

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:3477

ANSWERED ON:20.08.2004

PRODUCTION OF TEXTILES

Reddy Shri Karunakara G.

Will the Minister of TEXTILES be pleased to state:

- (a) the details of the textiles production in the country during the last three years;
- (b) the textiles export to different countries during the last three years;
- (c) the percentage and position of India in the field of exports in the international market;
- (d) whether the Government propose to increase textiles exports in 2003-04 and 2004-05;
- (e) if so, details thereof; and
- (f) if not, the reasons therefor?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF TEXTILES (SHRI SHANKERSINH VAGHELA)

(a) The details of textiles production in the country during the last three years are as under: Yarn in million kgs./Cloth in million mtrs./Jute Goods in `000 M Tons

Items	2001-02	2002-03	2003-04 (P)
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(A) Yarn (Total)	4064	4181	4165
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a) Cotton Yarn	2212	2177	2117
b) Blended & 100% Non-cotton yarn (in spun form)	889	904	930
c) Man-made filament yarn (including synthetic yarn)	963	1100	1118

(B) Cloth (Total)	41390	41311	41547
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a) Mill (including non-SSI weaving units)	1546	1496	1425
b) Power looms (including hosiery)	32259	33835	34586
c) Handlooms	7585	5980	5536

(C) Jute Goods	1600.8	1621.8	1571.3
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(b) The textile exports to top 10 countries during the last three years i.e. 2001-02, 2002-03 and 2003-04 (April-October) are as under:

(Value Mn. Us \$)

Sl. No.	COUNTRY	2001-2002	2002-2003	2003-2004 (April-Oct)
1	USA	2374.34	2908.34	1588.41
2	UAE	691.04	804.95	535.65
3	U K	743.55	833.14	473.86
4	FRG	622.02	745.46	429.09
5	FRANCE	460.65	519.72	275.96
6	ITALY	398.63	429.61	252.92
7	CANADA	308.77	369.05	188.69
8	SAUDI ARABIA	201.92	250.26	177.25
9	SPAIN	209.46	277.34	165.12
10	RUSSIA	371.67	285.41	150.60
11	OTHER COUNTRIES			4006.54 4464.86 2617.73
	TOTAL	10388.59	11888.14	6855.30

(c) The percentage contribution and position of India in the field of export in the International market are 3.13% and 7th respectively.

(d) to (f) Taking note of the new challenges and opportunities presented by the changing global environment including an integration of the world textile and clothing markets by end of 2004, the Government of India have announced a National Textile Policy in November 2000 to develop a strong and vibrant textile industry capable of producing cloth of good quality at acceptable prices as well as of competing with confidence with other textile producing countries for an increasing share of global market. Some of the major initiatives undertaken for implementation of the Policy include,

i) In the Union Budget 2004-05;

Except for mandatory excise duty on polyester filament yarn including texturised yarn, synthetic and artificial fibres and synthetic and artificial filament yarns, the whole

value addition chain has been given excise exemption option. # Additional Excise Duty on Textiles & Textile Articles (AT&T) and Additional Excise Duty (Goods of Special Importance) Act have been abolished.

Basic customs duty on various textile machinery and spare parts has been reduced to 5%.

ii) Launching of the Technology Upgradation Fund Scheme (TUFS) to facilitate the modernisation and upgradation of the sector;

iii) For accelerating modernization of the powerlooms segment of the textile industry, 20 % Capital assistance is available on investment in TUFS compatible specified machinery subject to a ceiling of Rs. 12 lakh on amount of assistance;

iv) Announcement of a package for restructuring of debt portfolios of potentially viable textile units having debt exposure of Rs 2 crore and above;

v) De-reservation of the woven segment of readymade garment from the SSI sector. The SSI investment limit for knitted / hosiery segment increased from Rs.1 crore to Rs. 5 crore;

vi) A centrally sponsored scheme titled `Apparel Park for Export Scheme` launched for imparting focused thrust for setting up of apparel manufacturing units of international standards at potential growth centres and to give fillip to exports;

vii) For upgrading infrastructure facilities at important textile centers, a scheme `Textile Centre Infrastructure Development Scheme` (TCIDS) has also been launched;

viii) Cotton Technology Mission launched to improve the productivity and quality of cotton;

ix) Imposition of a combination of ad-valorem and specific duty on `whichever is higher basis` on import of a number of textile items to safeguard the interest of domestic industry;

x) The facility of accelerated depreciation at the rate of 50% extended to weaving, processing and garment machinery, which are covered under TUFS. Cost of machinery has also been reduced through reduction in customs duty and abolition of excise duty on certain specified machinery items;

- xi) For boosting exports of textile and clothing Government provides financial assistance to Textile Export Promotion Councils under Marketing Development Assistance (MDA) Scheme;
- xii) Close monitoring of imports on regular basis so as to ensure that imports do not cause any serious detriment or injury to the domestic industry. In case any unfair trade practices come to the notice, action, if necessary, under WTO provisions are taken;
- xiii) National Institute for Fashion Technology (NIFT), its six branches and Apparel Training & Design Centres (ATDCs) are running various courses/programmes to meet skilled manpower requirements of textile industry especially apparel in the field of design, merchandising and marketing;
- xiv) Facilities by way of eco-testing laboratories have been created to enable exporters to get the garments/textiles pre-tested for conforming to the requirements of importing countries;
- xv) 100% Foreign Direct Investment permitted through automatic route in the textile sector with certain exceptions; and
- xvi) Refund of taxes and duties on exports through drawback route.