

Kurukshetra Summary October 2018

KVIC Strengthening Rural Economy

- The hand-spun and hand-woven natural fabric (better known as Khadi) is associated with India from the time immemorial, i.e., right from the evolution of civilization here.
- During the pre-Independence time, the movement for Khadi manufacturing gained momentum under the leadership of Mahatma Gandhi- aimed to discourage the Indians from wearing foreign clothes.
- Khadi, as Gandhiji believed, is not only the tool of self-reliance or symbol of nationalism; rather it can also play a vital role in economic growth of nation. But due to lack of vision and focus by successive governments, it could not accelerate from the proverbial snail's speed in terms of growth and job creation for many years.
- However, the current Government tried to push Khadi through catch line like "**Khadi for Fashion**" and "**Khadi for Economic Transformation**".

Role of KVIC:

- KVIC has scripted many success stories in the post-2014 era. To penetrate in the established textile market, the KVIC decided to come up with the changed and aggressive marketing policies.
- For that, the KVIC invited many Textile Majors like Raymonds, Aditya Birla Fashion Retail, Arvind Mills etc. to join hands with KVIC, to market the signature fabric of India with innovative and highly market-friendly design intervention.
- The KVIC derived a new concept of '**Khadi Korner**', where space from large retail houses was taken on shop-and-shop basis in the mega-malls and other such up-markets.
- KVIC's main concern was the **welfare and socio-economic development** of the artisans, who sustain the pyramid of Khadi and Village Industries.
- KVIC also revived many closed and defunct Khadi institutions after 2015. One such example is *revival of Sewapuri Ashram*.
- In an exercise to weed out any corruption, KVIC was able to identify and weed out the ghost beneficiaries- pretending to be artisans through the *implementation of Aadhar seeded payment*.
- KVIC launched a livelihood donation programme named **Sahyog**, in which KVIC appealed the individuals, PSUs and Corporate, to contribute for providing Charkhas to the artisans- predominantly women.
- The KVIC – for the first time – organised **Khadi exhibitions** in as many as 10 Indian High Commissions/Embassies abroad – to showcase niche Khadi fabric, ready-mades and village industries.
- For the very first time, Khadi became the theme-line of the national day celebration of any foreign country. It was the **theme-line of Montenegro's National Day** on 13th July this year.
- It was this signature fabric of India that draped the train at St Pietermaritzburg on 7th June 2018 – commemorating Mahatma Gandhi's 125 years of throwing out from the train there in South Africa.
- Similarly, **Khadi Fashion shows** were held in New Delhi at Australian as well as Indonesian Embassies and later on in Johannesburg (South Africa)

- **Prime Minister Employment Generation Program (PMEGP)** is the flagship scheme of Govt. of India, for which KVIC is the nodal agency.
- The KVIC drafted a programme named mini '**Honey Mission**' and launched it in July 2017.
- Under this mission, so far, the KVIC has distributed approximately 29,000 bee-boxes across the nation among the farmers, adivasis, SC/ST, and unemployed youths.
- Apart from generating regular income to them, the Honey Mission would subsequently increase the crop production up to 40 per cent in and around their villages through cross-pollination.

Boosting Economy Through MSMEs

The Micro, Small and Medium Enterprises (MSMEs) have always been the backbone of Indian economy. They have played a great role in ensuring the socialistic goals like income equality, employment generation, poverty eradication, and balanced regional development as envisaged by the planners.

Contribution of MSMEs in Indian Economy:

- The MSMEs occupy a strategic importance in terms of **output, exports and employment** created in Indian economy.
- It produces about 45 per cent of manufacturing output and 40 per cent of the total exports. The contribution of MSMEs in India's GDP has reached 29.40 % in 2015-16.
- The most important contribution of MSMEs in India is promoting the **balanced economic development**. The trickle down effects of large enterprises is very limited as compared to small industries where benefits of percolation of economic growth are more visible.
- MSME had helped in industrialization of rural and backward areas, thereby, reducing regional imbalances, assuring **more equitable distribution of national income**.
- Small industries also help the large industries by supplying them ancillary product.
- The *contribution of manufacturing MSMEs* in the country's total manufacturing gross value of output has also remained at about 33 per cent during last five years.
- As per NSS 73rd Round (2015-16), the sector comprises of 633.88 lakh units and it has created 11.10 crore jobs in the economy.
- India is a labor abundant country. The MSMEs are thought to have lower capital-output and capital-labour ratios as compared to large-scale industries, and therefore, better serve growth and employment objectives.
- Basically, the **employment intensity** of MSME is estimated to be **four times greater** when compared with other large enterprises. The MSMEs **generate the highest employment per capita investment**; they also go a long way in **checking rural-urban migration** by providing people living in isolated areas with a sustainable source of employment.
- Instead of taking a welfare approach, this sector **seeks to empower people** to break the cycle of poverty and deprivation. It focuses on people's skills and agency.
- However, different segments of the MSME sector are dominated by different social groups.
- The representation of SC and ST owners in MSME sector was low at 12.45 per cent and 4.10 per cent respectively.

Steps taken by the Government:

- The government provided **MUDRA, Stand up India**, increased coverage of **Credit Guarantee Fund** for MSMEs through the banks.
- The Ministry is also tasked with the promotion of Khadi, Coir and Village Industries. **Khadi and Village Industries Commission (KVIC)** serves the basic needs of the processed goods of the vast rural areas in India.
- **Scheme of Fund for Up-gradation and Regeneration of Traditional Industries (SFURTI)** is a cluster development scheme implemented by the government which aims at organization of traditional industries and artisans into clusters in order to make them competitive and sustainable in the long term.
- **Udyog Aadhaar** memorandum is one of the best schemes of MSME development launched by GOI. In this, the Aadhaar card is a mandatory requirement. The benefit of registering in this scheme is ease in availing credit, loans, and subsidies from the government.
- **Zero Defect Zero Effect' is another model that is prepared for development of this sector.** In this model, goods that are manufactured for export have to adhere to a certain standard so that they are not rejected or sent back to India. In this, if the goods are exported, these are eligible for some rebates and concessions.

New Initiatives by GOI:

- **Prime Minister's Employment Generation Programme (PMEGP)** has resulted into direct transfer of subsidy into the bank account of the beneficiaries.
- About 98 **Vendor Development Programmes** have been conducted to support SC and ST entrepreneurs as suppliers to the various Central Public Sector Undertakings (CPSUs).
- Public procurement order has made it mandatory from April 1, 2015 for Central Ministries and Central Public Sector Enterprises (CPSEs) **to procure 20 per cent out of goods and services** from MSMEs. *4 per cent out of the 20 per cent* are reserved for SC and ST owned MSMEs.

Conclusion:

To survive with such issues and compete with large and global enterprises, MSMEs need to adopt Innovative approaches in their operations.

MSME for Inclusive Development

- MSMEs have been contributing to spreading entrepreneurial culture through business innovations. Unique feature of MSMEs is that they are widely dispersed across sectors of economy producing diverse range of products and services to meet local as well as global markets.
- The MSME sector has created about 11.10 crore jobs in the country. India's MSME sector comprises of 633.88 lakh units as per National sample survey 73rd round (2015-19).

Classification of MSME

A. Manufacturing Sector:

- Enterprises engaged in the manufacture or production, processing or preservation of goods are specified below:
 - Micro enterprise – investment in plant and machinery **does not exceed Rs. 25 lakh;**
 - Small enterprise – investment in plant and machinery is more than **Rs. 25 lakh but not exceed Rs. 5 crore;**

- Medium enterprise – investment in plant and machinery is more than **Rs. 5 crore but does not exceed Rs. 10 crore.**

B. Service Sector:

- Micro enterprise – investment in equipment **does not exceed Rs. 10 lakh;**
- Small enterprise – investment in equipment is more than **Rs. 10 lakh but does not exceed Rs. 2 crore.**
- Medium enterprise – investment in equipment is more than **2 crore but does not exceed Rs. 5 crore.**
- In February 2018, the Union Cabinet has **approved change** on the basis of classifying Micro, Small and Medium enterprises **from ‘investment in plant & machinery/equipment’ to ‘annual turnover’.**
- This will *encourage ease of doing business, make the norms of classified growth oriented and align them to the new tax regime revolving around GST and the consequent growth will pave the way for increased direct and indirect employment in the MSME sector of the country.*

According to New Classification,

- A **micro enterprise** will be defined as a unit where the **annual turnover does not exceed 5 crore rupees;**
- A **small enterprise** will be defined as a unit where the **annual turnover is more than 5 crore but does not exceed Rs. 75 crore;**
- A **medium enterprise** will be defined as a unit where the **annual turnover is more than 75 crore but does not exceed 250 crore.**

Government Schemes:

- The Ministry of Micro, Small and Medium enterprises (MSME) is implementing various flagship programmes.
- These activities are undertaken through its attached office, namely the office of the **Development Commissioner (DC-MSME), National Small Industries Corporation (NSIC), Khadi and Village Industries Commission (KVIC); the Coir Board,** and training institutes viz., **National Institute for Micro, Small and Medium Enterprises (NI-MSME),** Hyderabad and **Mahatma Gandhi Institute for Rural Industrialization (MGIRI).**

IT Initiatives of Ministry:

- **My MSME :** to submit and track online applications
- **Udyog Aadhar Memorandum:** for registration of MSMEs on self-certification basis.
- **MSME Samadhan :** to resolve the issues of delayed payments
- **MSME Sambandh:** Disseminates information of procurements.

New Initiatives of Ministry

- **National SC/ST Hub:** for developing a supporting eco-system for SC/ST entrepreneurs.
- **Zero Defect Zero Effect (ZED)** schemes envisages promotion of Zero Defect and Zero Effect manufacturing amongst MSMEs to promote adaptation of quality tools/systems and energy efficient manufacturing.

Accessibility of Credit:

- **Prime Minister's Employment Generation Programme (PMEGP):** Margin money assistance is provided.
- **Credit linked Capital Subsidy Schemes (CLCSS)**
- **Credit Guarantee Trust Fund for Micro and Small Enterprises (CGTMSE)**

Sustainable Development Goals and MSMEs:

- The critical contribution of MSMEs to broader social economic objectives, including job creation makes them a key priority area for achieving the Sustainable Development Goals (SDGs).
- MSME development has the potential for wide reaching impacts on the SDGs globally, including **SDG 1** (end poverty), **SDG 2** (zero hunger), **SDG 3** (good health and well-being), **SDG 5** (gender equality), **SDG 8** (promote inclusive and sustainable economic growth, employment and decent work), and **SDG 9** improve sustainable industrialization and fostering innovation).

Women Entrepreneurs and MSMEs:

- According to International Finance Corporation's research report, around 3.01 million women-owned enterprises represent about 10 per cent of all MSMEs in the country. Collectively, they contribute 3.09 per cent of industrial output and employ over 8 million people. Approximately 78 per cent of women enterprises belong to the services sector.

Schemes for Women

- **Trade Related Entrepreneurship Assistance and Development (TREAD) Scheme** for Women.
- **Micro & Small Enterprises Cluster Development Programme (MSE-CDP).**
- **Credit Guarantee Fund Scheme** for MSEs.
- Support for entrepreneurial and managerial development.
- Exhibitions for women under promotional package for MSEs.

Success stories of Women Entrepreneurs

- **Shri Mahila Griha Udyog Lijjat Papad**, popularly known as Lijjat, is an Indian women's cooperative involved in manufacturing of various fast-moving consumer goods.
- **The Mulkanoor Women's Co-operative Dairy**, the country's maiden dairy, set up and run by women, has been registering a steady growth since its inception.
- **The Self-Employed Women's Association (SEWA)** is successful and its efforts have mobilized large numbers of poor self-employed women for empowerment.

Conclusion:

- In India, almost 31 million MSMEs have been a dominant force in creating ample opportunities for inclusive socio-economic growth and also acting as a nurturing seedbed for entrepreneurial talent of perspective global players.
- However, there is still a lack of awareness in access to finance and marketing, adoption of innovative technologies are the major challenges for the MSMEs to sustain in the present markets.
- With the increasing global competition and uncertainty due to global meltdown, there is a need for the MSMEs to incorporate the latest technology into their production process as well as in their financing, marketing and management functions, to cut down the cost, gain efficiency and consistency.

- This will help them to become successful and contribute to the Indian economy in the long run.

Sabki Yojana, Sabka Vikas

The 73rd Amendment Bill which gave constitutional status to Panchayats and recognized them as self-governing bodies has truly made Panchayati Raj system and Panchayats empowered, strong and effective.

Few Facts:

- There are 2,48,160 Gram Panchayats, 6284 Block Panchayats, and 595 District Panchayats in our Country. The number of elected representatives at all levels of Panchayats is 31 lakh. In this way, India's Panchayati Raj-system is the world's largest democratic system.
- Panchayats also play an important role in women empowerment. The number of **elected women Panchayat representatives** is 14,39,000. The number is between 33-50%.

Steps Taken to Empower Gram Panchayats:

- According to Gandhiji, Gram-Panchayats should be self-reliant in every way. To attain this dream of Gandhiji, the central government has initiated the **Gram Panchayat Vikas Yojna** (GPDP) in every village panchayat. In fact, it will be a major step towards the creation of a new India through Panchayati Raj System.
- The schemes being formulated under GPDP will bring economic and social prosperity to the village and desired development will be possible at the local level.
- Under this, the Gram Panchayats will have to craft a Gram Panchayat Development Plan with the consent of all the villagers while properly managing their entire external and internal sources – resources.
- To motivate all concerned, **to spread awareness and to implement GPDP effectively**, the Central Government will be launching "**Sabki Yojana Sabka Vikas**" campaign.
- Under this, more than 250,000 Gram Panchayats of the country will be included. The participation of grassroots people will be ensured in preparing Gram Panchayat Development Plans. And the work done during the last few years will also be fully audited.
- Under this, all the Gram Panchayats of the country have **to display a notice-board** giving details of the work done during the last 4 years. Details of the funds received from various sources, their allocation details and proposed development works and activities undertaken during the financial year 2018-19 will also be displayed on the notice board.
- There is no scarcity of funds for Panchayats now because the **14th Finance Commission** has approved the grant of Rs. 2 lakh 292 crore directly to the panchayats.
- This financial provision is more than three times as compared to the 13th Finance Commission.
- Today the situation is that the Panchayats have funds available from the Central Finance Commission and the State Finance Commission, it is getting assistance from MGNREGA and funds are also being received by them through several other schemes.
- If this fund is utilized in a well-planned manner, then visibly large scale work can be undertaken.
- This campaign is being launched after the completion of the intensive **Gram Swaraj campaign** executed in two phases with the aim of bringing 100 per cent coverage of the seven major schemes of the central government and bringing all the eligible persons within their purview.

- The seven major schemes related to the Gram Swaraj campaign are :- *Prime Minister Ujjwala Yojana of providing free LPG connections, Saubhagya Yojana related to providing domestic electricity connections, Ujala Yojana related to distribution of LED bulbs, Pradhan Mantri Jan Dhan Yojana, Prime Minister Jeevan Jyoti Yojana, Prime Minister's Suraksha Bima Yojana and Mission Indradhanush- an ambitious program of vaccination.*
- **Gram Swaraj campaign** was launched in April this year and it was executed in about 64,000 villages in two phases. Of these, the villages that have been given priority were the ones which had large proportions of Scheduled Caste and Scheduled Tribe population.
- On the occasion of **National Panchayati Raj Day** on April 24, 2018 a **reconstituted "Rashtriya Gram Swaraj Abhiyan Yojana (RGSA)"** was launched to strengthen Panchayati Raj system in the Country and to eliminate hurdles and problems in its road to success.
- The main objective of this scheme is to make rural local bodies self-reliant, financially sound and more efficient.
- Through Rashtriya Gram Swaraj Abhiyan Yojana, the **administrative capability** of Panchayati Raj Institutions will be developed to work effectively on sustainable development goals.
- It will focus on **increasing own revenue-sources** of panchayats.
- The Central Government is providing adequate financial assistance to the states for capacity building and training activities of Panchayati Raj Institutions.

Conclusion:

The government is working in mission mode to see that this wind of change reaches every village and every house of the village. It is therefore the first and foremost duty of the village folk to be always ready to contribute in this important mission of nation building.

Fostering Technology and Innovation

- MSME sector comprises around 63 million units employing about 111 million people, next only to agriculture sector.
- With share of 30% in GDP, the sector accounts for about 45% of manufacturing output and about 45% of India's total exports.
- The sector comprising infrastructure, food processing, packaging, chemicals and IT with growth rate of over 10% has emerged as the engine of growth of Indian economy in the past few decades.
- The impact of technology on SMEs is indisputable; adopting latest technologies is essential for growth.

Top Technology Trends Shaping SMEs:

- **Industry 4.0 integration:** Industry 4.0 also known as **Fourth Industrial Revolution**, originated in Germany, is taking the manufacturing sector by storm. This is nothing but technical integration of **cyber-physical systems** in production with application of internet of things (IOT).
- Smart factory, smart operations and smart products with data-driven services are the mainstay of globally competitive SMEs. Due to limited resources, Indian SMEs are slow in adoption of industry 4.0 models.
- **Artificial Intelligence (AI) and Machine learning (ML):** Large organizations have started using new technologies like AI and ML for resources optimization.

- AI based technologies can reduce operational inefficiencies and SMEs can optimally use these solutions for productivity enhancement.
- **Virtual Reality (VR) and Augmented Reality (AR):** VR is an artificial, computer-generated simulation of a real life environment or situation.
- VR is manifested through wearable hardware. AR technology creates interactive layers, virtual enhancements on an existing reality.
- AR is used on mobile devices to blend digital components. Many businesses are using AR technology in robot-assisted surgery, virtual real estate tours, urban planning, map-assisted navigation, simulated training and much more.
- **Blockchain Technology:** Blockchain or a distributed ledger technology is a network of computers that enable digital transaction.
- SMEs in export and import require capital to acquire raw materials for production and also need capital to ship products to their destination. Access to smooth trade financing is critical for SME growth; delayed payments create huge cash flow problems.
- Blockchain can effectively prevent payments delay for delivered goods. Inventory management and management of warehouses become streamlined using Blockchain technologies.
- **Financial Technologies (Fintech):** Fintech is rewriting the rules for access to finance for SMEs. Fintech scientifically evaluates the creditworthiness of SMEs using decision sciences and predictive modelling for making accurate assessment. Fintech is supporting MSMEs in multiple ways like, innovative accounting software, financial management and business valuation services.
- **3D Printing:** 3D Printing also known as Additive Manufacturing is the process of creating 3 dimensional physical object from 3D CAD data. 3D printers build up layer upon layer of materials that is fused into a single mass simplifying the manufacturing process and reducing costs.
- Under Atal Innovation Mission as part of Atal Tinkering Labs, there is a mandate to various public schools to set up 3D Printers.

Benefits of Implementing High Tech Technologies:

- Digital platforms provide real time operation intelligence, which provides complete and stream of information about the manufacturing process with reducing inefficiencies. For global competitiveness, SMEs should consider implementing latest technologies and solutions.
- Value chain through cyber physical system can potentially shorten the supply chain and improve efficiency.
- SMEs that will take advantage of industry 4.0 tools can gain market share, improve their bottom line and increase new market reach.

Conclusion

- For India to sustain growth rate of 8-10 percent for the next decades, it requires a strong SME Sector.
- Given the importance of SMEs for Indian economy, conducive policies should be framed so that industry is able to take the advantage of the opportunities.

Employment Generation Through MSMEs

- The Indian MSME sector provides maximum opportunities for both self-employment sector and contributes in building an inclusive and sustainable society in innumerable ways.

Roles of MSMEs:

- The significance of MSMEs is attributable to their calibre for employment generation, low capital, and technology requirement.
- The labour to capital ratio in MSMEs and the overall growth in the sector is much higher than that in the large industries. The geographic distribution of the MSMEs is also more even. Thus, MSMEs are important for meeting the national objectives of growth with equity and inclusion.
- They are also important for promotion of industrial development in rural areas, use of traditional or inherited skill, use of local resources, mobilization of resources and exportability of products.
- Besides the wide range of services provided by the sector, the sector is engaged in the manufacturing of over 6,000 products ranging from traditional to hi-tech items.

Major Initiatives by the Governments:

- Enactment of the Micro Small and Medium Enterprises Development (MSMED) Act, 2006,
- Pruning of reserved Small Scale Industries (SSI) list; advising Financial Institutions to increase their flow of credit to the SME sector.
- Reservation of items for exclusive manufacture in MSME sector statutorily provided for in the industries (Development and Regulation) Act, 1951.
- Ministry of Agro and Rural Industries and Ministry of Small Scale Industries were merged into a single Ministry, namely, “Ministry of Micro, Small and Medium Enterprises”.

Major Schemes of the Government:

- **Scheme of Fund for Regeneration of Traditional Industries (SFURTI):** The objectives of the scheme are to organize the traditional industries and artisans into clusters to make them competitive and provide support.
- **Stand-Up India:** To facilitate bank loans between Rs. 10 lakh to Rs. 100 lakh to at least one Scheduled Caste (SC) or Scheduled Tribe (ST) borrower and at least one Woman borrower per bank branch of all scheduled commercial banks for setting up a green field enterprises.
- **Scheme for the Development of Promotion of Woman Entrepreneurs:** With a view to encourage women in setting up their own ventures, government implements a scheme namely, “Trade Related Entrepreneurship Assistance and Development (TREAD).”

Challenges:

- The Sector is always fund starved. Banks are often unwilling to lend.
- Long receivables cycles make a mess of working capital management.
- Little access to trained labour, technical progress and management support limit their growth.
- Other common problems faced by small enterprises are related to availability of technology, infrastructure and managerial competence, and limitations posed by labour laws, taxation policy, market uncertainty and imperfect competition.

Way Forward:

- The challenge now is to create a policy environment that will encourage the growth of more MSME.

- There is need for tax provisions and laws that are not only labour-friendly but also entrepreneur-friendly. There is a need for skill formation and continuous upgrade both for labour and entrepreneurs.
- There is an urgent need for managerial skill developments for entrepreneurs running MSMEs – an area that is considerably neglected.
- Further, the government could consider dedicated television and radio programmes, similar to agriculture, to help educate entrepreneurs running small businesses.

Conclusion:

- For future growth in Indian economy and GDP increase, the share of MSME contribution would increase from current 8% to 15% by the year 2020.
- This would be realized by the growth of the new wave MSME led by entrepreneurship focused on innovation and technologies, creating opportunities for women entrepreneurs, and developing skilled resources.

MSME: The Engines of Growth

- Many developed and developing economies have demonstrated that MSME segment constitutes the backbone for maintaining growth rates as well as employment generation rate and provides stability during economic downturns.
- It is therefore very crucial that as India embarks on a new wave economy, it adopts the MSME opportunity framework that will provide the necessary impetus to seize the opportunities created by
 - Emergence of domestic demand
 - Increase in spending in infrastructure and defence sectors
 - Increase in FDI in existing and emerging businesses in India with the make in India initiative.
 - Double digit growth expected in numerous business sectors

Dynamics of MSME's:

- The Sector has a *wide range of stockholders* including the regulators, facilitators and the beneficiaries. The various stakeholders include:
 - MSME, Large enterprises including multinationals
 - State/Union territories, Central Ministries/Departments
 - Banks/Financial Institution
 - Entrepreneurship and skill development institutes, both in the public and in the private.
 - Research and Development Institutions, Educational Institutions
 - Organisations under the administrative control of the Ministry
- Increasing the efficiency of the MSME sector depends on strengthening the following **three pillars**.
 - *Innovation*
 - *Technology*
 - *Finance*

- The winning formula for enhancing competitiveness combines:
 - Elimination of waste
 - Enhancement of Technology
 - Use of Quality and productivity tools
 - Flow of information to all enterprise stakeholders.
 - Use of ICT

Conclusion:

- While in a country like India, the Government alone cannot fulfil the employment opportunities, Individuals need to come forward to help themselves and take advantage of the viable business atmosphere created by the government.
- The MSME sector as the 'engine' of growth 'for India will be the vehicle of development of the country in terms of creating employment opportunities.

Coir Industry Prospects and Challenges

India is the **largest coir producer** in the world and also the **largest consumer** of coir and coir products.

Indian Coir Industry:

- Indian coir and coir products are in great demand in domestic and foreign markets for their special features like price, workmanship, quality and charm.
- It is also eco-friendly, decomposable, non-pollutant natural resource. The coir industry provides employment to about 7 lakh people in the country, out of which 80 percent are women.
- The coir industry plays a significant role in sustainable development of India. It is agro-based, export-oriented cottage industry, which earns foreign exchange.
- The industry is mainly concentrated in Kerala, Tamil Nadu, Andhra Pradesh, Karnataka, Maharashtra, Goa, Orissa, Assam, Andaman and Nicobar, Lakshadweep, Pondicherry.
- The coir industry provides employment opportunities to skilled and unskilled workers and full time and part time employment opportunities to agricultural labourers.

Role of Government in promoting coir industry:

- The Central and State governments and Government agencies like **Coir Board, Coir Federation** play a significant role in growth and development of coir industry in India.
- The Board is actively involved in quality control and providing market development assistance for expansion of market network and participation in exhibition within and outside the country.

Problems of Coir Industry

- The coir industry, despite its potential to generate employment in rural areas suffers from the problems which include **insufficient finance, inadequate market information, lack of storage facilities, no direct contact with industrial users, insufficient marketing mechanism** for coir fibre.

Conclusion:

- Since the development of coir sector contributes towards the sustainable development agenda in terms of creation of environmental friendly products, its application for domestic use along with the usage in housing, building, agriculture, horticulture, and infrastructure production are significant.
- It is therefore extremely important that, a major collective initiative may be taken up to promote the cause of coir by identifying the thrust areas involving a quantum jump in coir sector development.

