

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:4784

ANSWERED ON:15.12.2016

Achievements of Textile Sector

Adsul Shri Anandrao ;Patil Shri Shivaji Adhalrao;Raut Shri Vinayak Bhaurao;Shinde Dr. Shrikant Eknath;Shrirang Shri Chandu Barne;Yadav Shri Dharmendra

Will the Minister of TEXTILES be pleased to state:

- (a) whether a report released by the Ministry of Textiles has stated that the Central Value Added Tax (CENVAT) route will prepare the textile and apparel industry for Goods and Services Tax (GST) when it comes into force and if so, the facts of the matter reported therein;
- (b) the percentage of textile sector in total manufacturing, Gross Domestic Product (GDP) and export earnings of the country along with its rank as employment provider in the country;
- (c) whether the Union Government has released reports on achievements made in the textile sector under Make in India initiative and if so, the achievements and contribution of textile sector thereon;
- (d) whether the textiles industry is facing hardships due to demonetization and if so, whether the textile mills have urged the Union Government to provide a one year moratorium of repayment of loans and interests and if so, the response of the Union Government thereto; and
- (e) whether the Government is providing incentives to encourage textile manufacturers and farmers for raw material and if so, the details thereof?

Answer

MINISTER OF TEXTILES
(SMT. SMRITI ZUBIN IRANI)

- (a): Government commissioned a study on 'Implication of GST for Indian Sector'. The report recommends that one of the taxes to be subsumed into GST may be CENVAT.
- (b): Textile sector contributes to 2% of India's GDP. The share of export of textile items in total exports from India in 2015-16 was 15% (in value terms US \$). The textile is the second largest provider of employment after agriculture. 45 million people are directly employed in the textile industry.
- (c): Union Government has released report on achievements made in the textiles sector under Make in India initiative on 24th November, 2016. Some of the major achievements and contribution of textiles sector are at Annexure.
- (d): Government has received representations from the Textile Industry to provide one year moratorium for repayment of loans and interests. To respond to the situation, Government has launched a campaign to promote digital payment in the mission mode.
- (e): In order to increase the production of raw materials in the country, Government is implementing various policy initiatives and schemes. The Cotton Development Programme focuses on cropping system approach under National Food Security Mission (NFSM) in 15 major cotton growing states with an aim to increase production & productivity. Government announces Minimum Support Price (MSP) to protect the interest of cotton and jute farmers to avoid distress sales. The Cotton Corporation of India and the Jute Corporation of India conduct procurement of cotton and jute from farmers respectively whenever prices fall below the MSP. Government implements various schemes to promote production of all the raw materials for textile industry which includes promotion of R&D, technology upgradation, skill upgradation, infrastructure support towards rearing sheds, testing labs, etc. Government is also providing support for the production of raw jute under I-CARE project.