

Sixteenth Loksabha

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Title: Regarding problems faced by textile industry in the country.

SHRIMATI V. SATHYABAMA (TIRUPPUR): Indian textile industry is the second largest employment provider providing jobs to over 110 million people and has potential to create new jobs for another 25 million people by 2025 if the right policies are put in place.

Various schemes like extension of TUF Scheme for 13th Five Year Plan with a budget allocation of Rs. 17,822 crore, Rs 6,006 crore special package to boost garment exports and Scheme for Capacity Building (SAMARTH) with an allocation of Rs. 300 crore have been hailed by the industry.

The textile industry is currently facing severe financial crisis due to the huge backlog in the release of Technology Upgradation Fund Scheme subsidy amounting to around Rs.8,000 crore (committed liabilities under various TUF Schemes and A-TUF Scheme).

In addition, 40% hank yarn obligation imposed on the spinning mills that cater to the needs of the power loom sector is causing hardship and posing heavy financial burden. The Textile Commissioner had already recommended to the Hon'ble Union Textile Minister to reduce the hank yarn obligation from 40% to 10% taking into account of the substantial increase in the spinning capacity and steep fall in the handloom capacity. 40% hank yarn obligation was fixed during 2003.

I, therefore, urge the Government to address the issues of the textile sector at the earliest by facilitating the immediate release of huge backlog subsidy amount of Rs.8,000 crore under the Technology Upgradation Fund Scheme and to reduce the hank yarn obligation from 40% to 10%.