

आनन्द शर्मा, सांसद
ANAND SHARMA, M.P.



वाणिज्य एवं उद्योग तथा वस्त्र मंत्री
भारत
MINISTER OF COMMERCE, INDUSTRY & TEXTILES
INDIA

D.O. No. H-11016/5/2011-Silk

April 24, 2012

Shri Rajeev Chandrasekhar

May I refer to the matter raised by you in the Rajya Sabha during Zero hours on 19th December, 2011 regarding reversion of customs duty on raw silk to protect farmers involved in sericulture, in Karnataka.

I would like to inform you that we have been equally concerned by the fluctuations of prices of raw silk and its impact on the sericulture farmers. In order to safeguard the interest of domestic sericulture farmers and silk reelers and to strike a balance between the interest of weavers & other stake holders, I had made a recommendation to the Finance Minister in August, 2011 for revision of the customs duty of 15% on raw silk from the prevailing 5%. However, the FM in his D.O. reply dated 21st October, 2011 had intimated that the import volumes of raw silk (not thrown) indicated that there was no need for intervention at that stage. So far as fears of large scale dumping of silk from China is concerned, they should be set at rest with this information.

The Ministry of Finance is closely monitoring the situation of imports and prices. The price situation of cocoons has improved lately in various cocoon markets.

I will take up the issue with FM again if the need arises so as to strive for a harmonious balance between the varied interest of all the stakeholders of the silk and sericulture value chain.

With best regards,

Yours sincerely,

ANAND SHARMA

Shri Rajeev Chandrasekhar
Member of Parliament (Rajya Sabha)
211, North Avenue,
New Delhi-110001.

Demand to protect the sericulture farmers of Karnataka and rest of the country by reversing the reduced Import duty on silk

Sir,

My home State of Karnataka accounts for 50% of the country's total raw mulberry silk. About 8.15 lakh farmers in the State are dependent on sericulture, producing 8000 metric tonnes of raw silk and 5500 metric tonnes of cocoons every year. This is a major agro-based activity providing gainful employment to poor families with a very short gestation period, but having the potential to generate adequate returns from a very small piece of land.

However, the once thriving silk industry in Karnataka and other parts of the country is in the throes of the biggest crisis in recent years as prices of raw silk have been falling consistently. The situation has worsened after the Union Government, in its Budget proposals for 2011-12, reduced the import duty on raw Silk from 30% to a meager 5%, without consulting any of the silk-producing States.

The livelihood of lakhs of handloom and power loom weavers across the country, many of whom are daily wagers, has been adversely affected due to this decision. This reduction in import duty has also prompted China to resort to large-scale dumping of Chinese silk into our country – which will virtually kill our sericulture sector and have a detrimental effect on the small and marginal sericulture farmers.

Therefore, as a part of its Budget exercise for the next fiscal, I urge the Government to protect the sericulture farmers of the country by immediately reversing the import duty on raw silk to the earlier 30% or higher. The Government should also announce a minimum support price for silk and cocoons.

Thank you,