

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

UNSTARRED QUESTION NO:1112  
ANSWERED ON:14.07.2004  
COMPETITION FACED BY COTTAGE INDUSTRIES  
Chaliha Shri Kirip

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

- (a) whether the Government is aware of the stiff competition being faced by the cottage industries from multinational 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 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 is to strengthen the cottage and rural industry sector to enable it to remain competitive in the market led economy and generate additional jobs. To strengthen the cottage and rural industry sector, Government is implementing scheme like Interest Subsidy Eligibility Certificate Scheme (ISEC), providing subsidized rates of interest on bank loans, Product Development Design 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.

For the regeneration of traditional industries namely coir, handloom, handicrafts, sericulture, leather, pottery and other cottage industries the Government has proposed to set up a Fund with an initial allocation of Rs. 100 crores.