemployment by developing these industries has been chalked out by the Union Government;
- (d) if so, the details thereof;
- (e) whether the Union Government has issued any guidelines for providing training, financial and technical support and marketing to the people employed in these industries; and
- (f) if so, the details thereof?

Answer

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI VIRBHADRA SINGH)

(a) Yes, Madam.

(b) Orissa has the potential for the growth of agro and rural industries including agro, mineral and forest based industries. Government of India in the Ministry of Micro Small and Medium Enterprises (MSME) has a scheme named Prime Minister Employment Generation Programme (PMEGP) for providing margin money assistance to beneficiaries for setting up of micro enterprises in the non-farm sector. PMEGP is in operation since 2008-09 throughout the country including Orissa. During the last three years, a total of 6213 PMEGP units have been assisted in Orissa with 23% of the units belonging to the category of food and agro-based industries, 4.5% to forest based industries and 10.3% to minerals based industries. In addition, four traditional industry clusters (one in bamboo products, one in palmgur and two in coir products) have been taken up under Scheme of Fund for Regeneration of Traditional Industries (SFURTI).

Under Pottery segment, one Rural Industries Service Centre (RISC) is also functioning in Orissa and every year skill development programmes are organized and potters' wheels are distributed free of cost to artisans.

(c) & (d) As indicated in part (b) above, Government of India in the Ministry of MSME through Khadi and Village Industries Commission (KVIC) has been setting annual targets of providing financial assistance in the form of margin money subsidy to prospective entrepreneurs in the states including Orissa and funds are released accordingly depending upon the progress. This intervention is expected to reduce unemployment in the states and an estimated 12.56 lakh additional employment opportunities have already been created under PMEGP till August 2011.

(e) Yes, Madam.

(f) Undergoing Entrepreneurship Development Programme (EDP) is also a mandatory requirement, under PMEGP. The guidelines on PMEGP issued by Ministry of MSME on 25 September 2008 stipulates that beneficiaries chosen under PMEGP would undergo two to three week EDP. KVIC has accredited around 700 Training Centres for providing EDP training and has also tied-up with national level entrepreneurship development institutions such as National Institute for Entrepreneurship and Small Business Development (NIESBUD), Noida; National Institute for Micro, Small and Medium Enterprises (NIMSME), Hyderabad and Indian Institute of Entrepreneurship (IIE), Guwahati. Marketing support is also provided by KVIC through their departmental as well as institutional outlets and it also organizes exhibitions at different level such as district, state, national and international for providing market to the KVI products produced by the beneficiaries of PMEGP.