

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

UNSTARRED QUESTION NO:258
ANSWERED ON:27.02.2007
BUDGET OF KVIC
Hussain Shri Anwar

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

- (a): whether there is any proposal to provide Export Promotion Council status to the Khadi and Village Industry Commission (KVIC);
- (b): if so, the details and objectives thereof;
- (c): the steps taken/proposed to be taken and assistance to be provided to strengthen the KVIC; and
- (d): the extent to which it would be beneficial to the sector?

Answer

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

(a): Government has allocated Rs. 592.93 crore under the Plan head to the Khadi and Village Industries Commission (KVIC) for 2006-07 for implementation of various schemes/programmes for development of khadi and village industries (KVI) sector, including Rs. 372.63 crore for implementation of Rural Employment Generation Programme (REGP). In addition, Rs. 25.97 crore have also been allocated for development of KVI and Coir clusters under the Scheme of Fund for Regeneration of Traditional Industries (SFURTI) during 2006-07.

(b): Out of the allocation of Rs. 592.93 crore for development of KVI sector, Rs. 60.60 crore have been earmarked for the North-Eastern Region (NER), including Rs. 38.15 crore for implementation of REGP. Similarly, out of the allocation of Rs. 25.97 crore allocated to KVIC under SFURTI, Rs. 2.60 crore have been earmarked for NER.

(c): KVIC is expanding its activities in the NER by promoting KVI activities through creating awareness, imparting training to improve the skill and entrepreneurship, creation of self employment opportunities by promoting Rural Employment Generation Programme (REGP) projects and providing marketing support, mainly by organising exhibitions. It earmarks not less than 10 per cent of its plan budget for the exclusive benefit of the region. The restriction to register new khadi institutions has been relaxed to encourage registration of new institutions. Financial assistance under khadi also includes funds for augmenting raw material banks. In order to facilitate research and development under KVI activities, technical interface units have been promoted in NER. Projects under Product Development, Design Intervention and Packaging (PRODIP) programme have been sanctioned.

Similarly, for skill improvement, training infrastructure has been created with close coordination of Non-Government Organisations and the Khadi and Village Industries Boards of the States in NER.

(d): Khadi worth Rs. 6.82 crore was produced during 2005-06 in the NE Region creating employment opportunities for 12,903 persons and village industry products worth Rs. 565.17 crore were produced creating employment opportunities for 4.49 lakh persons. During 2006-07, so far, khadi worth Rs. 5.40 crore as against the target of Rs. 6.50 crore is expected to have been produced in the NE Region creating employment opportunities for 10,600 as against the target of 13,000 persons and 2032 village industries units have been assisted with utilisation of Rs. 23.48 crore as margin money creating employment opportunities for 37,463 persons as against the target for assisting 3073 units with margin money allocation of Rs. 34.12 crore.