

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:1414
ANSWERED ON:04.03.2011
RAW MATERIAL SECURITY POLICY
Gandhi Shri Feroze Varun

Will the Minister of TEXTILES be pleased to state:

- (a) whether the Government proposes to formulate a comprehensive raw material security policy;
- (b) if so, the details thereof; and
- (c) the steps taken/proposed to be taken by the Government to ensure surplus yarn for domestic sector?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF TEXTILES (SMT. PANABAACA LAKSHMI)

(a) & (b): Yes, Madam. The National Fiber Policy, 2010 has been formulated for boosting and taking adequate care for sustainable growth of man-made fiber, yarn and fabric industries in India including raw material security to ensure improved supply chain for raw material for textile industry.

(c): With a view to increase the availability of cotton yarn at reasonable price to domestic industry, the government has taken the following initiatives:-

I. Establishment of a Yarn Advisory Board for formulation of a Yarn Balance sheet to ensure adequate yarn availability for handlooms and garments sector;

II. Hank Yarn obligation expanded from 40s counts to 80s counts w.e.f. 31.03.2010.

III. Strict monitoring of hank yarn.

IV. Registration of cotton yarn export made mandatory with the Office of Textile Commissioner w.e.f. 09.04.2010. The Govt. has further fixed a ceiling of 720 mn kg.

V. Duty Entitlement Pass Book (DEPB) of 7.67% on export of cotton yarn has been withdrawn w.e.f. 21.04.2010.

VI. Duty drawback on cotton yarn has been withdrawn w.e.f. 29.04.2010.

VII. In the Handloom Sector, the Government is implementing Mill Gate Price Scheme so as to ensure uninterrupted supply of yarn at mill gate price.