

**GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA**

UNSTARRED QUESTION NO:4219
ANSWERED ON:25.08.2004
COMPETITION DUE TO GLOBALIZATION
Singh Shri Sitaram

Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

- (a): whether Indian Industries and market along with cottage and village industries are facing a competition due to globalization of Indian economy;
- (b): whether the Government had announced Khadi Package in the year 2001;
- (c): if so, the names of the cottage and village industries which are to be benefited from the Khadi Package and it will also enhance the competitiveness?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a): Yes, Sir. With the globalization of the Indian economy, the industries in the country including cottage and rural industries, are facing greater competition in the market. The strategy of the Government to face this competition is to strengthen the cottage and rural industry sector to enable it to remain competitive in the market led economy and generate additional jobs.

(b)&(c): For the promotion of Village industries sector including cottage industries Government had announced a 'Khadi package' on 14.5.2001. The package interalia consists of modernization of bhawans/sales outlets, creation of packaging and design facilities, measures to promote marketing, brand building, cluster development etc.

To strengthen the cottage and rural industry sector and make it more competitive, Government is implementing schemes like Interest Subsidy Eligibility Certificate Scheme (ISEC) providing subsidized rates of interest on bank loans, Product Development Designs Intervention and Packaging (PRODIP) Scheme for improved designs and Rural Employment Generation Programme (REGP) for setting up of industries in the rural areas by providing subsidy in the form of margin money. These facilities are available to all eligible cottage and rural industries.