

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

UNSTARRED QUESTION NO:1787  
ANSWERED ON:07.03.2013  
EXPORT OF KHADI PRODUCTS  
Das Shri Ram Sundar;Singh Shri Radha Mohan

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

- (a) whether the Government proposes to collaborate with National Institute of Fashion Technology (NIFT) in preparing modern designs of Khadi;
- (b) if so, the details thereof;
- (c) whether the Government proposes to increase the production of khadi and its export;
- (d) if so, the steps taken by the Government in this regard; and
- (e) the details of schemes to set up khadi industries in rural areas of the country?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI K.H. MUNIYAPPA)

(a): Government in the Ministry of Micro, Small and Medium Enterprises (MSME) has no such proposal at present to collaborate with National Institute of Fashion Technology (NIFT) in preparing modern designs of Khadi.

(b): Does not arise.

(c):Yes, Madam.

(d)&(e): Government of India has established a statutory body named the Khadi and Village Industries Commission (KVIC) for the holistic development and promotion of khadi and village industries in the country. KVIC implements a number of schemes for development and promotion of khadi (including increased production of khadi) which include:

- (i) Market Development Assistance (MDA) under which assistance is provided @ 20% of value of production khadi and polyvastra to be shared among artisans, producing institutions and selling institutions in the ratio 25:30:45.
- (ii) Scheme of Fund for Regeneration of Traditional Industries (SFURTI) under which assistance for replacement of obsolete equipments, setting up common facilities centres, product development, market promotion and other support are provided in clusters,
- (iii) Scheme for Enhancing Productivity & Competitiveness of Khadi Industry and Artisans under which assistance for replacement of charka, product development, design intervention and packaging etc. is provided. KVIC with assistance of US\$ 150 million from Asian Development Bank (ADB) also implements a comprehensive reform package for the khadi sector namely Khadi Reform and Development Programme (KRDP), which includes capacity building of 300 khadi institutions and incentivizing production. Formation of new khadi institutions are also promoted by KVIC. During the last three years, 234 new khadi institutions have been set up in the country.

The Government, in order to boost export of KVI products, has given deemed 'Export Promotion Council' status to KVIC under which KVIC has already enlisted more than 900 exporters. There is a provision of providing incentive in the form of 5% FOB value of direct export of KVI products. Besides, KVIC has also been focusing on quality participation in International Exhibitions and Buyer-Seller Meets abroad to tap new/ emerging markets for KVI products.