

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:412
ANSWERED ON:25.02.2000
DECLINE IN PRODUCTION IN TEXTILE MILLS
A. VENKATESH NAIK;RAMSHETH THAKUR

Will the Minister of TEXTILES be pleased to state:

- (a) whether due to stiff competition among handloom, powerloom and mill sector all these sectors are suffering losses;
- (b) if so, the facts in this regards;
- (c) whether production of textiles in mill sector has also declined during the last five years as compared to 1994-95 and 1995-96;
- (d) if so, the reasons therefor; and
- (e) the remedial measures being taken or proposed to be taken by the Government to improve the condition in all these sectors?

Answer

MINISTER OF STATE FOR TEXTILES

(SHRI GINGEE N. RAMACHANDRAN)

(a)&(b) The cloth production in the handloom and powerloom sector has been continuously increasing except for the year 1998-99, when the adverse market conditions had impacted unfavorably on production of cloth in all the sectors of the textile industry. The increasing production of fabrics in handloom and powerloom sector during the last five years indicate growth in these sectors. However, the production of fabrics from mill sector has been continuously declining. The cloth produced by handloom, powerloom and mill sector for last five years is given below:

(In million square meters)

Year	Mill Sector	Handloom Sector	Powerloom Sector
1994-95	2271	6180	15976
1995-96	2019	7202	17201
1996-97	1957	7456	19352
1997-98	1948	7603	20951
1998-99	1785	6792	20690
1999-2000 (P)			
Apr.-Dec.	1261	5500	16998

(c) & (d) The production of spun yarn in the mill sector and filament yarn has been showing an increasing trend during the last five years, but, the production of cloth has been declining. The reasons for the downward trend in the production of cloth by the organised sector has been the decline in the loomage capacity of mills mainly as a result of structural transformation of the sector on account of greater cost effectiveness of powerlooms.

(e) The following measures are being taken by the Govt. to improve the condition of textile industry:

- i) The Government has been implementing various schemes and programmes for over all development of the handloom sector and welfare of weavers. These include Project Package Scheme, Workshed-cum-Housing Scheme, Thrift Fund Scheme, Group Insurance Scheme, Health Package Scheme, Freelance Designers Scheme, Export Development Scheme, Decentralised Training of Weavers Scheme, Supply of yarn at Mill Gate Price Scheme and Hank Yarn Obligation Scheme etc.
- ii) To improve the availability of quality cotton at reasonable prices, the Government has launched Technology Mission on Cotton to improve the production, productivity and quality of cotton.
- iii) To improve the technology level of the textile industry to make it internationally competitive, the Govt. of India, Ministry of Textiles has launched a Technology Upgradation Fund Scheme (TUFFS) for textile & jute industries for 5 years from 1.4.99 to 31.3.2004. The scheme will provide a reimbursement of 5% point on the interest charged by the lending agency on a project of technology upgradation in conformity with the scheme.

