

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

UNSTARRED QUESTION NO:2214
ANSWERED ON:21.07.2009
PROGRESS OF KHADI AND VILLAGE INDUSTRIES
Yadav Shri Ranjan Prasad

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

- (a) whether the progress of Khadi and Village Industries in various States including Bihar far from satisfactory; and
(b) if so, the details thereof and the reasons therefor, State-wise; and
(c) the remedial measures taken by the Government in this regard?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI DINSHA PATEL)

(a)&(b): The overall performance of khadi and village industries (KVI) in terms of production and sales of the KVI sector as well as employment during each of the last three years in various States including Bihar is given below:

YEAR	PRODUCTION		SALES		ESTIMATED CUMULATIVE EMPLOYMENT	
	(Value	Rs. crore)	(Value	Rs. crore)	(lakh	persons)
	KHADI V. I.		KHADI V. I.		KHADI V. I.	
(1)	(2)	(3)	(4)	(5)	(6)	(7)

2006-07	491.52	13537.19	663.19	16899.21	8.84	80.08
2007-08	543.39	16134.32	724.39	20819.09	9.16	90.11
2008-09#	565.12	16779.69	854.78	21668.48	9.53	93.78

#Provisional

It may be seen from the above table that estimated production and sales of KVI products as well as employment generated in the KVI sector are showing increasing trend. The estimated production in KVI sector and cumulative employment generated in Bihar are also showing growth pattern similar to the all India trend during the last three years. The KVI production has grown in Bihar at 13% annually higher than the national figure of 11.25%. Statewise details of production, sales and employment including Bihar during last three years are given at Annex I, II and III respectively.

(c): In order to promote khadi and village industries, the Government in the Ministry of Micro, Small and Medium Enterprises (MSME) is implementing various programmes/schemes through Khadi and Village Industries Commission (KVIC), viz, Interest Subsidy Eligibility Certificate (ISEC) scheme for providing bank loans to khadi and polyvastra units at subsidized rates of interest, Rural Industries Service Centres (RISC) for setting up of common facility centers (CFCs) to provide infrastructural support and services to village industries, Scheme of Fund for Regeneration of Traditional Industries (SFURTI) for development clusters in khadi, village industries and coir sectors, Product Development, Design Intervention & Packaging (PRODIP) for improved design and packaging of khadi garments, Research & Development and other support services, viz., marketing, export promotion, exhibitions at district, State, zonal & national level, design facility, brand building, etc.

Besides, 'Prime Minister's Employment Generation Programme' (PMEGP) has been introduced during 2008-09 which is a significant initiative for setting up micro enterprises in rural and urban areas with a higher level of subsidy by merging existing Rural Employment Generation Programme (REGP) and Pradhan Mantri Rozgar Yojana (PMRY) of this Ministry to generate additional employment opportunities (around 38 lakh) during 2008-09 to 2011-12 with a total plan outlay of Rs. 4735 crore including Rs. 250 crore for backward and forward linkages. In khadi sector, two new schemes have been introduced namely, 'Workshed Scheme for Khadi Artisans' for providing assistance for construction of worksheds for better work environment and the 'Scheme for enhancing productivity & competitiveness of Khadi Industries and Artisans' to assist 200 khadi institutions to make khadi industry competitive with more market driven and profitable production by replacement of obsolete and old machinery and equipment.