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Title : Problems being faced by the Textile Exporters.

SHRI C. SIVASAMI (TIRUPPUR): Mr. Chairman, Sir, the garment industry of our country, especially the knitting and powerloom units in Tiruppur, Karur and Erode in Tamil Nadu have been hit hard due to various factors like 12-hour daily power cut and cotton price rise and increase in yarn price.

Tiruppur knitting industry that fetches foreign exchange to the tune of about Rs. 10,000 crore per year is now struggling because of cotton and yarn price increase. This alone has resulted in an increase of Rs. 50 per kg. of cotton that can be used to make five T-Shirts. In addition to it, dyeing cost has increased to the tune of Rs. 30 per kilo of cotton. Production of garments faces another increase due to the use of diesel for generator to overcome power cut. This adds about Rs. 6 per kilo. Thus, an increase of Rs. 86 per kilo adds to the problem of the knitting industry. To add insult to the injury, the devaluation of rupee against the dollar and

* English translation of the Speech originally delivered in Tamil.

the euro brings about a loss of Rs. 13 for a T-Shirt worth Rs. 100. All these factors have resulted in causing an additional cost involved in production to the tune of Rs. 30 per T-Shirt. Already this industry which was fetching a reduced profit margin of 10 per cent now meets with a loss of 20 per cent. This has greatly affected the knitting industry. This has also led to the foreign orders getting shifted to China, Pakistan and Bangladesh. I would like to draw the attention of the Government that Tiruppur knitting industry faces a heavy loss and its impact could cause more of economic damage.

In order to help overcome the problem, the Government must impose a permanent ban on the export of cotton and yarn. We must allow only the export of finished products and garments manufactured in our units. In the same pattern like providing uninterrupted power supply to MNC units in our country, our knitting industry too must get continuous power supply at a reduced rate and increased subsidy based on the drawback ratio. This will help our garment industry especially the knitting industry to compete with the Chinese and Pakistani markets. The Government must also carefully watch their marketing strategies and must help our garment industry in a matching fashion. Hence I urge upon the Union Government to constitute a Committee of MPs and assess the ground reality on a war footing.

In the past, when our 'Revolutionary Leader' Puratchi Thalaivi Amma was the Chief Minister of Tamil Nadu, uninterrupted power supply was ensured to the knitting industry giving rise to an increase of foreign exchange earning from Rs. 7,000 crore to Rs. 10,000 crore. Hence I urge upon the Union Government to intervene in this regard and provide uninterrupted power supply to the knitting industry to save them from the present crisis that is staring at them.