



GOVERNMENT OF KERALA  
KERALA STATE PLANNING BOARD

**THIRTEENTH FIVE-YEAR PLAN  
(2017-2022)**

**WORKING GROUP ON  
MICRO, SMALL, AND TRADITIONAL  
INDUSTRIES  
REPORT**

INDUSTRY AND INFRASTRUCTURE DIVISION

KERALA STATE PLANNING BOARD  
THIRUVANANTHAPURAM

MARCH 2017

## *PREFACE*

In Kerala, the process of a Five-Year Plan is an exercise in people's participation. At the end of September 2016, the Kerala State Planning Board began an effort to conduct the widest possible consultations before formulating the Plan. The Planning Board formed 43 Working Groups, with a total of more than 700 members – scholars, administrators, social and political activists and other experts. Although the Reports do not represent the official position of the Government of Kerala, their content will help in the formulation of the Thirteenth Five-Year Plan document.

This document is the report of the Working Group on Micro, Small, and Traditional Industries. The Chairpersons of the Working Group were Shri Sanjay M.Kaul IAS and DrJayan Jose Thomas. The Member of the Planning Board who coordinated the activities of the Working Group was DrJayan Jose Thomas. The concerned Chief of Division was Shri N. R. Joy.

Member Secretary

## FOREWORD

Micro, Small and Traditional Industries in Kerala have its own significance in creating employment opportunities in rural areas and hence its importance in the context of Thirteenth Five Year Plan is much greater. Various strategies were introduced for the revival of micro, small and traditional industries such as capacity building, enhancement of skill, technology up gradation and infrastructure development. The Working Group on micro, small and traditional industries including coir, handloom, cashew, handicrafts, Khadi and Village industries examines its role in creating employment and income in the economy during the Thirteenth Five Year Plan period.

A Working Group was constituted for Micro, Small and Traditional Industries for Thirteenth Five Year Plan with Sri. Sanjay . M. Kaul IAS, Special Secretary to Industries Department, Govt. Of Kerala and Dr. K.J Joseph (Professor, CDS, Thiruvananthapuram) as Co- Chairpersons and made two sittings. The committee has made detailed discussions on key issues relating to the concerned sectors, various aspects of revitalisation of traditional industries, problems related to implementation of programmes and also perspective to micro, small and traditional industries in the State during 13<sup>th</sup> Five Year Plan.

The committee met twice and conducted a review of Twelfth Plan programme and made detailed deliberations on progress, achievements, present status, problems, strategies and prospects of Micro, Small and Traditional Industries of Kerala and delivered thoughts for a scientific, concrete and realistic plan to be pursued in 13<sup>th</sup> Plan period for the protection and empowerment of traditional industries.

We are very grateful to all committee members for their participation and valuable contributions and suggestions/recommendations in the Working Group. Particular mention needs to be made for the contribution of Dr. Jayan Jose Thomas, Member, State Planning for taking the lead role in drafting and formulating the report. Special reference is mentioned for the valuable assistance received from Er. Joy N.R, Chief (Convener), Smt. Deepa Sivadasan, Assistant Director (Co-Convener), Sri G. T Shibu, Research Officer and Smt. Smitha H, Research Assistant, Industry & Infrastructure Division and other officers of State Planning Board for conducting meeting and co-ordinating the materials from different members for the preparation of the report.

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*LIST OF ABBREVIATIONS*

ACCDS	: Alappuzha Coir Cluster Development Society
ANRPC	: Association of Natural Rubber producing Countries
ASI	: Annual Survey of Industries
CAPEX	: Kerala State Cashew Workers Apex Co-operative Society
CEPCI	: Cashew Export Promotion Council of India
COIRFED	: Kerala State Co-operative Marketing Federation
CSO	: Central Statistical organisation
DCCD	: Directorate of Cashew nut & Cocoa Development
FOMIL	: Foam Mattings (India) Ltd
GDP	: Gross Domestic Product
GSDP	: Gross State Domestic Product
Hantex	: Kerala State Handloom Weaver's Co-operative Society
Hanveev	:Kerala State Handloom Development Corporation
HDCK	: Handicrafts Development Corporation of Kerala
ICDP	: Integrated Coir Development project
IIHT	: Indian Institute of Handloom Technology
KSACC	: Kerala State Agency for expansion of Cashew Cultivation
KSBC	: Kerala State Bamboo Corporation
KSCDC	: Kerala State Cashew Development Corporation
KSCC	: Kerala State Coir Corporation Ltd
MDA	: Market Development Assistance
MT	: Mega Tonne
NCRMI	: National Coir Research & Management Institute
NSDP	: Net State Domestic Product
NSSO	: National Sample Survey organization
PPSS	: Purchase Price Stabilisation scheme
PVC	: Polyvinyl Chloride

*CHAPTER 1*  
*AN OVERVIEW OF INDUSTRIAL SECTOR IN KERALA WITH A SPECIAL FOCUS ON*  
*TRADITIONAL, MICRO, AND SMALL INDUSTRIES*

1. It is well known that Kerala has made spectacular achievements in land reforms, education, and health over the years after the formation of the State in 1957. With respect to economic growth, Kerala has surged ahead from being a laggard to a frontrunner among Indian States by the early 2000s. Given such a context, it is indeed a paradox that Kerala's industrial sector is relatively backward. This report aims to examine the current status, challenges and opportunities in regard to traditional, micro and small industries in Kerala.
2. A striking feature of Kerala's economy is the relatively low size of its manufacturing sector. The share of manufacturing in gross state domestic product (GSDP) of Kerala was only 7.5 per cent in 2011-12. This was considerably less than the contributions made by manufacturing sectors to gross domestic products (GDP) in India as a whole (15.8 per cent in 2011-12) and in China (31 per cent in 2012).
3. In fact, the goods-producing sectors (that is, agriculture and industry) have strikingly low shares in the overall incomes generated in Kerala. In 2011-12, agriculture and allied activities had a share of only 9.5 per cent in Kerala's GSDP, while they accounted for 13.9 per cent in India's GDP. In contrast, construction and the services sectors contribute relatively large shares to Kerala's NSDP. In 2011-12, construction and the services sectors, together, accounted for a share of 81.4 per cent in Kerala's NSDP and 66.6 per cent in India's GDP (See Table 1).
4. Although manufacturing contributed only 7.5 per cent to Kerala's GSDP, this sector employed approximately 14.0 per cent of the State's total workforce in 2011-12. In comparison, the manufacturing sector's shares in GDP and employment were 15.8 per cent and 13.0 per cent respectively at the national level (see Table 2). This points to some degree of lopsidedness in the structure of Kerala's manufacturing sector.
5. In 2011-12, out of a total manufacturing workforce of 18 lakhs in Kerala, only 3.9 lakh workers were employed in the factory sector (see Table 3). The factory sector, or broadly the registered manufacturing sector, refers to factories that employ more than 10 workers and operate with the aid of electric power as well as factories that employ more than 20 workers without the aid of electric power. The rest of the manufacturing workers in Kerala were engaged in the unorganized or unregistered sector. Coir and cashew processing, two major traditional industries, employed 3.8 lakh and 2.5 lakh workers respectively in Kerala (see Tables 3 and 4).<sup>1</sup> Most of the workers in coir and cashew processing in Kerala are women.

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<sup>1</sup>Source Government of Kerala's *Economic Review 2015*

Table 1 *Shares (in per cent) of various sectors in Kerala's gross state domestic product (GSDP) and India's gross domestic product (GDP) (both at constant 2004-05 prices), 2011-12*

Sl. No	Sectors	Share in Kerala's GSDP	Share in India's GDP
1	Agriculture & allied activities	9.5	13.9
2	Mining and quarrying	0.4	2
3	Manufacturing	7.5	15.8
3a	Registered Manufacturing	3.5	11.2
3b	Unregistered manufacturing	4.1	4.5
4	Electricity, gas and water supply	1.2	1.88
Sum of sectors 2, 3 and 4	Industry	9.2	19.6
5	Construction	12.2	7.8
6	Services	69.2	58.8
	GDP/GSDP	100	100

*Source* National Accounts Statistics

Table 2 *Kerala's Workforce, by Sectors, 2011-12*

Sector	Number of workers, in million, Kerala	Share (per cent) in total workforce, Kerala	Share (per cent) in total workforce, India
Agriculture and allied activities	2.6	20.5	47.5
Manufacturing	1.8	14.2	13.0
Construction	2.1	16.5	10.6
Services	6.1	48.0	27.9
Non-agricultural activities, total	10.1	79.5	52.5
Total Workforce	12.7	100	100

*Source* National Sample Survey report on Employment and Unemployment in India, 68<sup>th</sup> Round, 2011-12

Table 3 *Some Indicators on the Size of the Manufacturing Sector, Kerala and India, in 2011-12*

	Kerala	India	Kerala's share in India, in %
Number of factories, in '000 numbers	7.3	175.7	3.5
Persons engaged in factories, in 100,000 numbers	3.9	134.3	2.9
Employment in manufacturing sector, in 100,000 numbers	18.0	613.0	2.9
Number of unincorporated manufacturing enterprises, in 100,000 numbers (2010-11)	5.0	172.1	2.9

*Note* Kerala's share in India's population was 2.8 per cent in 2011, according to Census of India.

*Source* CSO (2016), p. S5-3; NSSO (2013), NSSO (2012)

Table 4 *Key Features of Three-digit Industries in Kerala's Factory Sector, 2012-13*

Industry	No. of persons engaged	No. of factories	Average days of employment	Wages and salaries per day
Other food products (107)	139,843	948	249	264
Processing and preserving of fish (102)	6,986	136	302	392
Dairy products (105)	4,412	76	350	772
Beverages (110)	4,953	53	303	522
Tobacco products (12)	33,886	755	254	155
Spinning, weaving and finishing textiles (131)	14,953	260	300	490
Other textiles (139)	7,375	175	297	401
Wearing apparel, except fur apparel (141)	7,375	47	295	385
Footwear (152)	8,823	131	299	544
Products wood, cork, straw and plaiting material (162)	5,007	427	279	439
Refined petroleum products (192)	4,224	22	355	2091
Chemicals and chemical products (20)	11,526	217	334	1550
Rubber products (22)	22,612	610	311	755
All industries	380,498	7129	278	555

*Source* Annual Survey of Industries, Central Statistical Organization.

#### *Origins of Resource-Based Industries in Kerala*

- By the first half of the 20th century, Kerala was clearly ahead of the rest of India with respect to the emergence of employment opportunities in non-agricultural activities. In 1951, the share of the male working force engaged in agriculture (as cultivators and agricultural labourers) in Kerala was the lowest, and the share of the male working force engaged in manufacturing activities in Kerala was the highest among all Indian States

(including Maharashtra and West Bengal, the two States in which the process of industrialization had gone much further) (Krishnamurty, 1983, Table 6.6, cited in Thomas 2005).

7. Thomas (2005) writes that the non-agricultural activities (defined here as activities other than work as cultivators and agricultural labourers) that emerged in Kerala by the early 20<sup>th</sup> century had three notable features. First, the non-agricultural activities were closely linked to the natural resources of the region. Secondly, the non-agricultural activities were on account of production in small-scale, household-based or cottage units, not on account of large factories. Thirdly, the non-agricultural activities were not concentrated in any urban centre but spread across rural areas of Kerala (Thomas 2005).
8. The natural resources of Kerala, particularly the large system of backwaters and canals, the long coastline, plentiful rainfall, diverse agriculture and the relatively well developed water transport system, provided a distinctive setting for the emergence of non-agricultural activities (Thomas 2005).
9. The first coir-weaving factory was established in Alappuzha in 1859, and the first cashew-processing factory was established in Kollam in 1925. Nevertheless, employment in large factories did not account for any significant share of Kerala's non-agricultural employment in the first half of the twentieth century.
10. The tile industry began in Malabar with factories in Kozhikode, Feroke and Palakkad; later, Thrissur and Kollam also became major centres of this industry (Kannan, 1988, pp. 50-67).

#### *Coir Industry*

11. The coir industry is one of the earliest industries to have emerged in Kerala, and is also a major generator of industrial employment in the State. The industry, however, has gone through a major period of stagnation in growth over the years (Thomas 2005).
12. Isaac (1990) estimated that coir industry in Kerala employed approximately 400,000 workers (including marginal and part time workers) in the late 1980s.<sup>2</sup> According to the Census of 1991, 70,300 main workers were employed in coir spinning and weaving (Thomas 2005).
13. Throughout its existence, only a small segment of the coir industry in Kerala -- coir weaving -- has been located in factories, mostly in Alappuzha. Coir processing, which includes retting, defibring and spinning coir yarn, was always a household-based process, and was spread across Kerala. Anjengo and Vaikom in Travancore as well as Quilandy and Beypore in Malabar were equally important centres of the coir spinning industry (Isaac, 1990).

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<sup>2</sup>Isaac (1990) pointed out that employment figures in the coir industry, which has a significant proportion of women workers, have been affected by changing definitions of Census work categories.

14. Large sections of the workforce in coir industry in Kerala are attached to cooperative societies. As on March 2015, there were approximately 860 cooperative societies in Kerala engaged in the production of coir and coir products. They include 614 primary cooperative societies in the yarn sector, 52 manufacturing societies, 63 small-scale producers cooperative societies, 67 fibre societies, 63 ICDP societies, and one husk procurement society. The total workforce attached to these coir cooperatives – engaged in the production of coir yarn and coir products – numbered 1.88 lakh as on March 2015. Apart from workers attached to cooperatives, there are thousands of household units engaged in fibre extraction and spinning of coir yarn throughout the coir producing regions. Majority of the workers in coir industry are rural poor. Women constitute 80 per cent of the work force in the industry.
15. A small segment of the industry manufacturing PVC/Latex backed coir mats/matting/geotextiles is in organized factories. Approximately 5000 workers are employed in this sector. The minimum gross average daily wages in this sector is around Rs.850.

#### *Cashew Industry*

16. Cashew processing industry in Kerala has largely been based in Kollam. According to some recent estimates, the cashew industry in Kerala comprises 800 cashew-processing factories, which employ about 2,50,000 workers. A substantial segment of these workers are women belonging to disadvantaged sections of society. However, there is hardly any recent, detailed study on employment in the cashew industry.
17. One estimate of the magnitude of employment in the cashew-processing industry comes from the Annual Survey of Industries. According to ASI data, in 2012-13, there were 948 factories and 139,843 factory workers in Kerala under the category, manufacture of “other food products” (NIC code 107). In Kerala, the category manufacture of “other food products” comprises the manufacture of bakery products (1071), sugar confectionary (1073), ready-made meals and dishes (in frozen or canned form), coffee products and tea products, as well as processing of cashew nuts (see Table 4).
18. The Kerala State Cashew Development Corporation (KSCDC) and Kerala State Cashew Workers Apex Co-operative Society (CAPEX) are the two agencies of the State devoted to the promotion of the cashew processing industry in Kerala. Currently, the KSCDC has 30 factories, which employ a total of approximately 18,000 workers. CAPEX owns 10 factories, which employ a total of approximately 6,300 workers. Thus approximately 25,000 workers in the cashew processing industry in Kerala are employed in 40 factories under the control of the State government. The rest of the workers in the cashew processing industry (out of a total of 2.5 lakh workers according to some estimates) are employed in the private sector. A large number of workers in this industry are engaged in decentralised units.

### *Handlooms*

19. The handloom sector is another major source of employment for workers in Kerala. In 2012-13, there were 52,171 handloom weavers in Kerala, out of which 21,434 were women workers. By 2014-15, total number of handloom weavers in the State was reduced to 23071, out of which 13238 were women weavers. The handloom sector in Kerala provided a total of 66.38 lakh man days of employment in 2014-15. It reported a total production of 40.19 million metres of cloth and a turnover of ₹203.6 crores in the year 2015-16.
20. The handloom industry in the State is mainly concentrated in the Thiruvananthapuram and Kannur districts, and in some parts of Kozhikode, Palakkad, Thrissur, Ernakulam, Kollam and Kasaragod districts

### *Khadi and Village Industries*

21. In 2015-16 fully owned units of K&VI Board in Kerala as on 2014-15 produced goods valued at ₹136.35 crore and has come down to ₹135.66 crore during 2015-16 and provided employment of 0.99 lakh man-days. Between 2014-15 and 2015-16, there was a decline in production and mandays employed by Khadi and Village Industries sector in Kerala
22. Moreover, Khadi and Village Industries goods worth ₹537.96 crores has been produced through the Aided Units of the K&VI Board, including through the performance of Rural Employment Generation Programme (REGP) and Prime Minister Employment Guarantee Programme (PMEGP), and goods worth ₹601.13 crore has been sold, providing Employment to 1,39,569 persons. Board started technological innovation to improve the production capacity of existing implements with the assistance of IIT Madras. Board proposes to create 10000 new employments in Khadi sector during the 13<sup>th</sup> five year plan period.
23. The Board has 208 sales outlets for Khadi and Village Industries goods. (Khadi Grama Soubhagya 39 Nos, Khadi Soubhagya 51 Nos, Grama Soubhagya (GS Depot) 115 Nos and mobile sales van 3 No's).

## CHAPTER 2

### GOVERNMENT PROGRAMMES IN TRADITIONAL, MICRO, AND SMALL INDUSTRIES IN KERALA

#### *Coir Industry*

24. The Directorate of Coir Development, Government of Kerala is the main agency to coordinate the activities and programmes of the coir industry in the State. The other agencies of the state involved in the coir sector in Kerala are Kerala State Co-operative Coir Marketing Federation (COIRFED), Kerala State Coir Corporation Ltd (KSCC) and Foam Mattings (India) Limited (FOMIL).
25. COIRFED is the apex federation of primary coir cooperative societies spread all over Kerala. It is entrusted with the task of procurement and marketing of the entire products of all member societies. As noted earlier, there are 614 primary co-operative societies in the yarn sector and 1.88 lakh workers attached to coir co-operatives (yarn and coir products sectors combined) as on March 2015.
26. Kerala State Coir Corporation Ltd (KSCC) and Foam Mattings (India) Limited (FOMIL) are two public sector undertakings in the coir industry. The KSCC, which was set up in 1969, caters to the needs of small-scale coir manufacturers by providing them facilities for manufacturing and marketing. The National Coir Research & Management Institute (NCRMI), Thiruvananthapuram and the Central Coir Research Institute, Alappuzha carry out research and development activities in the coir sector. The arm of the Central Government for developing and promoting Coir Industry is Coir Board and its head office is at Kochi, Kerala.
27. Some of the key initiatives of the government during the 12<sup>th</sup> Five-Year Plan period were the following:
  1. Schemes to introduce regulated mechanization in the coir industry.
  2. Schemes for marketing, publicity, trade exhibitions.
  3. Price Fluctuation Fund, with the objective of stabilizing the prices of coir fibre, yarn, and coir products.
  4. Coir Geo- Textiles Development Programme, with the objective of getting Geo Textiles recognized as a standard engineering material.
  5. Cluster Development programme in the Coir Sector: This is being implemented by the Coir Board and Alappuzha Coir Cluster Development Society (ACCDS).

#### *Cashew Industry*

28. The Kerala State Cashew Development Corporation (KSCDC) and Kerala State Cashew Workers Apex Co-operative Society (CAPEX) are the two main agencies involved in the promotion of the cashew-processing sector in Kerala. The Directorate of Cashew nut & Cocoa Development (DCCD) is a national agency primarily engaged in the overall development of cashew and cocoa in India. Cashew Export Promotion Council of India (CEPCI) is a Central Government organization (established in 1955) to promote the export

of cashew kernels and cashew nut shell liquid. The R&D activities in the cashew processing sector are carried out by CEPCI and various cashew research centres under Kerala Agricultural University. Kerala State Agency for the Expansion of Cashew Cultivation (KSACC) is a State government agency aimed to promote the expansion of cashew cultivation in Kerala.

29. KSCDC provided 190 days of employment for its workers in 2014-15, and the turnover of the corporation in that year was Rs.146.90 crores.

#### *Handloom*

30. The Directorate of Handlooms and Textiles, Kerala, under the Department of Industries and Commerce, is the main agency for the promotion and development of the handloom and textile sector in Kerala. The Director also acts as the functional registrar of Apex cooperative weavers' society and Co-operative spinning mills in the State. In 2015, there were 575 registered primary handloom weavers' co-operative societies in Kerala, which provided employment to 23,071 weavers (of which there were 13,238 were women workers). There were a total of 21793 looms in the State, and the handloom sector generated a total of 66.37 lakh mandays of employment (during the year 2015).
31. Kerala State Handloom Weaver's Co-operative Society (Hantex), registered in 1961, is an apex body of primary handloom co-operative societies. Hantex provides assistance to primary co-operative societies: in the procurement of required inputs by societies, processing of yarn, and in the marketing, promotion and export of handloom products (which include handcrafted fabrics, garments, furnishings, sarees and traditional wears). Hantex has set up over 440 production centres and 150 sales outlets, all equipped with modern infrastructure.
32. Kerala State Handloom Development Corporation (Hanveev), which was set up in 1968 with its registered office at Kannur, is another agency for the promotion of traditional handloom weavers.
33. Indian Institute of Handloom Technology is an autonomous institute under the Ministry of Industries, Government of Kerala, and is aimed to provide science and technology inputs to the traditional handloom sector.
34. The Twelfth Plan envisaged to develop a strong and vibrant handloom sector that is capable of providing decent employment to the weavers and ancillary workers, particularly those belonging to the disadvantaged sections of the population.

#### *Khadi*

35. The Kerala Khadi and Village Industries Board is a statutory body, set up in 1957, which is responsible for organizing and promoting Khadi and Village Industries in the State. The

Board assists and coordinates the programmes of cooperative societies, registered institutions, individuals and departmental units.

36. The value of production of goods in this sector in Kerala during 2014-15 was ₹136.35 crore and the cumulative employment generation for the year 2014-15 was 1.09 lakh man-days.
37. During the Twelfth Plan, the Board aimed to: develop a marketing strategy; diversification of products; ensure more forward and backward linkages: providing fair wages; improve infrastructure; and strengthen support institutions and R & D.

CHAPTER 3  
MAJOR ISSUES FACING TRADITIONAL, MICRO, AND SMALL INDUSTRIES IN KERALA

*Availability of Raw Material*

38. A major bottleneck faced by traditional industries in Kerala is the severe shortage of raw material – husk for coir processing and raw cashew for cashew processing -- within the State.

*Cashew Processing*

39. Domestic availability of raw cashew nut has fallen sharply in Kerala over the years, with the decline in cashew cultivation in the State. This has become a major barrier for the growth of the cashew processing industry in Kerala. While Kerala now accounts for 35% of all cashew nut processing units in India, the State has a share of only 11% in total cashew production in the country.
40. As a result, cashew-processing industry in Kerala is dependent on import of raw cashew nuts from other Indian States and from countries such as Tanzania. In 2014-15, the export of cashew & cashew kernels through Cochin port was 68,150 MT. The amount of raw cashew imported by Kerala in that year was more than three times higher: 213,106 MT.

*Coir Processing*

41. One of the important challenges faced by coir industry in Kerala is the shortage of raw material, namely coconut husk, which is processed into coir fibre and coir products. There has been a general stagnation in coconut cultivation in Kerala in recent years. There have also been other constraints to the collection and processing of coconut husk in Kerala. They include the relatively small size of land holdings in which coconut is cultivated in the State and environmental issues involved in processing of husk.
42. At the same time, the neighbouring State of Tamil Nadu has distinct advantages compared to Kerala with respect to the availability of raw material. Pollachi in Tamil Nadu has emerged as a major centre for the coir industry. In fact, there are several units in Tamil Nadu, which make use of coir pith, which is a byproduct in the conversion of coir husk into coir fibre. Coir pith is extensively used for agriculture and poultry farming in Tamil Nadu. Tamil Nadu and China (for coir mattresses) have made major advances in coir processing.
43. Kerala State Bamboo Corporation (KSBC), which is involved in the promotion of industries that use bamboo as raw material, points out that availability of bamboo is an important issue. KSBC suggests that the State's Forest Department should help in easing the availability of bamboo. This is important as workers engaged in bamboo industry belong to socially and economically marginalised communities.

## *Problems Affecting Production*

### *Cashew Processing*

44. Cost of processing one bag (80 kg) of cashew in Kerala is approximately Rs.3800. The corresponding costs are much less in Vietnam, Tamil Nadu and Orissa. The factors that reduce cost of production in these regions include: mechanization and higher volumes of production; government subsidies, and lower wages (in Tamil Nadu and Orissa),
45. Some of the African countries, which produce raw cashew nut, are gradually entering the cashew processing industry. This is going to pose another competitive threat to the industry in Kerala. Another problem facing the industry is the growing demand for substitutes for cashew nut and kernel. Rising domestic consumption of cashew is also one of the reasons for the slow growth of exports.
46. Cashew workers in Kerala and elsewhere have been subjected to severe exploitation by processors, common agents and brokers. Unlike private operators in the industry, KSCDC and CAPEX provide statutory benefits to workers. This raises the labour costs for the industry in Kerala.
47. To overcome the disadvantages due to labour costs, cashew factories in the State should work at higher levels of productivity and capacity utilization. But they are unable to do this because of several factors, including the shortage of raw material.

### *Coir Processing*

48. The coir industry in Kerala is still using traditional methods of production, and this raises its unit costs of production. In Kerala, coir yarn is produced mostly through hand spinning. A number of factors have constrained the widespread adoption of machines in the coir industry in Kerala. They include a general lack of enthusiasm from the coir cooperative societies, problems related to availability of power, and maintenance issues.
49. While a typical coir worker in Kerala is able to produce only 15-25 kg of coir yarn per day through hand spinning, her counterpart in Tamil Nadu is able to produce 80-100 kg of coir yarn per day using mechanized spinning techniques.
50. Even in coir weaving, productivity is relatively low in Kerala. A typical coir-weaving worker is able to weave 10 sq. ft. of mat (9 mm fibre mat) per shift in Kerala, and 20 sq. ft. per shift in Tamil Nadu.
51. Coir products from Kerala (and elsewhere) face stiff competition from synthetic products.

## *Handloom*

52. The handloom sector in Kerala has been facing a crisis due to a number of factors. On the one hand, power and automatic looms have been posing severe competition to the handloom sector, both in the local and export markets. Availability of cheaper fabrics and changing consumer preferences are also constraints. At the same time, the handloom sector is also handicapped by lack of modernisation. Given the low wages, hard physical labour involved, and stagnant state of the industry, it is difficult to retain skilled workers in this sector.

## *Constraints for Small Producers*

53. In the coir industry, Kerala Government has been trying to implement a price stabilization scheme (PPS) through the Kerala State Coir Corporation (KSCC). As part of the scheme, the Coir Corporation has been purchasing coir products from small producers and coir cooperatives at a fair price. The Corporation has been trying to persuade exporters to purchase coir products from KSCC, and not directly from the small producers/coir cooperatives. In this way, KSCC acts as an intermediary between small coir producers and exporters, and ensure that the small producers get a fair price for their products.
54. However, the scheme has only been partially successful. Given its limited financial capabilities, KSCC has not been able to procure coir products from small producers in large enough quantities. This leaves the small coir producers and coir cooperatives vulnerable. They often sell their products directly to exporters at rates lower than those fixed as per the PPS scheme.
55. Many small-scale coir manufacturers complain that the payments due to them from the KSCC often get delayed. This creates working capital shortages for the small producers. According to KSCC, the payments due to it from the State Government are also delayed, which in turn creates problems for its payments to coir produces.
56. The MDA (marketing development assistance) provided by the government to small-scale coir cooperatives has been reduced from 10% to 5%. Small-scale coir cooperatives also face problems due to delays in payment of MDA from the government. Kerala State Small-scale Coir Manufacturers Federation noted in an official communication in June 2016 that they were yet to receive MDA payments for 2012-13 and a part of the payments for 2014-15. Small producers feel that the government should help the coir cooperatives acquire husk-processing machines, defibring machines and powerlooms. They need governmental assistance in setting up a mobile workshop for maintenance of machinery (defibring machines) and in procurement of green husk. They would also like the government to subsidise electricity charges involved in operating coir machinery. (Source: Submission by Kerala State Small-Scale Coir Manufacturers Federation to the Director for Coir Development, Government of Kerala, 15 June 2016).

57. Coir cooperatives complain that the financial assistance due to them from COIRFED and KSCDC is often delayed.
58. Shortage of working capital is a major issue facing small-scale coir producers. Trade union leaders in the coir industry (in a meeting held in Alappazha on 7 November 2016) pointed out that coir-spinning units in Kerala are more likely to incur losses when they use imported (from Tamil Nadu) coir fibre.
59. Given their limited financial capabilities, some cooperative are not able to pay gratuity and other benefits to their former workers. Small-scale producers feel that governmental assistance is needed to provide social security benefits for its workers.
60. Trade unions suggest that government agencies such as Coirfed, KSCC and Form Mattings should be engaged more actively in marketing and exporting of coir products. They should also be involved in monitoring the quality of coir products produced by the various cooperatives.
61. The Khadiprogramme should be able to maintain production on a regular basis and generate decent employment, mainly for the rural poor. Factors that contributed to the poor condition of this sector include: stock build-up in previous years, shortage of inputs, shortage of capital, lack of access to improved technologies and repair facilities, and outdated product mix.

## CHAPTER 4

### *WAY FORWARD FOR TRADITIONAL, MICRO AND SMALL INDUSTRIES IN KERALA*

62. It is important that Kerala takes steps to foster the development of micro, small and traditional industries, which have deep linkages with the natural resources of the State. As these industries can provide employment in large numbers, they have a role to play in achieving inclusive development in the State.
63. Kerala needs a two-pronged strategy with respect to the development of micro, small and traditional industries. First is a strategy to strengthen the existing units, and secondly, a plan to facilitate the establishment of new units.
64. Modernization and innovation – of products, processes, marketing techniques, and organizational structures -- will be key to the above-discussed strategy. This will involve the creation of a vibrant sectoral innovation system by bringing together several actors -- manufactures, industry associations, raw material suppliers, trade unions, financiers, R&D institutes, and so on.
65. Modernization of traditional industries will include (but not limited to) mechanization of production processes in these industries. More over, with modernization, Kerala's traditional industries will strive to diversify into new products (such as geotextiles in the coir sector), and evolve effective marketing and distribution strategies.

#### *Recommendations Related to Availability of Raw Material*

66. Coir Industry: Kerala should find ways to ensure better availability of raw material for the coir industry in the State. In fact, good quality husk is available in Kerala, especially in the Trichur and Palakkad districts. It is possible that a good share of this husk is being diverted out of the State, as coir spinning units in Kerala face severe shortage of husk. There should be measures to facilitate the collection of raw material from Kerala for the coir industry in the State.

#### *Cashew Processing*

67. The Working Group suggested that the government should aim to increase the domestic availability of raw cashew in Kerala. Currently, domestic availability of raw cashew as a proportion of domestic requirement is only 5 per cent. This needs to be increased substantially. The government should take steps to cultivate cashew in wastelands, government-owned lands, land owned by schools and educational institutions, coastal areas, and in plots identified as cashew parks.
68. Serious attention is needed to reorient research and development programmes in the area of cashew cultivation in the State, especially with the goal of achieving higher productivity.

69. An expansion of bamboo cultivation in Kerala is important to meet the needs of the bamboo industry in the State.
70. In Kerala, the downside of adopting monoculture in crops like natural rubber is now evident. The Association of Natural Rubber Producing Countries (ANRPC) has been exploring the possibility of moving away from mono crop rubber cultivation. Kerala should try to mix cultivation of rubber with that of other crops, such as cashew.

*Recommendations for Modernization*

71. In the coir, cashew, handloom and the khadi sectors in Kerala, schemes should be launched to upgrade technologies, and diversify into new and higher value- adding products. The drive for modernization will also include the restructuring of factories, improvement of infrastructure, and upgrading of skills of workers.
72. Cashew processing: Currently, machines used in the cashew processing industry in Kerala are imported, mostly from Vietnam. The use of these machines results in relatively high rates of wastage (of cashew). Therefore, there is need for development of machines that are better suited for the specific needs of the industry in Kerala.
73. The factors that slow down progress in mechanization in the coir industry include (i) lack of easy access to machinery, spare parts, and maintenance services, and (ii) the background of entrepreneurs who enter this sector in Kerala (without skill or expertise in engineering -- unlike the case in Tamil Nadu). R&D efforts (by NCRMI) should be directed to the development of machines that are better suited for the specific needs of the industry in Kerala.
74. In the coir-spinning sector, there is a need to introduce large scale mechanized spinning plants (with 200 or more spinning heads). The government should arrange to give capital subsidy to entrepreneurs who invest in such units. It is important to note that in Tamil Nadu, the State government is giving a 25% subsidy to new entrepreneurs, over and above another 25% capital subsidy provided by the Coir Board (under Central Government).
75. At the same time, steps should be launched to protect workers who are engaged in hand spinning.
76. To promote mechanization in household units, mechanical spinning machines with solar power should be promoted.
77. Adoption of new technology in various stages of production, design, and marketing are needed to increase the productivity in the handlooms sector. Effective strategies for product diversification in accordance with the latest trends should be adopted.
78. Entrepreneurs in Kerala should try to develop new products and find new uses or value to existing products. For instance, the coir industry in Kerala should try to capitalize on the

importance of coir products as being nature-friendly and biodegradable. The industry has to seek ways to develop new products based on coir, such as coir geo-textiles, coir ply, coir pith organic manure, coir garden articles, and hand crafted coir ornaments.

79. The cashew industry should try to develop value-added products such as hand crafted cashew, and also products which make use of cashew apple.

#### *Recommendations Related to Marketing*

80. Currently, multiple agencies are involved in the promotion and marketing of products from traditional and resources-based industries in Kerala. There is need for much greater coordination between these agencies.
81. For instance, there are showrooms across Kerala and in major Indian cities set up by Hantex, Hanveev, Handicrafts Development Corporation of Kerala (HDCK), and so on. As of now, showrooms of any one of these agencies (such as Hantex) do not sell the products promoted by the other agencies (such as Hanveev). This needs to change. There are large economies of scale to be gained by coordinating the sale and marketing strategies of various promotional agencies. The showrooms of, say, HDCK should display and sell products promoted by Hantex, Hanveev, as well as Khadi, coir and cashew industries in the State. This will result in economies in sales and marketing efforts. In addition, customers will find it more attractive to walk into a 'supermarket' for Kerala's traditional and resources-based industries.
82. The traditional and resources-based industries in Kerala can gain by focusing much more on the domestic markets. As of now, these industries devote greater attention to the export markets. However, there is a large and growing market within Kerala and in other Indian States for products of coir, cashew, handlooms and khadi. For instance, coir-based products will find buyers among those who promote 'green' buildings.
83. The products of Kerala's traditional, food and agro-based industries will also find buyers in the export markets, especially from the large community of overseas Malayalees.
84. The traditional and resources-based industries in Kerala and tourism can gain from each other. There is need for better coordination in the marketing strategies of these sectors.
85. Kerala should try to evolve a common brand name and marketing strategy for its various traditional products, and also link them with the promotion of tourism in the State.
86. The traditional and resources-based industries in Kerala should try to exploit the opportunities for marketing through E-commerce platforms.
87. Public sector agencies that are engaged in similar lines of production – such as Coirfed, KSCCL and Form Matting – should consider the possibility of integrating or even merging their operations.

### *Recommendations for Micro and Small Units*

88. Kerala should promote clusters of micro and small enterprises. The State should provide assistance to small entrepreneurs in the areas of marketing, export promotion, skill development, and technology upgradation.

#### *Common Facility Centers*

89. The government should equip industrial parks or industrial clusters in the State with modern infrastructure and facilities. It should upgrade the infrastructure and facilities in many existing industrial parks. The government should also assist in the setting up of Common Facility Centers within or attached to industrial parks/ industrial areas/clusters of micro and small enterprises. They include Common Production/Processing Centre (for balancing/correcting/improving specific manufacturing operations; accessible to all units), Design Centres, Testing Facilities, R&D Centres, and Effluent Treatment Plant.
1. Each industrial park/cluster can also have common marketing or Sales Centre, Common Logistics Centre, Common Raw Material Bank, and so on.
  2. Government should facilitate Skill Development or Training schemes for workers engaged in micro, small and traditional industries.
  3. Government should facilitate the setting up of Design Centers, which have qualified designers and engineers, within clusters for handloom, handicraft, coir, bamboo and other traditional industries.
90. There should be provisions to improve the working environment, health conditions and productivity of workers attached to micro and small enterprises. Industrial parks or clusters should have canteens and basic medical facilities.

#### *Policies to Improve Ease of Doing Business*

91. Regulatory procedures will have to be streamlined and simplified in order to improve the ease of doing business for small entrepreneurs. An effective Online Single Window Clearance mechanism will be implemented for speedy approval of statutory clearances to new enterprises.
92. There is need for greater integration between agriculture and allied activities (such as dairying) and micro and small industries. Such integration is required at various points in the value chain, including raw material procurement, production, R&D, and marketing. Building of linkages between agriculture and industry will help the creation of sustainable employment opportunities.
93. The government should actively encourage micro, small and traditional industries to use opportunities from e-commerce. The government can help create a favourable policy environment for e-commerce, and promote the use of information technology in interactions between government and citizens.

*Strategies for Creating a Modern Industrial Sector*

94. For a positive transformation of the industrial scene in Kerala, the government should seek ways to promote entrepreneurship in the State. The State should nurture entrepreneurs who venture into industries that are relatively small-scale yet modern and 'smart' (given their flexibility in production and adaptability to market conditions).
95. Micro, small and traditional industries in Kerala should make good use of advances in latest technologies, including information technology, biotechnology and nanotechnology (Kerala can learn some lessons from the industrial development in Thaobao villages in China, which received assistance from Ali baba).
96. Science and technology and management institutions should contribute towards the building up of a technologically vibrant industrial environment in the State. They can also contribute to skill empowerment of workers and entrepreneurs.
97. There should be programmes to attract the young, especially students, to start micro, small and medium industries in Kerala. The entrepreneurial culture in Kerala has to be invigorated. Not only engineering institutes but colleges and universities across the State should set up incubators. Also, they should be encouraged and supported to set up Makers Spaces (a globally accepted practice to promote innovative entrepreneurship). Students from less privileged sections of the society should be encouraged to use these facilities. Annual meet of 'Emerging Ideas' from Makers Space could be organized and offered support for fructification.
98. Women's self-help groups, notably Kudumbashree, can play an important role in Kerala's industrialization drive. Many Kudumbashree groups are already engaged in food processing activities (such as pickle manufacturing), but mostly in the low end of the value spectrum. They should now try to establish their presence in higher value adding industries.
99. Traditional industries such as coir, cashew and handlooms should not be stuck with traditional technologies, but instead make use of modern techniques of production and marketing. In fact, there is a case for doing away with the use of the term 'traditional' in the case of industries such as coir, cashew and handlooms.
100. To modernize the traditional or resource-based industries in the State, a systemic approach is needed. This requires close interaction among all actors to promote innovation, learning, and competence building in these industries. The state should play an important coordinating role (as Frederich List argued). It has to provide an appropriate institutional architecture by framing relevant policies and laws.

101. The plantation sector in Kerala suffers due to its position mostly at the low end of the value chain.<sup>3</sup> Kerala should try to set up industries that add more value to its plantation crops. Rubber cultivators in the State can gain with the emergence of manufacturing units that use rubber sheets to produce non-tyre rubber products. The setting up of rubber product processing zones with the active involvement of rubber producers' societies, as announced by the Finance Minister in 2016-17 Budget of Kerala, will be a step forward.
102. The State should also develop processing zones for spices (again, as announced by the Finance Minister in the 2016-17 budget of Kerala) and other crops involved.
103. Kerala should take advantage of Central government schemes like 'Start Up India' and 'Make in India.'
104. Kerala should promote the growth of 'social enterprises', which contribute towards meeting a social or public need. For instance, the State should encourage the setting up of recycling units, water purification units, bio fertilizer units, and so on, which contribute to alleviating environmental degradation.
105. Local governments, empowered with adequately large funds devolved to them, should provide the pillar for rural industrialization in Kerala. Activities ranging from agro processing to tour operation can be carried out under the coordination of Panchayats, with the active enterprise and participation of local population, and making effective use of new technologies.
106. Kerala should consider launching a "one Panchayat one product" programme (on the lines of the "one village one product" movement in Japan), making effective use of the possibilities for backward and forward linkages. This will help the State in realizing the objective of development through decentralization.

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<sup>3</sup> Cultivators of rubber, which accounts for almost 45 percent of Kerala's agricultural GDP, are now being advised to shift away from the production of rubber sheets to the supply of cuplump and latex for the production of block rubber, which is an input for the tyre industry. Since cuplump and latex, unlike rubber sheet, is not a storable product, this has the potential risk of exposing rubber cultivators to market risk usually confronted by the producers of perishable commodities, with low share of consumers' rupee.

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**PROCEEDINGS OF THE MEMBER SECRETARY  
STATE PLANNING BOARD  
(Present: Sri. V. S. Senthil IAS)**

Sub: Formulation of XIII Five Year Plan (2017-2022) – Constitution of Working Group –  
**Micro, Small & Traditional Industries** - reg.

Ref: - Note No. 260/2016/PCD/SPB dated 06.09.2016 of the Chief (i/c), PCD, SPB

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**ORDER No. SPB/295/2016/I&I (WG-5)**

**Dated: 20.09.2016**

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As part of formulation of XIII Five Year Plan, the State Planning Board has decided to constitute Working Groups to formulate draft proposals in the various major development sectors and sub sectors. Resource persons including Professionals, Administrators and Experts connected with the sectors were identified as members of the Working Groups. Accordingly, the **Working Group on Micro, Small & Traditional Industries** is hereby constituted with the following members.

**Co-Chairpersons**

1. Sri. Sanjay M Kaul IAS, Special Secretary to Government, Industries Department, Govt. Secretariat, Thiruvananthapuram.
2. Sri. Jayan Jose Thomas, Member, State Planning Board, Pattom.

**Members**

1. Sri. James Varghese IAS, Principal Secretary to Government, Cashew & Coir, Govt. Secretariat, Thiruvananthapuram
2. Sri. N. Padmakumar IAS, Director, Directorate of Coir Development, Palayam, Thiruvananthapuram.
3. Sri. K. Ramachandran IAS, Secretary, Khadi & Village Industries Board, Vanchiyoor, Thiruvananthapuram
4. Sri. P. M. Francis IAS, Directorate of Industries & Commerce, VikasBhavan, Thiruvananthapuram
5. Sri. Sudhir K., Director, Handloom & Textiles Directorate, VikasBhavan, Thiruvananthapuram
6. Sri. V.P. Nandakumar, Chairman, CII Kerala Chapter, 92,93 10<sup>th</sup> Floor Abad Nucleus Mall & Office, NH 49, Kundannor- Petta Road, Marad P.O., Cochin-682304.
7. Sri. P Sundaran, Chairman, Cashew Export Promotion Council of India, Kollam.
8. Dr. P. M. Mathew, President, ISED, ISED House, Vennala, Kochi -28

9. Sri. Anathalavattam Anandan, Ex-MLA, Ananda Bhavan, Anathalavattam, Chiriyankkeezhu P. O., Thiruvananthapuram,
10. Sri. Kuduvan Padmanabhan, Near Central LPS, Punakkapara, Azhikkode P. O., Kannur 670009
11. Sri. E. Kassim, Lotus House, Bharanikkavu, Sasthamkotta, Kollam 690521

### **Convener**

Er. Joy N.R., Chief, Industry & Infrastructure Division, SPB

### **Co-Convener**

Assistant Director, (MSME Sector), Industry and Infrastructure Division, State Planning Board,

### **Terms of Reference**

1. To review the development of micro, small and traditional industries with emphasis as to progress, achievements, present status and problems under its jurisdiction during the 11th and 12th Five Year Plan periods.
2. To evaluate achievements with regard to the plan projects launched in the area of micro, small and traditional industries, both by the State Government and by the Central Government in the State during these plan periods.
3. To list the different sources of data in regard to micro, small and traditional industries and provide a critical evaluation of these data sources, including measures for improvement.
4. To identify and formulate a set of output and outcome indicators (preferably measurable) for micro, small and traditional industries and base the analysis of the previous plans on these indicators.
5. To outline special problems pertaining to micro, small and traditional industries.
6. To suggest, in particular, a set of projects which can be undertaken during the 13<sup>th</sup> Plan period in the area of micro, small and traditional industries.

### **Terms of Reference (General)**

1. The Chairperson is authorised to modify Terms of Reference with the approval of State Planning Board. The Chairperson is authorised to invite, on behalf of the Working Group, experts to advise the Group on its subject matter. These invitees are eligible for TA and DA as appropriate.

2. The Working Group will submit its draft report by 1st December 2016 to the State Planning Board
3. The non- official members of the Working Group will be entitled to travelling allowances as per existing government norms. The Class I Officers of GOI will be entitled to travelling allowances as per rules if reimbursement is not allowed from Departments.

*(Sd/-)*  
**MEMBER SECRETARY**

To  
The Members concerned

Copy to:-  
The Accountant General, Kerala (A&E) with C/L  
The Sub Treasury Officer, Vellayambalam.  
The PS to the Hon. Vice Chairman, State Planning Board.  
PA to Member Secretary  
CA to Member (JJT)  
All Divisions, State Planning Board.  
The Sr. Administrative Officer, State Planning Board.

*Forwarded by Order*  
*(Sd/-)*  
*Chief (Industry & Infrastructure*  
*Division)*

**PROCEEDINGS OF THE MEMBER SECRETARY  
STATE PLANNING BOARD  
(Present: Sri. V. S. Senthil IAS)**

Sub: Formulation of XIII Five Year Plan (2017-2022) – Constitution of Working Group –  
***Micro, Small & Traditional Industries*** - reg.

Read: This office order of even number dated 20.09.2016

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**ORDER NO.SPB/295/2016/I&I (WG-5)**

**Dated: 23.09.2016**

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As part of formulation of XIII Five Year Plan, the working group on Micro, Small & Traditional Industries has been constituted vide paper read above. The **Working Group on *Micro, Small & Traditional Industries*** is hereby re-constituted by inducting **Dr. K. J. Joseph, (Professor, and CDS)** as Co-Chairperson in the place of Sri. Jayan Jose Thomas, Member, State Planning Board.

**Co-Chairpersons**

1. Sri. Sanjay M. Kaul IAS, Special Secretary to Government, Industries Department, Govt. Secretariat, Thiruvananthapuram.
2. Sri. K. J. Joseph, Professor, CDS, Thiruvananthapuram.

**Members**

1. Sri. James Varghese IAS, Principal Secretary to Government, Cashew & Coir, Govt. Secretariat, Thiruvananthapuram
2. Sri. N. Padmakumar IAS, Director, Directorate of Coir Development, Palayam, Thiruvananthapuram.
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11. Sri. E. Kassim, Lotus House, Bharanikkavu, Sasthamkotta, Kollam 690521

### **Convener**

Er. Joy N.R., Chief, Industry & Infrastructure Division, SPB

### **Co-convener**

Assistant Director,(MSME Sector), Industry and Infrastructure Division, State Planning Board

### **Terms of Reference**

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5. To outline special problems pertaining to micro, small and traditional industries.
6. To suggest, in particular, a set of projects which can be undertaken during the 13th Plan period in the area of micro, small and traditional industries.

### **Terms of Reference (General)**

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The non- official members of the Working Group will be entitled to travelling allowances as per existing government norms. The Class I Officers of GOI will be entitled to travelling allowances as per rules if reimbursement is not allowed from Departments.

*(Sd/-)*  
**MEMBER SECRETARY**

To  
The Members concerned

Copy to:-  
The Accountant General, Kerala (A&E) with C/L  
The Sub Treasury Officer, Vellayambalam.  
The PS to the Hon. Vice Chairman, State Planning Board.  
PA to Member Secretary  
CA to Member (JJT)  
All Divisions, State Planning Board.  
The Sr. Administrative Officer, State Planning Board.

*Forwarded by Order*  
*(Sd/-)*  
*Chief (Industry & Infrastructure*  
*Division)*

**PROCEEDINGS OF THE MEMBER SECRETARY  
STATE PLANNING BOARD  
(Present: Sri.V.S. Senthil IAS)**

Sub: - Formulation of XIII Five Year Plan (2017-2022) – Constitution of Working Group – *Micro, Small & Traditional Industries* reg.

Read: -1. This office order of even number dated 20.09.2016 & 23.09.2016

2. E-mail of Sri. Jayan Jose Thomas, Member State Planning Board Dated: 15.10.2016 and agreed by Co- Chairs.

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**ORDER NO.SPB/295/2016/I&I (WG-5) DATED: 17.10.2016**

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As part of formulation of XIII Five Year Plan, the working group on Micro, Small & Traditional Industries has been constituted vide papers read above. As per the 2<sup>nd</sup> reference, it has been decided to re-constitute the **Working Group on Micro, Small & Traditional Industries** by in-corporating Dr. Sumangala Damodaran, Associate professor, Ambedkar University, Delhi as a new member.

In this context, the **Working Group on Micro, Small & Traditional Industries** is hereby re-constituted by including a new member as follows.

**Co-Chairpersons**

1. Sri. Sanjay M. Kaul IAS, Special Secretary to Government, Industries Department, Govt. Secretariat, Thiruvananthapuram.
2. Sri. K. J. Joseph, Professor, CDS, Thiruvananthapuram.

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3. Sri. K. Ramachandran IAS, Secretary, Khadi & Village Industries Board, Vanchiyoor, Thiruvananthapuram
4. Sri. P. M Francis IAS, Directorate of Industries & Commerce, VikasBhavan, Thiruvananthapuram
5. Sri. Sudhir K., Director, Handloom & Textiles Directorate, VikasBhavan, Thiruvananthapuram
6. Sri. V. P. Nandakumar, Chairman, CII Kerala Chapter, 92,93 10<sup>th</sup> Floor Abad nucleus Mall & Office, NH 49, Kundannor- Petta Road, Marad P.O, Cochin-682304.
7. Sri. P. Sundaran, Chairman, Cashew Export Promotion Council of India, Kollam.
8. Dr. P. M. Mathew, President, ISED, ISED House, Vennala, Kochi -28

9. Sri. Anathalavattam Anandan Ex-MLA, Ananda Bhavan, Anathalavattam, Chiriyankkeezhu P. O., Thiruvananthapuram,
10. Sri. Kuduvan Padmanabhan, Near Central LPS, Punakkapara, Azhikkode P. O., Kannur 670009
11. Sri. E. Kassim, Lotus House, Bharanikkavu, Sasthamkotta, Kollam 690521
12. Dr. Sumangala Damodaran, Associate professor, Ambedkar University, Delhi

### **Convener**

Er. Joy N.R., Chief, Industry & Infrastructure Division, SPB

### **Co-convener**

Assistant Director, (MSME Sector), Industry and Infrastructure Division, State Planning Board

### **Terms of Reference**

1. To review the development of micro, small and traditional industries with emphasis as to progress, achievements, present status and problems under its jurisdiction during the 11th and 12th Five Year Plan periods.
2. To evaluate achievements with regard to the plan projects launched in the area of micro, small and traditional industries, both by the State Government and by the Central Government in the State during these plan periods.
3. To list the different sources of data in regard to micro, small and traditional industries and provide a critical evaluation of these data sources, including measures for improvement.
4. To identify and formulate a set of output and outcome indicators (preferably measurable) for micro, small and traditional industries and base the analysis of the previous plans on these indicators.
5. To outline special problems pertaining to micro, small and traditional industries.
6. To suggest, in particular, a set of projects which can be undertaken during the 13th Plan period in the area of micro, small and traditional industries.

### **Terms of Reference (General)**

1. The Chairperson is authorised to modify Terms of Reference with the approval of State Planning Board. The Chairperson is authorised to invite, on behalf of the Working Group, experts to advise the Group on its subject matter. These invitees are eligible for TA and DA as appropriate.

2. The Working Group will submit its draft report by 1st December 2016 to the State Planning Board
3. The non- official members of the Working Group will be entitled to travelling allowances as per existing government norms. The Class I Officers of GOI will be entitled to travelling allowances as per rules if reimbursement is not allowed from Departments.

*(Sd/-)*  
**MEMBER SECRETARY**

To  
The Members concerned

Copy to:-  
The Accountant General, Kerala (A&E) with C/L  
The Sub Treasury Officer, Vellayambalam.  
The PS to the Hon. Vice Chairman, State Planning Board.  
PA to Member Secretary  
CA to Member (JJT)  
All Divisions, State Planning Board.  
The Sr. Administrative Officer, State Planning Board.

*Forwarded by Order*  
*(Sd/-)*  
*Chief (Industry & Infrastructure*  
*Division)*