

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:1784

ANSWERED ON:16.12.2013

EXPANSION OF TEXTILE INDUSTRY

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Will the Minister of TEXTILES be pleased to state:

- (a) the contribution of textile industry in terms of percentage to industrial production and employment generation during the last three years and the current year along with efforts made by the Government to increase the employment in the textile industry;
- (b) the steps taken by the Government to increase investment/expansion of textile industry including modernisation of weaving and processing sector;
- (c) whether the textile industry is facing problems due to global slowdown and growth of the sector has declined during the last two years and the current year;
- (d) if so, the details thereof along with the steps being taken by the Government to increase the shares of Indian textile products globally and success achieved by the Government so far;
- (e) the steps taken/proposed to be taken by the Government to remove the shortage of cotton/ yarn in the country and to provide adequate cotton/yarn to the textile industry; and
- (f) the contribution of Indian textile industry in terms of global textile production along with the steps taken by the Government to enhance the production and competitiveness of Indian textile industry?

Answer

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

(a): The contribution of the textile industry in terms of percentage to industrial production and export earnings is constant at 12% during the last three years and current year. Textile industry generated direct employment to over 35 million people.

In order to increase the employment in the textile industry Government has launched various schemes namely Integrated Skill Development Scheme (ISDS) and Scheme for Integrated Textile Parks (SITP).

(b): The role of the Govt. is to ensure conducive policy environment and encourage investment. Government has taken various steps and launched schemes namely Technology Upgradation Fund Scheme (TUFS), SITP, ISDS, etc. in the direction of encouraging and catalyzing investment in textile sector.

For modernization of weaving sector, subsidies (both Interest reimbursement (IR) and Capital subsidy (CS)) have been increased from 5% to 6% and 10% to 15% respectively. Margin money subsidy has been increased from 20% to 30% in RR.TUFS. Integrated Processing Development Scheme (IPDS) with a budget outlay of Rs.500 crores has been approved for modernization of Processing sector.

(c) & (d): Global slowdown has not affected the growth of the textile sector as the quantum of production and export of major textile items showed an upward trend during the last 2 years and current year. The details are given as under:-

Production of textile items				
Items	Unit	2011-12	2012-13	2013-14 (Apr-Oct) (P)
Man made fibre	Mn. Kg.	1234	1263	770
spurn yarn	Mn. Kg.	4372	4868	2601
Man made filament yarn	Mn. Kg.	1463	1371	773
Fabrics (including Khadi, wool & silk)	Mn. Sq. mtr	60453	62583	37406

EXPORT OF MAJOR TEXTILE ITEMS (Chapter Heading 50 to 63)

(Value in Rs Crore) (Qty in Mn. kg)

ITEMS 2011-2012 2012-2013 2013-14 (Apr-Aug)

	Qty	Value	Qty	Value	Qty	Value
Fibre	2669	24948	2795	23047	629	4612
Fibre Waste	83	571	94	674	48	397
Yarn	1619	24902	1984	30156	862	15105
Fabrics	NA	22248	NA	23114	NA	10771
Ready Made Garments	NA	65739	NA	70522	NA	34788
Madeups	NA	18930	NA	21980	NA	10033
Other Textiles	NA	8176	NA	10494	NA	4972
Total	NA	165515	NA	179987	NA	80678

(e): There is no shortage of Cotton/yarn in the country to meet the requirement of domestic textile industry. The Government of India has set up a mechanism namely Cotton Advisory Board (CAB) which advises the Government generally on matters pertaining to Production, Consumption and marketing of Cotton. For the current Cotton Season 2013-14 (Oct-Sept) there is an estimated total availability of cotton at 427 lakh bales against the total estimated demand at 387 lakh bales which is adequate to meet the requirement of textile industry.

In the Handloom sector, Government has been implementing Mill Gate Price Scheme (MGPS) to make available all types of yarn at mill gate price to the eligible handloom agencies. Under the scheme, the Government of India reimburses the transportation expenses involved in the supply of yarn from mill to godown of the user agencies. 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 by the Government of India. There are 788 yarn depots functioning throughout the country. 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 Mill Gate Price Scheme with effect from 6.1.2012. Cotton and domestic silk yarn required for production of handloom items are covered under this component.

(f): Indian textile industry accounts for 12% of the world's production of textile fibres and yarn and is the largest exporter of yarn in the international market with a share of 25% in world cotton yarn exports. In terms of spindleage, the Indian textile industry is ranked second, after China, and accounts for 23% of the world's spindle capacity.

Government has taken various steps and launched scheme like Technology Upgradation Fund Scheme (TUFS), Scheme for Integrated Textile Parks (SITP), Integrated Skill Development Scheme (ISDS), Integrated Processing Development Scheme (IPDS), etc. to encourage and enhance production and competitiveness in textile sector.