

**GOVERNMENT OF INDIA  
TEXTILES  
LOK SABHA**

UNSTARRED QUESTION NO:826

ANSWERED ON:04.03.2005

INCENTIVES TO TEXTILE SECTOR

Badiga Shri Ramakrishna;Barad Shri Jashubhai Dhanabhai;Mehta Shri Alok Kumar;Owaisi Shri Asaduddin;Tripathy Shri Braja Kishore;Yadav Shri Giridhari

**Will the Minister of TEXTILES be pleased to state:**

- (a) whether the textile and clothing industry is providing highest number of jobs next to farming;
- (b) if so, whether Indian Textile makers are expecting to strike a big deal in world trade in textile and garments sectors after the dismantling of import curbs;
- (c) if so, whether India is likely to touch a target of \$50 million in annual textile exports by 2010;
- (d) if so, whether the Government propose to give some special incentives to the textile and garment exports in view of lifting of barriers in this sector;
- (e) if so, the details thereof; and
- (f) the steps taken or proposed to be taken by Government to improve the condition of the textile sector?

**Answer**

MINISTER FOR TEXTILES ( SHANKERSINH VAGHELA )

(a) to (c) Yes Sir.

(d)to(f) The steps taken by the Government to improve condition of the textile sector in view of lifting of barriers from 2005 are as follows:-

- To improve the productivity and quality of cotton, Government has launched the Technology Mission on Cotton (TMC).
- The Technology Upgradation Fund Scheme (TUFS) has been launched to facilitate the modernisation and upgradation of the textile industry both in the organized and in the unorganized sector. The Finance Minister, in his Budget speech 2005-06, has announced an allocation of Rs. 435.00 crore for this scheme for financial year 2005-06. He has also announced introduction of a 10% Capital Subsidy Scheme for the textile processing sector
- The Government has also launched centrally sponsored schemes titled "Apparel Parks for Export Scheme" for setting up apparel manufacturing units of international standards and the "Textile Centre Infrastructure Development Scheme" for upgrading the infrastructure facilities at old textile centers.
- The bold and imaginative fiscal duty regime announced in the Budget 2004-05 has provided a level playing field to both the organized and the unorganized sector; has brought down the cost of production and has helped in consolidation and expansion of capacities. These incentives have been further enhanced during the Budget 2005-06.
- The cost of textile machinery has been brought down by reducing the customs duty on imports.
- Government has launched a Debt Restructuring Scheme with the principal objective to permit banks to restructure high-cost debts of textile units.