

LOK SABHA
UNSTARRED QUESTION NO. 654
TO BE ANSWERED ON 20.07.2022

YARN PRICES

654. SHRI T.R. BAALU:

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

- (a) whether the viability of the textile industry is under serious threat due to the recent exorbitant hike in GST and import duty on cotton and yarns;
- (b) if so, the details including the reasons for such a steep increase in GST etc. on yarns;
- (c) whether the already besieged textile industry fighting for survival in the aftermath of Covid-19 pandemic, has called for a shutdown in important textile centres like Tiruppur; and
- (d) if so, whether the Government will intervene immediately and ensure remedial measures as requested by the textile industry to revive the exports and save the livelihood of lakhs of weavers?

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

(a) & (b): GST rates are notified on the recommendation of the GST Council, which consists of Union Finance Minister and Ministers as nominated by State Governments. The GST Council in its 46th meeting has recommended to defer the decision to change the rates in textiles recommended in the 45th GST Council meeting. Therefore, there is no change/ increase in GST rate on cotton and yarns. As regards import duty, in view of rising cotton prices and to ensure adequate domestic availability of raw cotton, the Government has exempted 10% import duty (5% Basic Custom Duty & 5% Agriculture Infrastructure And Development Cess) on raw cotton till 31.10.2022. Furthermore, there has not been any increase in the import duty on yarns.

(c) & (d): There is no shut down reported after Covid-19 pandemic from the important textile centres like Tiruppur. The continuous price increase in raw-cotton had led to increase in cotton yarn price from September 2021 to March 2022 which affected downstream industry. The cotton prices have softened and in turn cotton yarn prices have also declined during last three months. After Covid-19 pandemic the textile industry has bounced back to normal in 2021-22.
