

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:5133
ANSWERED ON:26.04.2002
EXPORT OF COTTON TEXTILES AND MANMADE FABRICS
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Will the Minister of TEXTILES be pleased to state:

- (a) whether there has been a slowdown in exports of cotton textiles and manmade fabric in recent years;
- (b) if so, the main reasons therefor; and
- (c) the steps taken or being taken by the Union Government to boost the exports of these items ?

Answer

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

(a) &(b) Yes, Sir. A declining trend is noticed in the textile exports including cotton textiles and man-made fabric since the beginning of year 2001, which is mainly due to general slowdown in the economies of some of our major trading partners like the US; increased competition from countries like China, Bangladesh; and high production cost, low productivity due to lack of modernisation of textile industry.

(c) Government have been taking several steps from time to time to strengthen and promote textile exports including cotton textiles and manmade fabric. Some of the important initiatives are:-

i) The Government has de-reserved the woven segment of readymade garment from the SSI sector.It has also announced the de-reserved of knitted segment in the Budget 2002-03.

ii) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1-4-1999 to facilitate the modernisation and upgradation of this sector so that it can become more competitive in international trade.

iii) Weaving, processing and garment machinery, which are covered under TUFS, have been extended the facility of accelerated depreciation at the rate of 50%. Cost of machinery has also been reduced through Fiscal Policy measures.

iv) With a view to encouraging backward integration, the custom duty on shuttleless looms has been brought to 5%. A programme has also been announced to induct 50,000 shuttleless looms and to modernise 2.5 lakh powerlooms in the decentralised sector by 2004.

v) Foreign equity participation upto 100% through automatic route has been allowed in the textile sector with a few exceptions.

vi) National Institute for Fashion Technology (NIFT), its six branches and Apparel Training & Design Centres (ATDCs) are running various courses/programmes to meet skilled manpower requirements of textile industry especially apparel in the field of design, merchandising and marketing.

vii) Government has launched Technology Mission for Cotton. One of the important ingredients of the Mission is to improve cotton processing facilities by upgrading/modernizing the existing ginning and pressing factories.

viii) To prepare and sensitise the textile industry to conform to the ecological requirements of improting countries by providing facilities by way of eco-testing laboratories.