

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:456

ANSWERED ON:24.04.2015

SILK INDUSTRY

Kateel Shri Nalin Kumar;Suresh Shri Doddaalahalli Kempegowda

Will the Minister of FINANCE be pleased to state:

- (a) whether the reduction in custom duty has affected the domestic silk industry and the livelihood of silk weavers in the country;
- (b) if so, the details thereof indicating the custom duty imposed on raw silk during the last three years;
- (c) whether the Government proposes to revisit the custom tariff on raw silk so as to protect the domestic silk industry;
- (d) if so, the details thereof and if not, the reasons therefor; and
- (e) the other steps taken/proposed to be taken by the Government to improve financial health of silk industry in the country?

Answer

MINISTER OF FINANCE SHRI ARUN JAITLEY

(a), (b), (c), (d), and (e): A statement is placed on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO THE LOK SABHA STARRED QUESTION NO. 456 RAISED BY SHRI D. K. SURESH AND SHRI NALIN KUMAR KATEEL FOR 24TH APRIL, 2015 REGARDING SILK INDUSTRY [POSITION NO. 16]

Part (a) and (b): In Budget 2011-12, basic customs duty on raw silk was reduced from 30% to 5%, which was subsequently increased to 15% in Budget 2013-14. There has been no change in the basic customs duty on raw silk during the last two years. Basic Customs Duty on raw silk during the last three years has been as under:

Year	2012-13	2013-14	2014-15
Basic Customs Duty rate	5%	15%	15%

Part (c) and (d): A proposal has been received from Ministry of Textiles regarding basic customs duty on raw silk, which is under examination.

Part (e): Government has undertaken various measures for development of silk industry and for improving financial health of silk industry in the country as under:

Increased thrust on R&D for improvements in silk productivity quality.

Broad basing the extension activities.

Thrust for the production of improved substitute Bivoltine (BV).

Implementation of Catalytic Development Programme.

Measures for product development & diversification.

Promoting 'Go Green concept'.

Convergence with other schemes of Government of India such as MNREGA, RKVY etc. to tap resources for the integrated development of sericulture.

Creating required testing (Chemical & ECO) infrastructure facilities.

Accelerate the growth in vanya silk production and explore better value realization in domestic and international markets.

Promotion of 'Indian Silk' as a brand in global market.

Supporting the silk export sector, there are different Government schemes like Advance Authorization Scheme, Duty Drawback Scheme, Export Promotion Capital Goods (EPCG) Scheme, Export Oriented Unit under the Foreign Trade policy.

Reduction of basic customs duty on import of Textile Machinery from 7.5% to 5% and duty exemption to the specific silk machinery such as Automatic Reeling Machine, Automatic Dupion Machine etc.

Setting up automatic reeling units for production of 3A-4A grade raw silk from bivoltine hybrid cocoons.