

**GOVERNMENT OF INDIA  
TEXTILES  
LOK SABHA**

UNSTARRED QUESTION NO:157  
ANSWERED ON:25.07.2006  
POTENTIAL OF HANDLOOM SECTOR  
Rao Shri Kavuru Samba Siva

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

- (a) the hindrance being faced by the handloom sector in view of globalization and modernization;
- (b) the amount of loan drawn by handloom weavers/societies during the last three years, year-wise;
- (c) the export potential of handloom products and its utilization;
- (d) whether the Government proposes to set up separate fund to bring debt relief to weavers and upgrade their skilled craftsmanship to sustain gainful employment by marketing their products for exports; and
- (e) if so, the details thereof?

**Answer**

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

- (a) The arrival of modernization and liberalization has made serious inroads in the handloom sector. Competition from the machine (powerloom), changing consumer preferences and the pursuit of the demanding means of livelihood has threatened the vibrancy of the handloom industry. Handloom is facing stiff competition from cheap powerloom products due to 'economy of scales'. Traditional handloom products are in danger of becoming obsolete and weaving skills face decline. Today, Handloom sector has been suffering from several handicaps such as low level investment, low level of technology, low level of competitiveness, problem of working capital and so on. In post-MFA phase of textile trade, handlooms have lost a comparative advantage which it enjoyed in the MFA period, vis-à-vis other segments of textiles in the form of quota free market access. Therefore, Indian handlooms face a tougher competition in the export market today. The competition thus evolved is on the one side from the mechanized sectors of domestic industries and on the other side, from the competing countries due to the dismantling of quotas and the end of the MFA regime.
- (b) The information is being collected from the State Governments.
- (c) As per handloom export data available upto 2002-03, export earnings have increased from Rs.2064.94 crore in 2001-02 to Rs.2633.27 crore in 2002-03 registering a growth of 27.52%. Export data from 2003-04 onwards is not available in the absence of separate ITC (HS) codes for handloom products. In view of the growth trends during the above period and globalization of economy, the growth of handloom exports is expected to continue the increasing trend.
- (d)&(e) There is no proposal to set up separate fund to bring debt relief to weavers. However, under the Handloom Export Scheme the Office of the Development Commissioner for Handlooms has been providing financial assistance for skill up-gradation of weavers for development exportable range of handloom products. Under the scheme, the financial assistance is also made available for marketing of the products by way of participation in International Fairs and Exhibitions.