

Seventeenth Loksabha

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Title: Demand to remove the 11 percent import duty on cotton and to relax the existing terms and conditions to participate in the electronic auction for Small, Medium and Micro enterprises.

SHRI S. R. PARTHIBAN (SALEM): Mr. Chairman, Sir, the yarn price for the month of November was announced on the 1st of last month and the industry is dissatisfied as Rs.50 additional charge has been imposed on all varieties.

Sir, Tamil Nadu accounts for one-third of the country's textile trade. Garment exports in India have been hit hard by the sharp rise in yarn prices. If the price of yarn is not controlled, many companies in the textile industry in the State, the second largest in the country, will be forced to close down and consequent job losses will be huge. The major reason for the rise in cotton prices is the imposition of five per cent basic customs duty, five per cent agricultural infrastructure development tax, and 10 per cent social welfare tax in the Central Budget for 2021-22, and increasing the total import tax to 11 per cent.

Therefore, the Government should intervene in the matter to protect the textile industry and prevent job losses by removing the 11 per cent import duty on cotton to avoid speculation. In addition, in order to participate in the electronic auction for small, medium and micro enterprises, the existing terms and conditions should be adjusted to a minimum of 500 cotton bales. From December to March, the peak cotton procurement period, extension of five per cent interest subsidy to cotton mills should be given. Thank you.

