

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

STARRED QUESTION NO:286
ANSWERED ON:15.04.2010
MANUFACTURE AND EXPORT OF GARMENTS
Kumar Shri P.

Will the Minister of TEXTILES be pleased to state:

- (a) whether the garment manufacturers in the country are unable to meet export orders on account of rise in the cost of fabric due to the high prices of cotton;
- (b) if so, the details thereof;
- (c) whether the Indian garment manufacturers are reeling under production loss and unprecedented job cuts; and
- (d) the steps taken by the Government to protect the interests of garment manufacturers?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF TEXTILES (SHRI DAYANIDHI MARAN)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF THE LOK SABHA STARRED QUESTION NO.286 FOR 15.4.2010

(a) & (b): Yes, Madam. Textiles Ministry has received representations from garment manufacturers that high prices of cotton, cotton yarn and certain cotton fabrics have caused problem for garment manufacturers and have sought government intervention to stabilize prices of cotton and cotton yarn to ensure adequate domestic availability, so that export orders can be serviced appropriately.

(c): No, Madam. There have been no reports of unprecedented job losses/production losses in garment industry.

(d): To stabilize cotton and yarn markets, government has acted swiftly and initiated the following measures (a) Introduced compulsory contract registration of yarn exports; (b) Strict enforcement of hank yarn obligations on textiles mills; (c) Introduction of export duty of Rs.2500 per tonne on cotton and ad valorem duty of 3% on export of cotton waste; (d) provided an incentive of 2% under the Market Linked Focused Products Scheme of the Foreign Trade Policy 2009-14 till September 2010 for exports of knitted and woven garments to US and EU. In addition Textiles Ministry has recommended withdrawal of DEPB incentive on cotton yarn exports and imposition of prohibitive duty on cotton yarn.