

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:2681

ANSWERED ON:10.12.2012

GROWTH IN TEXTILE SECTOR

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Will the Minister of TEXTILES be pleased to state:

- (a) whether there is slow down in the growth of textiles sector if so, the details thereof and their impact on exports and domestic textiles industry along with the steps taken to accelerate the growth in textiles;
- (b) whether the Government has conducted any study/survey to understand the challenges faced by the textiles industry;
- (c) if so, the details thereof and if not, the reasons therefor along with any proposal of the Government to develop textile hubs in the country including Jharkhand;
- (d) the comprehensive reforms/steps taken by the Government to encourage and bail out the textiles industry in view of the tremendous potential in this sector;
- (e) whether the domestic textiles industry and weavers have suffered huge losses due to import of cheap used clothes and cotton clothes; and
- (f) if so, the details thereof and the reasons therefor along with concrete steps taken/proposed to be taken by the Government in this direction?

Answer

(MINISTER OF TEXTILES) (SHRI ANAND SHARMA)

- (a): Yes Madam, Till May 2012, textiles industry in general and cotton industry in particular, experienced negative operating cash flows, low profit margins skewed debt to equity ratio and low return on capital employed. In 2012-13, in the period April-October, textiles industry witnessed 9.3 percent growth in spun yarn, 6.4 percent growth in fabrics, 3.2 percent growth in man made fibres and 1.4 percent growth in man made filament yarn. Textiles exports in the period April-September 2012 are witnessing a (-)5.94 percent growth in dollar terms although there is a 13.58 percent growth in rupee terms.
- (b): Government following consultations with Reserve Bank of India conducted an assessment of the stress in the textiles industry in May 2012.
- (c): The study undertaken by Bank of Baroda Capital Markets Ltd. estimated that textiles industry on an aggregate basis, required restructuring of loans to the extent of Rs.35000 crores on a case-by-case basis. Government is developing world-class infrastructure under the Scheme for Integrated Textiles Parks in the country.
- (d) : Government considered the recommendations of the assessment report and decided that debt restructuring may be taken up on a case-by-case basis within RBI's existing prudential guidelines.
- (e) : No Madam, Government has not received any reports on losses suffered by weavers to import of cheap used clothes.
- (f) : Does not arise.