

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:2412
ANSWERED ON:27.08.2012
DUPLICATE BANARASI SAREES FROM CHINA
Chauhan Shri Dara Singh

Will the Minister of TEXTILES be pleased to state:

- (a) whether China has been supplying duplicate Banarasi Sarees in the country as well as in the international market;
- (b) if so, the details thereof along with its likely impact on domestic markets and export; and
- (c) the steps/positive measures taken by the Government to ban the sale of such Chinese Sarees in the domestic market and to protect the manufacturers of Indian Banarasi Sarees?

Answer

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

(a) & (b): The Handloom sector being a decentralised sector, the data on supply of duplicate Banarasi Sarees by China in the country as well as in the international markets are not available. However, weavers of Banarasi sarees of Varanasi are facing tough competition with the imported silk fabric mainly from China due to lower import duty on silk fabric. The Government of India is also aware that handloom sector, including weavers of Banarasi sarees, 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 positive measures for the development and protection of manufacturers of Indian Banarasi sarees:

(i) In order to mitigate the problem of the weavers, the basic customs duty on raw silk has been reduced from 30% to 5% in the Annual Budget of 2011-12. Consequently, the anomaly of inverted duty structure has been removed and now the effective duty on raw silk is 5.15% and 24.14% on silk fabric.

(ii) The reference price (benchmark) for antidumping duty on imported Chinese silk fabric has been increased to protect domestic industry 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 (gms/meter)	Weight	Earlier Reference Price (US \$/ meter)	Sunset Review Reference Price w.e.f.5.12.11 (US \$/meter)
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(1)	(2)	(3)	(4)
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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
	50	2.5	4.2

This measure will prevent dumping of cheap Chinese silk fabric.

(iii) Banarasi Brocades and Sarees 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.

(iv) 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. Further, the Government of India has also approved comprehensive package to address the twin need of subsidized institutional credit and cheap yarn. To access institutional credit the Government of India is providing margin money assistance @ Rs.4200/- per weaver, interest subvention @ 3% and credit guarantee through Credit Guarantee Trust for Micro and Small Enterprises (CGTMSE) for 3 years. For availability of cheap yarn, the Government of India is providing 10% price subsidy on cotton hank yarn and domestic silk yarn. The freight reimbursement rate for transportation of yarn has also been enhanced appropriately for different variety of yarns to offset the increase in transportation cost.