

[15 December, 1999]

RAJYA SABHA

company for capital investment in carpet manufacturing industry in the country;

(b) if so, the name of the company and the total capital investment proposal for carpet industry by that company; and

(c) the reasons for giving approval to a multinational company to enter in the small scale and domestic industry of carpet manufacturing by Government?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI GINGEE N. RAMACHANDRAN): (a) to (c) As per available information, after the General Elections, 99 and subsequent to formation of the new Government, one approval has been granted on 5.11.99 by the Government under Export Oriented Unit scheme to M/s. Wilton Weavers Pvt. Ltd., Disstt. Alappuzha, Kerala for manufacture of carpets with foreign equity participation of 66.67% amounting to Rs. 244.00 lakhs in the paid up capital of Rs. 366 lakhs of the Company. The foreign partner is M/s. BIC Carpets, Belgium. The project is aimed at promoting exports

**Import of Textiles from European Countries**

1523 SHRI SITARAM KESRI:

SHRI RAMACHANDRAIAH

RUMANDLA:

Will the Minister of TEXTILES be please to state:

(a) Whether it is a fact that an agreement has since been arrived at with the European Commission with regard to the import of textiles from countries of European Union;

(b) if so, the details thereof;

(c) how far the agreement would be beneficial to India; and

(d) the implications on the domestic textile industry and its capability to pre import competition, following the Indo-EU textile agreement?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI GINGEE N. RAMACHANDRAN): (a) to (d) No new Agreement has been signed with European Union as regards textiles. However, a Memorandum of Understanding called Indo-EU MOU was signed as early as 31.12.1994, which governs market access for textiles and clothing products. Some of the salient points of the MOU are:

- (i) All restrictions on our exports of handloom and cottage industry products have been removed.
- (ii) Over and above the existing flexibilities, provision for exceptional flexibilities of 7,000 tonnes per year for the period 1995 to 1997 and 8,000 tonnes per year for the period 1998 to 2004 has been provided
- (iii) It gives India right to discourage import of low priced poor quality textile items from abroad by way of putting a specific duty as an alternative to the ad-valorem duty.
- (iv) India agreed to open up its market for textile products, in a phased manner in keeping with its policy of making available raw material at internationally competitive prices as also globalisation of the economy.

The agreement while providing access to Indian markets also enables greater market accessibility of Indian textile products in the EU markets. For the purpose of minimising the threat of import and maximising the benefit of greater market access, it is necessary for improving the competitive edge of the Indian textile industry. For this purpose, schemes like Technology Upgradation Funds Scheme (TUFS) have been initiated to technologically strengthen the Indian textile industry.