

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

UNSTARRED QUESTION NO:1350  
ANSWERED ON:14.07.2009  
EFFECT OF GLOBAL RECESSION ON COIR INDUSTRY  
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**Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:**

- (a) Whether the coir industry in the country is facing crisis on the export front due to global recession;
- (b) if so, the details thereof;
- (c) whether the Government has taken any initiative for a revitalization package for the same;
- (d) if so, the details thereof; and
- (e) if not, the reasons therefor?

**Answer**

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

(a) & (b) Though the global meltdown began impacting the exports in general during mid 2008-09, the export of coir and coir products from India for the year 2008-2009 reached an all time high level of 199924.93 tonnes valued at Rs.639.97 crore showing an increase of about 6.5% in quantity and 8% in terms of value over the export achieved during 2007-2008. However, the traditional export oriented coir products such as coir yarn, handloom mats etc. have shown a decreasing trend while exports of items like coir pith, rubberized coir, coir fibres and curled coir have shown positive growth during 2008-2009.

(c), (d) & (e) Coir Board, a statutory body under the Ministry of Micro, Small and Medium Enterprises, is implementing Export Market Promotion Scheme for developing the exports of coir and coir products. Under the scheme, the Government, 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.

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

- (i) Duty credit scrip of 1.5% under the Duty Entitlement Pass Book Scheme (DEPB) for coir goods exported in packed form.
- (ii) Fiscal incentive ranging from 1% to 5.6% as provided under the Duty Drawback scheme of the Department of Revenue. Coir mats and mattings are eligible for 2.5% Duty Drawback under the scheme.
- (iii) Duty free scrip of 1.25% 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.
- (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.