

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

STARRED QUESTION NO:356

ANSWERED ON:19.12.2011

SILK INDUSTRY

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Will the Minister of TEXTILES be pleased to state:

- (a) whether the traditional Banarasi and Pochampalli Silk Industries are on the verge of closure in the country;
- (b) if so, the reasons therefor; and
- (c) the steps taken by the Government to revive the said industry and also for rehabilitation of the weavers engaged therein?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF TEXTILES (SHRI ANAND SHARMA)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF THE LOK SABHA STARRED QUESTION NO. 356 FOR ANSWER ON 19.12.2011.

(a)&(b): No Madam. However, the Handloom sector is facing competition from powerloom and mill sectors due to inherent disadvantage of low productivity and high labour component of handlooms.

(c): The Government has taken the following steps for the development of handloom sector:

(i) The import duty on raw silk yarn has been reduced from 30% to 5%, in order to bring down the prices of different types of silk yarn in the country.

(ii) The reference price (benchmark) for antidumping duty on imported Chinese silk fabric has been increased with effect from 5.12.2011 as indicated in the table below:

Reference Price for the Chinese Silk Fabric originated in or exported from China PR

| Major Products | Weight (gms/meter) | Earlier Reference Price (US \$/meter) | Sunset Review Reference Price w.e.f. 5.12.11 (US-\$/metter) |
|----------------|--------------------|---------------------------------------|---|
|----------------|--------------------|---------------------------------------|---|

| (1) | (2) | (3) | (4) |
|-----|-----|-----|-----|
|-----|-----|-----|-----|

| | | | |
|-------|----|-----|-----|
| Crepe | 40 | 2.1 | 3.1 |
| | 60 | 2.8 | 4.3 |
| | 80 | 3.7 | 5.7 |

| | | | |
|-----------|----|-----|-----|
| Georgette | 40 | 2.2 | 2.6 |
| | 60 | 3.0 | 3.6 |

| | | | |
|--------|----|-----|-----|
| Others | 40 | 2.1 | 3.6 |
|--------|----|-----|-----|

This measure will prevent dumping of cheap Chinese silk fabric.

(iii) The Government is implementing a financial package of Rs.3884 crore for waiver of overdues (as on 31.3.2010) of individual handloom weavers and their cooperative societies. This will benefit about 15000 cooperative societies and 3 lakh weavers.

(iv) Further, Banarasi and Pochampalli silk, both item have been registered under the Geographical Indications of the Goods (Registration and Protection Act, 1999) to give legal protection and to prevent unauthorized use of these products by others.

(v) Keeping in mind the welfare needs of weavers and providing need based interventions for holistic and sustainable development of the handlooms sector, the Government of India is implementing the following five schemes:

(A) Integrated Handloom Development Scheme provides need based inputs to clusters of 300 – 500 handlooms or Groups of 10 – 100 weavers for making them self sustainable by providing them financial assistance for margin money, new looms and accessories, skill upgradation, marketing opportunities and for construction of worksheds etc. So far, 551 Cluster projects and 2012 Group Approach projects have been sanctioned during the Eleventh Five Year Plan.

(B) Marketing and Export Promotion Scheme provides platform to the weavers and their organizations to participate in the domestic as well as international trade events and sell their products directly to the buyers. So far, 2666 marketing events have been sanctioned during the Eleventh Five Year Plan.

(C) Handloom Weavers Comprehensive Welfare Scheme: This comprises of two separate schemes viz. the Health Insurance Scheme (HIS) for providing Health Insurance to the Handloom weavers and Mahatma Gandhi Bunkar Bima Yojana (MGBBY) for providing Life Insurance Cover in case of natural/ accidental death, total/partial disability due to accident. Under Health Insurance Scheme, during the policy period 2010-11(December'10 to November'11), 16.80 lakh weavers' families have been covered till 31st October, 2011 out of the proposed 17.97 lakh families of handloom weavers and workers. Under MGBBY, 5.11 lakh handloom weavers were enrolled during 2009-10 and 5.21 lakh handloom weavers were enrolled during 2010-11.

(D) Mill Gate Price Scheme: This scheme makes available all types of yarn at Mill Gate Price to the eligible handloom agencies to facilitate regular supply of basic raw material to the handloom weavers and to optimize their employment potential. During the Eleventh Plan, so far, 4627.17 lakh kg of yarn valuing Rs. 4486.60 crore has been supplied to the handloom weavers under the Scheme.

(E) Diversified Handloom Development Scheme: This scheme provides assistance for technological and skill-upgradation of weavers for design and product development through 25 Weavers' Service Centres and 05 Indian Institutes of Handloom Technology all over the country to improve the productivity and earnings of the handloom weavers.

(F) In addition to the above schemes, Comprehensive Handloom Cluster Development Scheme (CHCDS) has been introduced in 2008-09 with an objective to empower handloom weavers and build their capacity to enhance competitiveness of their products in the domestic as well as global market in a sustainable and reliant manner. The scheme covers clearly identifiable geographical locations with at least 25,000 looms in which Government of India's financial support would be up to Rs.70 crore. Four such Mega Handloom Clusters have been sanctioned so far at Varanasi (Uttar Pradesh), Sivasagar (Assam), Virudhunagar (Tamilnadu) and Murshidabad (West Bengal).

(G) For promotion and development of Pochampalli Silk, the Pochampalli Handloom Park has been established with an outlay of Rs. 48 crore under the scheme for integrated Textile Park.