

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:2659

ANSWERED ON:26.08.2013

RAW MATERIAL TO TEXTILE INDUSTRY

Dubey Shri Nishikant ;Gangaram Shri Awale Jaywant;Hussain Shri Syed Shah Nawaz;Meghwal Shri Arjun Ram ;Naranbhai Shri Kachhadia;Singh Shri Ravneet

Will the Minister of TEXTILES be pleased to state:

- (a) whether the Government proposes to provide cotton/yarn to the garment/ handloom/ powerloom industries;
- (b) if so, the details thereof along with policy of the Government to provide cotton in the country including efforts made by the Government to make more cotton available to the textile industry at reasonable price;
- (c) whether there is an acute shortage of cotton/yarn in the country and if so, the details thereof and the reasons therefor along with the steps taken by the Government to remove the shortage of cotton;
- (d) whether the Government proposes to control the prices of yarn and make it mandatory to mention the cost of yarn on their packet and if so, the details thereof;
- (e) whether the Government proposes to set up cotton price stabilisation fund and if so, the salient features including norms and criteria adopted to set up the said fund along with the likely impact on cotton farmers, traders and textile mills; and
- (f) the details of incentives/subsidies/ working capital/interest subvention proposed to be provided to the domestic manufacturers/exporters through the cotton price stabilisation fund?

Answer

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

(a) & (b): No Madam. Government does not provide cotton/yarn to the industry. However, Government of India is implementing Mill Gate Price Scheme (MGPS) to ensure regular supply of all types of yarn including cotton yarn to the handloom sector throughout the country. The scheme envisages reimbursement of transportation expenses involved in the supply of yarn. There is also a provision for supply of yarn through yarn depots and expense of operating the yarn depots @2.5%, based on actual is reimbursed. Further, to provide the subsidized yarn only to handloom weavers in order to compete with powerloom and mill sector, a new component of 10% price subsidy on hank yarn has been incorporated in the MGPS w.e.f. 6.1.2012.

The cotton Advisory Board assesses the domestic requirement of cotton every year and restrictions/duty is imposed on export of cotton, if so required, to ensure adequate availability of cotton for domestic consumption.

(c): No Madam.

(d): No madam.

(e) & (f): A section of textile industry has raised the issue of interest subvention in the working capital to purchase cotton. However no formal proposal has been received.