

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTIONNO.1577
TO BE ANSWERED ON 05.03.2018

PROMOTION OF KHADI

1577. SHRIMATI REKHA VERMA:
SHRI ARVIND SAWANT:
SHRI KRUPAL BALAJI TUMANE:
SHRI RAMSINH RATHWA:

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

- (a) whether the Government proposes to provide a package for equipping Khadi with a new technology and speeding up the task of converting it into an International brand and if so, the details thereof along with the funds allocated for the purpose;
- (b) whether some countries such as Germany are reportedly using Khadi as a brand and selling their products;
- (c) if so, the details thereof along with the corrective steps taken/proposed to be taken by the Government in this regard; and
- (d) the efforts being made by the Government to make Khadi an industry of international standard?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE)
FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI GIRIRAJ SINGH)

(a): Government in the Ministry of Ministry of Micro, Small and Medium Enterprises has not proposed any specific package for equipping Khadi with a new technology. However, Khadi and Village industries Commission(KVIC) has been implementing a number of schemes for the holistic development and promotion of khadi including modernization of the production infrastructure in the country, which include:

i)Khadi Grant:

1. Strengthening Infrastructure of existing Weak Khadi Institutions and Assistance for Marketing Infrastructure provides for renovation of khadi sales outlets and providing assistance for strengthening infrastructure of existing weak selected institutions
2. WorkshedScheme for Khadi Artisans for providing assistance for construction of worksheds.

ii) Market Promotion Development Assistance (MPDA) – A unified scheme by merging Market Development Assistance, Publicity, Marketing and Market Promotion. A new component for Infrastructure namely setting up of Marketing Complexes /Khadi Plazas has been added to expand the marketing network of Khadi & VI products. Under the Modified MDA (MMDA) financial assistance at 30% of the Prime Cost, is distributed amongst Producing Institutions (40%), Selling Institutions (20%) and Artisans (40%).

iii) Khadi Reform and Development Programme (KRDP) aims to revitalize the khadi sector with enhanced sustainability of khadi, increased incomes and employment for spinners and weavers, increased artisans' welfare and to achieve synergy with village industries. Under KRDP, restructured amount of US\$ 105 million has been negotiated with Asian Development Bank (ADB) and funds are being provided to the Government of India to be released to KVIC as 'grants-in-aid' under budgetary allocation through the Ministry of MSME. Khadi Reform Package envisages reform support in the following areas: (i) Artisan Earnings and Empowerment, (ii) Direct Reform Assistance to 400 Khadi Institutions & (iii) Implementation of a well-knit MIS.

Scheme-wise funds allocation during the current Financial Year 2017-18

Scheme	BE	RE	(Rs. in crore)
			Actuals (as on 27.2.2018)
Khadi Grant	315.00	265.10	248.31
MPDA	340.00	328.31	328.31
KRDP	101.39	481.00	100.97

(b)&(c): 'Khadi' has been registered by German company (M/s. Khadi Natureprodukte GbR) as a Trade Mark with the Office for Harmonisation in the Internal Market (OHIM, Spain) in the EU region thereby granting it exclusive rights for use of the term 'Khadi' in EU. The Government of India and KVIC are working in tandem to expedite the process of de-registering the Trade Mark of 'Khadi'.

(d): New initiatives/efforts being made by the Government to make Khadi an industry of international standard are given at **Annexure-I**.

Annexure-I

Annexure-I referred to in reply to part (d) of the Lok Sabha Unstarred Question No. 1577 for answer on 05.03.2018

Following are the new initiatives taken to make Khadi an industry of international standard:

1. KVIC engaged fashion designer of national and international repute for Fashion Designing to make Khadi products more competitive and appealing in the domestic as well as overseas market segment.
2. Ministry of Commerce and Industry, Govt. of India has extended KVIC, the status of Deemed EPC, for supporting promotion of Khadi and Village Industries products in international market. 1077 Khadi & Village Industries Institutions and REGP/PMEGP Units have taken its membership to enter the field of export. KVIC through its assisted institutions and units participates in various international exhibitions.
3. Tie up arrangement with premier institutions like Federation of Indian Export Organization (FIEO), World Trade Centre (WTC), Indian Trade Promotion Organization (ITPO), Trade Promotion Council of India etc., for invigorating business opportunities in the overseas market by conducting exhibitions and workshops for Khadi Institutions.
4. Tie up arrangements for bringing out innovative export quality product designs with NIFT, etc.
5. To ensure genuineness of khadi “Khadi Mark” has been notified by Government of India.