

**GOVERNMENT OF INDIA  
TEXTILES  
LOK SABHA**

UNSTARRED QUESTION NO:962  
ANSWERED ON:23.11.2001  
DECLINE IN TEXTILES EXPORT  
NAWAL KISHORE RAI;SADASHIVRAO DADOBA MANDLIK

**Will the Minister of TEXTILES be pleased to state:**

- (a) whether the export of the textile goods from April to August during the current year has been less as compared to the corresponding period of the previous year;
- (b) if so, the quantum of export made by the textile industry during the aforesaid period alongwith value thereof;
- (c) whether the Government have ascertained the reasons for decline in exports; and
- (d) if so, the details thereof and the steps taken by the Government to overcome those causes ?

**Answer**

MINISTER OF STATE FOR TEXTILES (SHRI V. DHANANJAY KUMAR)

(a) & (b) During the period April-August 2001, textile exports amounted to US \$ 4353.8 million as against the exports of US\$ 5263.5 million during the same period of 2000, recording a negative growth of 17.3%.

(c)&(d) The recent declining trend in the textile exports is mainly due to slowdown in the economies of some of our major important trading partners like US and increased competition from our neighbouring countries like China, Bangladesh etc.

In order to mitigate the adverse effects of the prevailing conditions, Government have taken a number of measures, which include:-

- (1) Large additional quantities have been opened for most of the categories under the FCFS/RGE systems of the Quota Policies with a view to providing quotas to the garment and textile exporters on a continuous basis.
- (2) In order to reduce transaction costs and time of the exporters, EMD/BG amounts have reduced for certain categories and the date for utilising quotas have been extended. Further, the L/C condition under the FCFS system has also been waived for all such categories which have quantities left over for the rest of the year.
- (3) DEPB rates for certain textile products have been rationalised.

Besides, a `Textile Package` was announced in the Budget 2001-02 to strengthen domestic textile industry for meeting the growing global competition. Some of the important provisions of the `Textile Package` are:-

- i) Excise duty structure on textile items has been generally rationalised to achieve growth and maximum value addition.
- ii) Custom duty has been reduced from 15% to 5% on 159 specified textiles and garment machineries. In addition, 12 important items of machineries including shuttleless looms have also been exempted from countervailing duty. A programme has been announced to induct 50,000 shuttleless looms and to modernise 2.5 lakh powerlooms in the decentralised sector by 2004.
- iii) Assistance under Technology Upgradation Fund Scheme (TUFS) providing for a reimbursement of 5% out of interest is available to textile industry for modernisation and upgradation. In addition, rate of depreciation allowance for machinery under TUFS has been raised to 50%.
- iv) A provision of Rs.10 crores has been earmarked in the Budget 2001-02 for establishment of Apparel Parks for export of garments. Besides a provision of Rs.15 crores has been made for the Scheme for improvement of critical infrastructure facilities at major textile production centres.