

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 1012
TO BE ANSWERED ON 08.02.2024

IMPACT OF RISING IMPORTS ON DOMESTIC INDUSTRIES

1012. SHRI CHANDRA SEKHAR SAHU:
DR. PRITAM GOPINATHRAO MUNDE:
SHRI RAHUL RAMESH SHEWALE:

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

- (a) whether Micro, Small and Medium Industries are the backbone of the economy;
- (b) if so, the details of contribution of Micro, Small and Medium Industries in the economy and employment generation;
- (c) whether the garment industry has been facing the negative impact of rising imports of Man-Made Fibres (MMFs) from countries such as China and Bangladesh and if so, the details thereof;
- (d) whether the supply of cheap Chinese polyester cloth is hitting the prospects of domestic weavers, spinners, knitters, processors and export manufacturers as they are unable to supply at competitive prices;
- (e) if so, whether cheap polyester cloth imports from China and Bangladesh are currently being mislabelled as cotton and are only paying 5 per cent import duty and successfully evading 20 per cent duty; and
- (f) if so, the action taken by the Union Government to save the domestic Micro, Small and Medium Industries, State-wise particularly in Odisha?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI BHANU PRATAP SINGH VERMA)

(a) & (b): The Micro, Small and Medium Enterprises (MSMEs) sector plays an important role in the growth of the Indian economy. The share of MSME Gross Value Added (GVA) in All India Gross Domestic Product (GDP) is around 30%. The share of MSME manufacturing output in All India manufacturing output is around 36%. The share of MSME related product exports in All India exports is around 45%. As on 05.02.2024, the number of persons employed in the MSMEs which are registered on the Udyam Registration Portal and Udyam Assist Platform, are 16,86,64,562 (from 01.07.2020 up to 05.02.2024).

(c) to (e): The import data of Man-Made Fibres from China and Bangladesh, is given at **Annexure-I**. Further, No cases of import of polyester clothes from China and Bangladesh misdeclared as cotton have been reported by Customs field formations and Directorate of Revenue Intelligence during FY 2020-21 up to FY 2023-24 (up to 31.01.2024).

(f): The Government has approved the Production Linked Incentive (PLI) Scheme for Textiles, with an approved outlay of Rs. 10,683 crore over a five year period, to promote production of Man-Made Fibres (MMF) apparel, MMF fabrics and products of Technical Textiles in the country to enable textile sector to achieve size and scale and to become competitive.

The challenges faced by the MSME sector inter alia include access to affordable credit, technology, informality, lack of infrastructure, shortage of skilled manpower and access to market. To mitigate these challenges, the Ministry of Micro, Small and Medium Enterprises implements various schemes for the benefit of MSMEs across the country including in the State of Odisha. The schemes/programmes inter alia include Prime Minister's Employment Generation Programme (PMEGP), Credit Guarantee Scheme for Micro and Small Enterprises, Micro and Small Enterprises-Cluster Development Programme (MSE-CDP), MSME Champions scheme, International Cooperation Scheme, Procurement and Marketing Support Scheme (PMS) and National SC/ST Hub (NSSH).

ANNEXURE-I

Annexure-I referred to in reply to part (c) to (e) of the Lok Sabha Unstarred Question No. 1012 due for answer on 08.02.2024.

The import data of Man-Made Fibres from China and Bangladesh are given below.

(Values in US\$ Millions)

S. No.	Product	Apr-Dec 2022	Apr-Dec 2023(P)
1	MANMADE STAPLE FIBRE	507.43	337.36
2	MANMADE YARN, FABRICS, MADEUPS	2,369.31	2,267.17
3	RMG MANMADE FIBRES	437.55	363.9
	Total	3,314.29	2,968.43

China (Values in US\$ Millions)

S. No.	Product	Apr-Dec 2022	Apr-Dec 2023(P)
1	MANMADE STAPLE FIBRE	92.61	50.35
2	MANMADE YARN, FABRICS, MADEUPS	1,520.18	1,478.57
3	RMG MANMADE FIBRES	121.05	92.44
	Total	1,733.84	1,621.36

Bangladesh (Values in US\$ Millions)

S. No.	Product	Apr-Dec 2022	Apr-Dec 2023(P)
1	MANMADE STAPLE FIBRE	1.33	1.18
2	MANMADE YARN, FABRICS, MADEUPS	10.79	11.59
3	RMG MANMADE FIBRES	122.02	97.25
	Total	134.14	110.02

Source: Directorate General of Commercial Intelligence and Statistics (DGCIS)