

MR. SPEAKER : You give it to me. Let us hear the expert, Shri Janrathanan.

SHRI KADAMBUR JANARTHANAN : The cotton textile mills are still having the business attitude of using the long staple cotton. They are reluctant to buy extra long staple cotton, the super fine spring variety. The Hon. Minister particularly said that Tamil Nadu has not export anything. The super fine cotton which is produced there is able to spin 120 varieties of cotton, but the Cotton Corporation and the Federation have not been purchasing that variety. May I know from the Hon. Minister whether he would allow free export of the super fine variety which is better than the Egyptian and the Arabian cotton—thus allowing free export of cotton, so that Tamil Nadu and Andhra can export and the growers can be benefited?

PROF. N. G. RANGA : Very good.

SHRI KHURSHID ALAM KHAN : The State Governments may let us know what actually they want and we will consider it.

MR. SPEAKER : Shri Vijay N. Patil.

PROF. MADHU DANDAVATE : If the present Finance Minister does not, a former Finance Minister will say something. Mr. Patel is here.

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) : I may say, within the allocations given, the Textiles Minister is free to allocate to CCI or anybody even nine lakhs including cotton. If he wants anything more, he may let us know.

Export of ready-made garments

*230. **SHRI VIJAY N. PATIL :** Will the Minister of TEXTILES be pleased to state :

(a) whether Government are aware of the growing competition abroad in the field of ready-made garments;

(b) if so, the names of countries competing with Indian exporters of ready-made garments;

(c) whether margin of Indian exporters is under severe pressure due to competition from other countries; and

(d) if so, the steps taken by Government in the matter ?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) to (d). A statement is given below.

Statement

Government is aware that Indian garments are facing competition abroad particularly from Hong Kong, Korea, China and Sri Lanka.

The following steps have been taken to facilitate our exporters face this competition :

(1) Sophisticated garment manufacturing machines not manufactured indigenously are allowed to be imported on OGL. As many as 114 machines for garment manufacture have been placed under OGL, 97 of them enjoying concessional import duty.

(2) CCS rates have been rationalised with effect from 1.7.1986. These rates have been extended upto 31.12.88 for cotton garments and upto 31.3.89 for other garments. Slow moving items under quota which were earlier not eligible for CCS have also now been made eligible. Higher rates of CCS have been announced for exports to non-quota countries and for man-made fibre and silk garments.

(3) Cotton garments have been brought under the Scheme of Contract Registration, with a view to provide an element of certainty to exporters in the matter of CCS.

(4) It has been decided to set up a Fashion Technology Institute in Delhi for education, research and training in the areas of fashion design for garment manufacture.

(5) The duty drawback rates for cotton garments have been increased.

(6) The number of days of pre-shipment credit has been increased from 90 days to 180 days.

(7) Import entitlements and the REP licences have been liberalised vide Appendix 17 of the Import-Export Policy for 1985-88.

(8) Many items of raw material/fabrics are permitted to be imported under the Advance Licensing Scheme under Appendix 19 and duty free REP Scheme under Appendix 21 of the Import Export Policy 1985-88.

(9) The Import-Export Pass Book Scheme for manufacturer-exporters has also been introduced.

(10) Additional assistance is given for new products and new markets.

(11) Under 100 per cent Export Oriented Units and Free Trade Zones Schemes, facilities for liberal import of capital goods and raw materials along with many other concessions are given.

(12) Government has been giving liberal assistance for sponsoring and funding promotional activities such as market studies, Buyer-Seller-Meets, production in international fairs and exhibitions, etc.

SHRI VIJAY N. PATIL : Sir, for fifteen minutes we have talked about export of cotton. We export cotton to the countries who are competing with us in the export of garments. The Hon. Minister has mentioned the names of Hong Kong, Korea, China and Sri Lanka, but Taiwan and Pakistan are also coming up in the competition. In the Multi-Fabric Agreement we are going lower and lower and in the international trading of cloth we are having only 2.5 per cent share. It appears that because of the low quality of our fabrics, the garments are not getting good business in the international market. So, I would like to know what steps does the Minister anticipate to augment exports. Will he allow the garment manufacturers to import good quality fabrics so that this can be exported again, or the mills' standard will be improved just as is being done in Pakistan and other countries for manufacturing good quality fabrics ?

SHRI KHURSHID ALAM KHAN : Sir, actually our exports are increasing from year to year and in 1985, Rs. 1,068 crores worth of garments were exported. As regards the quality, the quality has been appreciated all over the world, particularly in USA and EEC countries where mostly our exports go. But I entirely agree with the Hon. Member that there is still need and room for improvement and we are making all possible efforts, and for this purpose we are also setting up a Fashion Institute so that that Fashion Institute can help in producing better quality of garments.

SHRI VIJAY N. PATIL : Sir, sky is the limit for export of garments and I understand that recently talks were held in Geneva for allotting quota to different countries. The Minister has mentioned that we are having more and more exports. I would like to know from the Hon. Minister what percentage we have got in the agreement this year as compared to the last two or three years.

SHRI KHURSHID ALAM KHAN : Sir, the Multi-Fabric Agreement expired only last night and we do not know what has been the final decision. After that decision is known, then we will enter into agreements with various countries on bilateral basis and we will get the quota.

MR. SPEAKER : Some are monopolising this quota system. Look into that matter also. They made so much of hanky-panky.

SHRI D. P. JADEJA : Sir, the Government is aware of the fact that the major export of garments is to the United States and because of the quota restrictions, most of the exporters from India had shifted to Nepal. Now the restriction of quota has come there also. The result is that in spite of the good quality of garments that India can make and the amount that they can export, because of this quota restriction, the garment industry is not able to go to the full capacity. Now there is a scope and I am sure that the Government is aware that it is the Caribbean Basin where there is no quota system; on the contrary there is an incentive to industries in that area on exports to the United States. So, will the Government take steps to encourage our exporters and our manufac-

turers to base their industries in the Caribbean Basin so that they can make full use of their industry ?

SHRI KHURSHID ALAM KHAN : Sir, in the first instance, I would like to say that we have been utilising our quota to the maximum in the United States and actually we also hope that this year we will achieve 85 per cent utilisation in the EEC countries where it was only 69 per cent in the past.

As regards encouraging the exporters to go outside and settle down there, we would prefer them to produce here and export from our own country.

[Translation]

SHRI DILEEP SINGH BHURIA : Mr. Speaker, Sir, I would like to tell the Hon. Minister that many countries get raw materials from us, manufacture the finished products themselves and export to the other countries. Thus, they have monopolised it and as a result of it, we get low price. What steps he has taken to check it ?

SHRI KHURSHID ALAM KHAN : It is not that any country has imposed restriction on us. There is always a competition in business and trade. A number of countries are in competition with us and we too can compete with them.

[English]

**Distribution and price control of
Viscose Fibre**

***231 SHRI RAM BHAGAT PASWAN :** Will the Minister of TEXTILES be pleased to state :

(a) whether Government proposes to bring Viscose Staple Fibre under price control and take the distribution of Viscose Fibre in its hand; and

(b) if not, the reasons thereof ?

**THE MINISTER OF STATE IN THE
MINISTRY OF TEXTILES (SHRI
KHURSHID ALAM KHAN) :** (a) No, Sir.

(b) The availability of regular viscose staple fibre through indigenous production and imports under OGL is considered adequate to meet the requirements.

[Translation]

SHRI RAM BHAGAT PASWAN : Mr. Speaker, Sir, my question is about bringing the Viscose Fibre under price control and bringing its distribution in Government's hand and not about its availability and requirement. I would like to tell the Hon. Minister that today Viscose Fibre is monopolized by only one capitalist and hence there is no control over its price. Crores of rupees are being earned through its black marketing. Goods worth Rs. 10 are being sold Rs. 30. The Excise Act is also being violated in this regard. Therefore, will the Government take its distribution in its own hands with a view to controlling its price and making proper distribution ?

SHRI KHURSHID ALAM KHAN : As I said earlier, availability of Viscose Fibre in the country through indigenous production is adequate to meet our requirements and hence there is no shortage. The prices in the market have also not risen considerably. This is true that there is only one factory at present which is engaged in the production of Viscose Fibre. The most important thing is that supply should be from more than one sources; some people have applied for licences and we have recommended issue of licences to them. This will result in increase in the sources of supply to more than one and will help in breaking the present monopoly.

SHRI RAM BHAGAT PASWAN : I have a glaring example in mind. There are a number of small industries based on Viscose Fibre and thousands of people are engaged in it. Today they cannot afford to buy Viscose in black-market and as a result of it, many small industries have closed down. I would like to know from the Hon Minister whether he has taken any steps to re-open those industries ?

SHRI KHURSHID ALAM KHAN : Now, it is difficult for me to sit on a spinning wheel, but I must say that we have made arrangement to supply duty-free Viscose to