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Title: Problems faced by the Garment Industries in the country.

\*SHRI C. SIVASAMI (TIRUPPUR): Madam Chairperson, in the Union

Budget for the year 2011-12 presented to this House by the hon. Finance Minister, a levy of excise duty to the tune of 10 per cent on finished garments under brand name specifically the readymade knitwear goods has been announced. It has been stated that all such finished goods with a label having a trade mark would attract this increased excise duty. I would like to point out that it is a tradition to have a label even for small garment units that come under both under cottage industries and SSI units. All the units that sell their goods with a label are not to be treated as big trading houses. For instance, Schedule 61 refers to under garments like banian, trunks, socks and gloves. I would like to point out that most of the garment units that manufacture these Schedule 61 items in the knitting industry are small units. The proposed levy of 10 per cent excise duty will seriously affect the small industrial units manufacturing banian, trunks, gloves and socks that come under Schedule 61. It may be noted that many of the small units in Tiruppur, Kolkata, Kanpur, Delhi and Ludhiana are mainly dependent on manufacturing these items that come under Schedule 61. At this juncture, I would like to point out that the knitting industry in Tiruppur has been greatly affected by the closure of several dyeing units, rise in cotton price and hike in yarn price. This has resulted in rendering many of the workers jobless. Under these circumstances, the Union

Government is adding to the duty burden on small units also on par with big trading houses with big trade mark labels. As this would greatly affect families of thousands of workers and also majority of poor people who are dependent on these essential under garments, the Central Government must ensure that there is no price rise on these essential goods due to the proposed increase of excise duty.

Hence, I urge upon the Union Government, especially the Finance Minister, to give exemption to small industrial units manufacturing under garments under Schedule 61.