



Availability of Cotton for Textile Industry

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Government reviews the cotton availability position from time to time. Adequate availability of cotton is ensured through domestic production and textile mills are able to source their requirement of cotton from the domestic market. In this regard, Government of India had directed Cotton Corporation of India Ltd. to sell its stock of cotton (cotton season 2015-16), purchased under MSP, to Spinning Mills in the Micro Small Medium Enterprise (MSME) category to contain fluctuation in cotton prices.

There is no shortage of cotton/yarn in the country.

The details of policy initiatives/schemes/incentives/subsidies/working capital/interest subvention that are being provided to the domestic manufacturers/exporters are as under:

- i) The Government has been implementing various policy initiatives and schemes like Technology Upgradation Fund Scheme (TUFS), Schemes for the development of the Power-loom Sector, Schemes for Technical Textiles, Scheme for Integrated Textile Parks (SITP) and Scheme for Integrated Textile Processing Development (IPDS) to enable the textile industry, including the small industries, to upgrade and make them competitive.
- ii) The Government has also launched a Rs. 6000 crore Scheme for Production and Employment Linked Support for Garmenting Units (SPELSGU) under ATUFS to incentivize production and employment generation in the garmenting Sector. These initiatives and schemes will help in the development of the downstream value added segments which in turn will create increased demand for yarn and thereby lead to increased production of yarn.
- iii) Government has introduced special packages for apparel and made-ups sector in June, 2016 and December, 2016 respectively which include schemes like Amended Technology Upgradation Fund Scheme (ATUFS), Pradhan Mantri Paridhan Rojgar Protsahan Yojna (PMPRPY) and Scheme of Rebate of State Levies (RoSL) on export of garments. Besides, with a view to modernize textile industry, increase production and global competitiveness schemes such as Schemes for Technical textiles, Scheme for Integrated Textile Parks (SITP) and Integrated Skill Development Scheme are also being run by the Government.
- iv) MEIS Scheme under new Foreign Trade Policy 2015-20
- v) Restoring Interest rate subvention for pre and post shipment credit for the textile sector
- vi) Expanding the scope of Merchandise Export from India Scheme (MEIS) since 29.10.2015 to 110 new tariff lines and increasing rates or country coverage or both for 2,228 existing tariff lines.
- vii) Increased Duty Drawback rates for some textile articles
- viii) Market Access Initiative (MAI) and Market Development Assistance (MDA) Scheme
- ix) Duty Free import of trimmings, embellishments and other specified items under Export Performance Certificate Entitlement Scheme

The above information was given by the Minister of State, Textiles, Shri Ajay Tamta today, in a written reply to a Lok Sabha question.

GG/DJM

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