

1	2	3
4	Export Promotion Studies	1.00
5	Cotton Technology Mission (CSS)	60.00
6	Scheme for Integrated Textile Parks (SITP)	397.00
7	Technology Upgradation Fund Scheme (TUFS)	3140.00
8	Sardar Vallabhbhai Patel Institute of Textile Management Coimbatore (SVITMC)	5.25
9	Setting up of Fashion Hub \$	1.00
10	Common Compliance Code\$	0.01
11	Technical Textiles including Jute	18.00
12	Textile Engineering including Jute\$	0.00
13	Foreign Investment Promotion Scheme (FDI) \$	0.01
14	Brand Promotion Scheme \$	6.48
15	Textipolis \$	1.00
16	Human Resource Development \$	8.00
Total (Industry & Minerals)		3750.00
Total Textiles		4500.00

\$ New Schemes

Challenges faced by textile industry

2102. DR. K. MALAISAMY: Will the Minister of TEXTILES be pleased to state:

(a) what are the major challenges faced by the Textile Industries and the measures taken or being taken to tide over such bottlenecks;

(b) how many textile industries in India are earning profit, incurring loss and how many are becoming sick and the measures taken to revive them from loss/sickness;

(c) what is the uniqueness of Indian Textile Industries and their weak areas and grey areas; and

(d) will the Government assist them in widening their product mix, explore new market and to go for diversification?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRIMATI PANABAKA LAKSHMI):
(a) Major challenges faced by the textile industry, as eleven enumerated by the Working Group of the Eleventh Five year plan, are as under:-

- structural weaknesses in weaving and processing
- high fragmented and technology backward textile processing sector
- highly fragmented garment industry

- except spinning, all other segments are predominantly in decentralized sector.
- Rigid labour laws.
- Inadequate capacity of the domestic textile machinery manufacturing sector.
- Big demand and supply gap in the training facilities in textile sector.
- Infrastructural bottlenecks in terms of power utility, road transport etc.

The steps taken by the Government are given in the Statement-I (See below).

(b) The Government does not maintain data relating to textile industries earning profit, incurring loss and becoming sick. Government seeks to foster a policy regime, which facilitates growth and development of Indian industry. It has taken a number of steps to revive sick industrial units which, *inter-alia*, include, guidelines of the Reserve Bank of India (RBI) to banks, amalgamation of sick units with healthy units, setting up of Board for Industrial and Financial Reconstruction (BIFR) under the Sick Industrial Companies (Social Provisions) Act, etc. For restructuring of high cost debts of textiles units, in the organized sector, Ministry of Finance, Banking Division, in September 2003 introduced a Debt Restructuring Package to help textiles units overcome their unsustainable debt burden. A list of Government and private sick mills, State-wise is given in the Statement-II (See below).

(c) The strength of the Indian textile industry lies in its strong and diverse raw material base. It has vertical and horizontal integrated textile value chain and strong presence in entire textile value chain from raw material to finished goods. It also has globally competitive spinning industry with low wages, flexible production system and diverse design base. It has a unique strength in traditional handlooms and handicrafts.

(d) The Government provides assistance under Market Development Assistance (MDA) and Market Access Initiative (MAI) Scheme explore new markets and to go for diversification.

Statement-I

Steps taken by the Government to tide over the bottlenecks

The Government has introduced two stimulus packages of relief measures on 7th December, 2008 and 2nd January, 2009 in the wake of the global economic slowdown, to provide relief to the domestic industry in general, some sectors of which, particularly the textiles and clothing sector, have been very badly affected due to the economic slowdown. These measures, *inter alia*, include:-

- i) Additional allocation of Rs.1400 crore to clear the entire backlog of Technology Upgradation Fund Scheme (TUFS).
- ii) All items of handicrafts to be included under 'Vishesh Krishi & Gram Udyog Yojana (VK&GUY)'.
- iii) Across-the-board cut of 4% in the ad-valorem Cenvat rate till 31.3.2009.

- iv) interest subvention of 2% upto 31.3.2009 subject to a minimum of 7% per annum on pre and post-shipment export credit (since extended to 30.9.09 in the Union Budget 2009-10)
- v) Provision of additional funds for full refund of Terminal Excise Duty/Central Sales tax.
- vi) Enhanced back-up guarantee to ECCC to cover for exports to difficult markets/products.
- vii) Refund of Service Tax on foreign agent commissions of upto 10% of FOB value of exports as well as refund of service tax on output service while availing benefits under Duty Drawback Scheme.
- viii) Credit targets of Public Sector Banks revised upward to reflect the needs of the economy.
- ix) State Level Bankers Committee would hold meetings for resolution of Credit issues of MSMEs.
- x) Guarantee cover under Credit Guarantee Scheme doubled to Rs. 1 crore with cover of 50%.
- xi) DEPB rates restored to pre-November, 2008 levels and extended till 31.12.2009.
- xii) Duty Drawback on knitted fabrics enhanced retrospectively from 1.9.2008.

The above measures are in addition to the following relief measures that had been introduced earlier to overcome the crisis facing the manufacturing industry in general:-

- i) Income Tax benefit to 100% EOUs under Section 10B of I.T. Act, extended by Government for one more year, beyond 31.3.2009.
- ii) Customs duty payable under EPCC scheme reduced from 5% to 3%.
- iii) Average export obligation under EPCG for Premier Trading Houses shall, as an option, be calculated based on the average of last 5 years export, instead of the present 3 years.
- iv) Exports made towards fulfilment of export obligation under EPCG Scheme shall be eligible for incentives rewards under promotional schemes.
- v) In case of textile and granite sector EOUs, payment of only excise duty on DTA sale, in case the use of duty paid imported inputs is up to 3% of the FOB value of exports.
- vi) Enhanced duty credit scrip of 2.5% (instead of the normal 1.25% under FPS) would be allowed for export of High value added manufactured products.
- vii) Inclusion of 10 more countries within the ambit of Focus Market Scheme.
- viii) Measures to reduce transaction cost to the exporters and procedural simplification have also been incorporated.

In addition, the following benefits have also been specifically extended to the Textiles & Clothing sector:-

- (i) The Focus Market Scheme (FMS) was launched in April, 2006 as part of the Foreign Trade Policy 2004-09 (FTP-2004-09) under which 83 foreign markets were notified as focus markets. Exports of all textiles products to these markets are eligible for duty credit scrip at 2.5% of FOB value of exports. Similarly, the Focus Product Scheme (FPS) was launched in April, 2006 as part of the FTP-2004-09 in terms of which silk yarn is being given incentive at 1.25% of exports since 1.4.2008. Hand-made carpets and other textiles floor coverings have also been included under this scheme with incentive of 5% on exports since 23.2.2009. The Market Linked Focus Product Scheme was introduced on 1.4.2008 and exports of garments to Australia, Japan and Brazil are given incentive of 2.5% on exports w.e.f. 1.1.2009. In addition, Garments exported to EU-2 and USA is eligible for incentive of 2% of exports on FOB value from 1.4.2009 to 30.9.2009.
- (ii) Other incentives provided by the Government for exports of textiles, during the period in question. includes 71 items of handicraft under the Vishesh Krishi and Gramin Udyog Yojana (VKGUY) Scheme, which is a scheme designed for export promotion of agro, marine, forestry and rural origin products. Exports of raw cotton have also been provided incentives under the VKGUY Scheme for the period 1.4.2008 to 30.6.2009.

Statement-II

Number of Government and private sick mills, State-wise

Sl. No.	State	Private mills	NTC mills
1	2	3	4
1	Andhra Pradesh	53	6
2	Assam	5	1
3	Bihar	2	2
4	Chandigarh	1	-
5	Dadra Nagar Haveli	5	-
6	Daman & Diu	1	-
7	Delhi	46	-
8	Goa	1	-
9	Gujarat	122	11
10	Haryana	26	-
11	Himachal Pradesh	1	-
12	Jharkhand	1	-
13	Karnataka	43	4

1	2	3	4
14	Kerala	14	5
15	Madhya Pradesh	31	6
16	Maharashtra	167	35
17	Orissa	6	1
18	Pondicherry	1	1
19	Punjab	38	4
20	Rajasthan	45	4
21	Tamil Nadu	176	13
22	Uttar Pradesh	40	11
23	Uttaranchal	5	-
24	West Bengal	38	12
25	Chhattisgarh	-	1
TOTAL :		868	117

Pitiable working condition of workers of garment industry

2103. SHRI AMIR ALAM KHAN: Will the Minister of TEXTILES be pleased to state:

- (a) whether Government is aware of the pitiable working conditions and low wages of the employees of the garment industries of the country;
- (b) if so, the details thereof; and
- (c) the steps being taken by Government to improve the working conditions and wages of employees of this industry for the future?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRIMATI PANABAKA LAKSHMI):
(a) to (c) The Government has not received any reports regarding pitiable working conditions and low wages of the employees of the garment industry of the country. The working condition and wages of persons employed in industry, including the garment industry, are regulated under various Acts viz. Factories Act, Minimum Wages Act, Payment of Wages, etc. which are enforced by the Central and State Government.

E-shopping of handicrafts

2104. SHRIMATI. T. RATNA BAI: Will the Minister of TEXTILES be pleased to state:

- (a) whether there is a proposal of e-shopping of handicrafts;
- (b) if so, the details thereof, State-wise, especially in Andhra Pradesh; and
- (c) by when it will be implemented with sufficient facilities in Andhra Pradesh?