

**GOVERNMENT OF INDIA  
TEXTILES  
LOK SABHA**

UNSTARRED QUESTION NO:3830  
ANSWERED ON:16.05.2006  
HANDLOOM EXPORT ORGANISATION  
Sugavanam Shri E.G.

**Will the Minister of TEXTILES be pleased to state:**

- (a) whether the Government has set up/proposes to set up Handloom Export Organisation (HEO);
- (b) if so, the main functions thereof; and
- (c) the steps taken by the Government to boost the handloom exports in the country?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGO VAN)

(a) : No, Sir.

(b) : does not arise.

(c) : The following steps have been taken to boost the handloom exports in the country:

(i) There is a Handloom Export Scheme in the Office of the Development Commissioner for Handlooms, Ministry of Textiles, Government of India under which financial assistance is provided to the handloom cooperative societies/corporations/private exporters through Handloom Export Promotion Council for development of exportable products and their international publicity & marketing through participation in international fairs, exhibitions, Buyer Seller Meets;

(ii) In the Foreign Trade Policy (2004-09), the handloom sector has been identified as a "Thrust Sector". In the Annual Supplement to the Foreign Trade Policy announced on 7th April 2006, in addition to various export promotion schemes meant for boosting the exports of all products including handloom products, the Government has also launched "Focus Product Scheme" under which exports of notified handloom products bearing handloom mark shall be entitled for Duty Credit Scrip equivalent to 1.25% of the total FOB value of exports for each licensing year commencing from 1st April, 2006.

(iii) Further, in the Annual Supplement to the Foreign Trade Policy (2004-09) announced on 7th April, 2006, the Government has also identified certain "Special Focus Initiatives" for the handloom sector like specific funds would be earmarked under Market Development Assistance (MDA) and Market Access Initiative (MAI) for promotion of handloom exports; duty free import entitlement of specified trimmings and embellishments shall be 5% of FOB value of exports during the previous financial year; duty free import entitlement of hand knotted carpet samples shall be 1% of FOB value of exports during the previous financial year; duty free import of old pieces of hand knotted carpets on consignment basis for re-export after repair shall be permitted; new towns of export excellence with a threshold limit of Rs. 250 crore shall be notified and handloom mark shall be developed to enable the handloom products to develop a niche market with a distinct identity.