

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA  
UNSTARRED QUESTIONNO. 4105  
TO BE ANSWERED ON 18.07.2019

SALE OF KHADI PRODUCTS

4105. SHRI BALAK NATH:

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

- (a) whether the sale of Khadi products have shown a remarkable growth in the recent time period in the country;
- (b) if so, the details thereof indicating the production, sale and export of Khadi products during each of the last three years and the current year; and
- (c) the steps being taken by the Government to promote Khadi industry and to exploit/tap its export potential?

ANSWER

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES  
(SHRI NITIN GADKARI)

(a): Yes, Sir.

(b): Sale of Khadi has increased from Rs.2510.21 crore during 2017-18 to Rs. 3215.13 crore during 2018-19, which shows around 28% growth.

The production and sale of Khadi during the last three years and the current year is as follows:

(Rs. in crore)

Particular	2016-17	2017-18	2018-19 (Provisional)	2019-20 (as on 31.5.2019)
Production of Khadi	1520.83	1626.66	1963.30	269.95
Sale of Khadi	2146.60	2510.21	3215.13	390.63

The export of Khadi & Village Industries (KVI) products is done by the Khadi and Village Industries Institutions and units directly or through merchant exporters. KVIC do not export directly. Year-wise export of Khadi products for the last three years is given below, but the figures for the current year 2019-20 are not yet available/compiled with/by the KVIC:

(Rs. in lakh)

Particular	2016-17	2017-18	2018-19 (Provisional)
Exports of Khadi Products including readymade garments	301.47	186.38	185.00

(c): The steps/initiatives, taken by the Government to promote Khadi industry and for promotion and export of Khadi products are given in the annexure.

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**Annexure referred to in reply to part (c) of the Lok Sabha Unstarred Question No. 4105 for answer on 18.07.2019**

Following are the initiatives taken for promotion and export of Khadi products:

1. To ensure genuineness of Khadi “Khadi Mark” has been notified by Government of India.
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. 1088 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. KVIC participated/Exhibited/Promoted Khadi products on the occasion of 72<sup>nd</sup> Independence Day celebrations on 15<sup>th</sup> August 2018 in 10 Indian Consulates abroad.
6. Exhibited/Promoted Khadi products under an activity of “Global Khadi” on the celebration of 150<sup>th</sup> Birth Anniversary of Mahatma Gandhi in 57 Indian Embassies/ Missions abroad.
7. For unique identity of “Khadi”, a separate HS code for 22 items of Khadi product has also been requested from the Ministry of Commerce for recognizing the potential of export of KVI products.
8. Participated in International Exhibition in St. Petersburg (Russia) organized by ITPO from 12-14 March, 2019 with ten KVI Institutions/ Units from Rajasthan, Himachal Pradesh, West Bengal, Karnataka, Gujarat and Kerala. The Exhibition provided an opportunity and strong platform to showcase quality of KVI products.
9. 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.
10. Financial support under International Cooperation (IC) Scheme of Ministry of MSME for Technology infusion and/or up-gradation of MSMEs, their modernization and promotion of their exports through participation in international exhibitions/trade fairs etc.
  - a. To and Fro economy class air fare subject to a maximum of Rs. 1.50 lakh or actual fare paid, whichever is lower.
  - b. 100% of the space rent subject to a maximum of Rs. 1.00 lakh or actual rent paid, whichever is lower.
  - c. US Dollar 150 per day Duty allowance.
11. Assistance would be provided under the MPDA Scheme to the eligible Khadi and Village Industries (KVI) Institutions for participation in International Exhibitions/Trade Fairs held in foreign countries in order to showcase KVI products to foreign countries, access international buyers and sellers and forge business alliances, etc.

The eligible items for such participation and the scale of assistance would be as under:

S. No.	Eligible items	Scale of assistance for KVIs
i)	Space Rent	100% of the space rent subject to a maximum of Rs.1.25 lakh or actual rent paid, whichever is lower (for one representative from each participating enterprise)
ii)	Air Fare	100% of the Economy Class air fare subject to a maximum of Rs.1.00 lakh or actual fare paid, whichever is lower (for one representative from each participating enterprise)

12. KVIC has entered into an agreement with M/s. GLOBUS, a retail clothing stores chain for setting up of 'Khadi Korner', a shop in shop concept, initially in Globus Showroom at Noida, followed by Globus showrooms in Chennai and Ahmedabad.
13. Setting up of modern 'Khadi Lounge' with exquisite Khadi designer garments.
14. Launching of 'franchise scheme' to expand the sales distribution network.
15. Tie up with e-Commerce platform for on-line marketing through e-Commerce companies like PayTM.
16. Opening of sales outlets at domestic as well as international airports like Visakhapatnam, Lucknow, Ahmedabad and Varanasi.
17. Opening Khadi Outlets in Post Offices.
18. Launched 'store app' through mobile application to facilitate the customers to locate Khadi India sales outlet at various geographical locations to increase foot falls at various stores under Khadi sector.
19. Introduction of pre-paid Gift Voucher Scheme for corporate gifting including PSU and Government Departments.
20. Special efforts to attract youth by introducing attractive T-shirts, Khadi jeans, jackets, kurtis, etc. as well as launching a range of casual wear called 'vichar vastra' specially designed by Ms. Ritu Beri.
21. Introduction of pre-paid Gift Voucher Scheme for corporate gifting including PSU and Government Departments.