

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:640
ANSWERED ON:03.03.2008
JOB LOSS DUE TO APPRECIATION OF RUPEE
Kharventhan Shri Salarapatty Kuppusamy;Pal Shri Rupchand

Will the Minister of TEXTILES be pleased to state:

- (a) whether a large number of workers engaged in textile sector have been rendered jobless and retrenched due to the impact of appreciation of rupee during the last three years;
- (b) if so, the details thereof; State-wise and year-wise;
- (c) whether the Government has any proposal to assist the textile sector like cash compensation and credit facilities, etc. to prevent the job loss in the industry;
- (d) if so, the details thereof alongwith the funds allocated for the purpose during 2007-08 and 2008-09; and
- (e) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF TEXTILES(SHRI E.V.K.S. ELANGO VAN)

- (a) & (b): The Report of the Confederation of Indian Textile Industry (CITI) indicates that stagnation of exports in 2007-08 due to the unprecedented appreciation of the rupee, and the consequent downturn in textiles exports will lead to a loss of around 5.79 lakh potential new jobs. The loss in direct employment in the textiles and clothing industry will be to the tune of 2.72 lakh jobs. The Report of the CITI has not quantified any job loss that may have already occurred.
- (c) to (e): Government has taken the following steps to mitigate the deceleration of exports:-
- i) Rate of refunds for textiles export products under Duty Entitlement Pass Book (DEPB) Scheme of Duty Drawback Scheme have been increased;
 - ii) Immediate refund of terminal Excise Duty has been ordered;
 - iii) Concessional export credit with extended periodical coverage has been effected;
 - iv) Refund of Service Tax in various sectors related to exports of goods, has been notified.