

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:1711

ANSWERED ON:10.12.2004

PRODUCTION OF CLOTH

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Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that there is decline in production of cloth in handloom sector from 1998-99 as compared to the targets set for each year;

(b) if so, the reason thereof; and

(c) the steps by the Government to increase the production of cloth?

Answer

MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA)

(a) The estimated cloth production in handloom sector from 1998-99 to 2003-04 compared to target is given below:

Year	Target (in Million sq. Mtrs.)	Production(in Million sq. Mtrs.)
1998-99	7336	6792
1999-2000	7795	7352
2000-01	8282	7506
2001-02	8800	7585
2002-03	4005	5980
2003-04	4239	5518 (P)

(b) The handloom sector is highly decentralized in nature and therefore the production in the handloom sector is estimated on the basis of domestic delivery of hank yarn in Kgs. During the 4 years i.e. 1998-99 to 2001-02, the production of handloom cloth has shown an increasing trend. One of the factors for subsequent decline in production of handloom cloth may be related to the fiscal changes, such as imposition of excise duty on hank yarn. However, in the current year duty on yarn has been withdrawn. Further, although the estimated quantum of production has shown a decrease, it is estimated that the value of handloom cloth production is improving due to production of value added items rather than low value items like janata cloth etc. which was prevalent in the past. This is indicated by the rising value of handloom exports over the last 3 years.

(c) The Government is implementing a number of Schemes for the development of the handloom sector, with a view to promote product diversification, provide marketing support and technological upgradation. The main developmental Schemes are Deen Dayal Hathkargha Protsahan Yojana, Integrated Handloom Technology Project, Marketing Promotion Programme, Mill Gate Price Scheme, Handloom Export Scheme and 10% Special Rebate on Sale of handloom Products.