

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

UNSTARRED QUESTION NO:1025
ANSWERED ON:28.11.2006
COMPETITION WITH MULTI NATIONAL COMPANIES
Chitthan Shri N.S.V.

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

- (a): whether there is stiff competition being faced by the cottage industries from multi-national companies; and
(b): if so, the action taken by the Government to protect the interest of traditional cottage industries in the country?

Answer

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

(a)&(b): With the globalisation of Indian economy, the industries in the country, including cottage and rural industries, are facing greater competition in the market. The Government has adopted the policy of strengthening the cottage industries facing competition from the multinational companies on account of globalisation of the Indian economy so that they remain competitive in the market economy and generate new job opportunities.

To strengthen the cottage and rural industries and make them competitive, Government has been implementing schemes like Interest Subsidy Eligibility Certificate Scheme (ISEC) providing subsidised rates of interest on bank loans, Product Development Design Intervention and Packaging (PRODIP) Scheme for improving designs and Rural Employment Generation Programme (REGP) for setting up village industries by providing subsidy in the form of margin money. Assistance is provided to khadi and village industry units to participate in exhibitions at the national, sub-national levels, etc. for improving marketing of both khadi and village industry products. These facilities are available to all eligible cottage and rural industries. Further, the Government has recently launched the Scheme of Fund for Regeneration of Traditional Industries (SFURTI) in 100 clusters of khadi, village and coir industries over five years beginning 2005-06. The scheme envisages assistance for setting up of common facility centres (CFC), quality improvement, training and capacity building, development of new products, improved packaging, new design, market promotion etc.