

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:3323

ANSWERED ON:18.03.2013

TARGET FOR PRODUCTION AND JOB CREATION

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Will the Minister of TEXTILES be pleased to state:

- (a) the target set and achieved by the Government in respect of production of textiles products and job creation during the 11th Five Year Plan along with the target set during the next Five Year Plan, State-wise;
- (b) the reasons for not achieving the desired target, if any, during the said period and steps taken to achieve the target set for next Five Year Plan;
- (c) the details of contribution of textiles industry in providing employment in the country;
- (d) whether the textile industry has been affected due to recent industrial recession;
- (e) if so, the details thereof along with the assessment made by the Government during the last three years and the current year and the steps taken to ameliorate the textiles industry;
- (f) whether the textiles industry is suffering due to high outstanding debts; and
- (g) if so, the details thereof along with the steps taken/proposed to be taken by the Government for expeditiously restructuring and bail out the textiles industry?

Answer

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

(a): The 11th Five Year Plan growth targets for textiles sector were (a) cloth production to grow at the rate of 12 percent in volume terms; (b) clothing and apparel to grow at the rate of 16 percent in volume terms and 21 percent in value terms. The 12th Five Year Plan has targeted an average annual growth rate of 11.5 percent in volume terms in cloth production and 15 percent in value of exports by increasing domestic value addition and technological depth and by enhancing the global competitiveness of textiles products. The 12th Plan envisages additional employment to the tune of 15.81 million would be created by 2016-17.

(b): Fabric production registered a compounded annual growth rate of 3.75 percent during the first four years of the 11th Five Year Plan. In 2009-10 there was a significant growth rate of 9.8 percent in the fabric production. Slowdown in the textiles industry, raw material price volatility and global recession were amongst the reasons for 11th Five Year Plan targets not being achieved. Government in the 12th Five Year Plan has announced the continuation of the Technology Upgradation Funds Scheme (TUFS) for catalyzing investments and employment generation in textiles sector.

(c): Textiles sector provides employment to over 35 million workers.

(d) & (e): As per the Economic Survey 2012-13, textiles industry witnessed a growth rate of 6.7 percent in 2010-11, (-) 1.3 percent in 2011-12 and 6.9 percent in the first 3 quarters of 2012-13. Wearing apparels have witnessed a growth rate of 3.7 percent in 2010-11, (-) 8.5 percent in 2011-12 and (-) 6.4 percent in the 1st quarter of 2012-13. The apparel sector witnessed a positive growth after 5 years of negative growth in the 2nd quarter of 2012-13 when it recorded a growth rate of 5.4 percent. Government enhanced the TUFS allocations under the 11th Plan from Rs.8000 crores to Rs.15432 crores to ensure that adequate resources are available for financing interest reimbursement subsidies in a timely manner.

(f) & (g): The total exposure of banks to textiles industry as of May 2012 is Rs.171,351 crores. In the year 2011-12 when the textiles industry was generating deficit cash flows, Government announced a Rs.35000 crore debt restructuring package to be taken up on a case by case basis under the Reserve Bank of India's 2008 prudential guidelines.