

LOK SABHA
UNSTARRED QUESTION NO. 3366
TO BE ANSWERED ON 23.03.2022

INCENTIVE TO DOMESTIC MANUFACTURES

3366. SHRI A. GANESHAMURTHI:
SHRI PARTHIBAN S.R.:

Will the Minister of TEXTILES वस्त्र मंत्री
be pleased to state :

- (a) whether high cotton prices this season has become a subject of concern to the domestic textile industry as the units are facing not only spike in raw material prices but also shortage in availability;
- (b) if so, the details thereof;
- (c) whether the industry has made representation that Indian cotton prices are higher than the international prices, thereby affecting the competitiveness of the industry and requested the Government to immediately remove the import duty on cotton;
- (d) if so, the details thereof and the present status thereof;
- (e) whether the Government is planning to provide any incentives to domestic manufacturers including export incentives; and
- (f) if so, the details thereof and if not, the reasons therefor?

उत्तर
ANSWER
वस्त्र राज्य मंत्री (श्रीमती दर्शना जरदोश)
THE MINISTER OF STATE FOR TEXTILES
(SMT. DARSHANA JARDOSH)

(a) & (b): India is a cotton surplus country wherein production is more than consumption. The current cotton season 2021-22 commenced on 1st October 2021 with an estimated carry over stock of 73.20 lakh bales & the estimated production is 362.18 lakh bales. The estimated consumption is 338 lakh bales. Thus, there is sufficient availability of cotton in the country. However, Ministry is constantly engaged with various stakeholders across the entire cotton value chain in respect of the prices of cotton and cotton yarn to harmonize their interest. Prices are affected by market forces of demand and supply. In addition, cotton being an internationally traded commodity, its price is also affected by the price in the international market.

(c) & (d): During current cotton season 2021-22, average domestic prices have been closer to the international cotton prices. Representations have been received from the industry over high prices of Indian cotton, requesting removal of import duty on cotton. Ministry has taken up the matter with Department of Revenue, Ministry of Finance.

(e) & (f): In order to make textile products cost competitive and adopting the principle of zero rated export, the Government has approved continuation of Rebate of State and Central Taxes and Levis (RoSCTL) on exports of Apparel/Garments and Made –ups till 31st March 2024. The other textiles products which are not covered under the RoSCTL shall be eligible to avail the benefits, if any, under RoDTEP along with other products. The Government has further approved the Production Linked Incentive (PLI) scheme for Textiles, with an approved outlay of Rs.10,683 crore, to promote production of MMF Apparel, MMF Fabrics and Products of Technical Textiles in the country to enable Textile sector to achieve size and scale and to become competitive.
