

**GOVERNMENT OF INDIA  
TEXTILES  
LOK SABHA**

UNSTARRED QUESTION NO:1109

ANSWERED ON:04.03.2013

HANDLOOM SECTOR

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**Will the Minister of TEXTILES be pleased to state:**

- (a) whether handloom sector plays a vital role in the textiles industry in the country;
- (b) if so, the reaction of the Government thereto along with the concrete measures taken for strengthening handloom weaving sector during the current Five Year Plan period;
- (c) whether the Government has chalked out any plan to create new employment opportunities in this sector;
- (d) if so, the details thereof along with the concrete measures taken by the Government in this regard; and
- (e) whether the said sector has been included for investment in Technology Upgradation Fund Scheme (TUFS) and if so, the details thereof along with the funds allocated under TUFS to handloom during the current plan, State-wise?

**Answer**

(MINISTER OF TEXTILES) (SHRI ANAND SHARMA)

(a): The handloom sector plays a vital role in the textile industry through its contribution to employment generation, cloth production and the export earnings of the country. As per handloom census of 2009, there are 43.31 lakh persons engaged in the sector, and 6901 million square meters handloom cloth was produced in 2011-12.

(b) to (d): For holistic development of handloom sector and welfare of handloom weavers, the Government of India, during the 11th Plan Five Year Plan and current financial year, 2012-13, has been implementing five schemes, which are (i) Integrated Handlooms Development Scheme; (ii) Handloom Weavers Comprehensive Welfare Scheme (iii) Marketing Export Promotion Scheme (iv) Mill Gate Price Scheme; and (v) Diversified Handloom Development Scheme.

Further, The Government of India has approved Revival, Reform and Restructuring (RRR) Package and Comprehensive Package for handloom sector to provide financial as well as input support to the handloom weavers of the country. The RRR package aims at waiving the overdue loans and interest of eligible handloom cooperative societies and individual weavers as on 31.3.2010, and provides fresh credit with interest subsidy of 3% for 3 years with credit guarantee to the societies and weavers which are being benefitted under the RRR package.

On the other hand, the Comprehensive Package for handloom sector is for addressing the two critical needs of the handloom sector, viz. subsidized credit and yarn. The credit related interventions are

- (i) issuance of weavers' credit card;
- (ii) interest subvention@3% for 3 years on fresh loans sanctioned;
- (iii) margin money assistance @ Rs.4200 per handloom weaver and
- (iv) credit guarantee for 3 years. For ensuring the availability of subsidized yarn, the Government of India is providing 10% price subsidy on domestic silk and cotton hank yarn to handloom weavers.

(e): Yes, Madam. There is a separate scheme of technology up-gradation fund for textile sector including handlooms, which is also proposed to be continued in 12th Five Year Plan. However, there is also a provision for technology up-gradation in existing plan scheme of Integrated Handlooms Development Scheme of handloom sector. Under TUFS, funds are not allocated state wise but are being released project wise. So far, no funds have been released for any project under TUFS for handloom sector.