

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

STARRED QUESTION NO:356
ANSWERED ON:13.12.2002
EXPORT OF TEXTILES TO USA
JAGMEET SINGH BRAR

Will the Minister of TEXTILES be pleased to state:

- (a) whether the export of Indian textiles to USA has been declining;
- (b) if so, the quantity and value of Indian Textiles exported to USA during 2000-2001, 2001-2002 and during the current year so far;
- (c) the reasons for this decline; and
- (d) the steps taken to increase export of Indian Handicrafts, Readymade Garments and other Textile items to the USA ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI BASANAGOUDA R. PATIL (YATNAL))

(a) to (d) A statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (d) of Lok Sabha Starred Question No. 356 for 13-12-2002

(a) to (d) The value of India's textile exports to USA during 2000-2001 and 2001-2002 are given below:

Year Value in US\$ Million

| | |
|-----------|--------|
| 2000-2001 | 3139.6 |
| 2001-2002 | 2556.5 |

Source : DGCI&S, Kolkata

The declining trend in the textile exports during the year 2001-02 is mainly due to general slowdown in the economies of some of our major important trading partners like US which got accentuated due to Sept. 11 attacks. It is also due to increased competition from our neighbouring countries like China, Bangladesh etc.

As per latest available DGCI&S data, the textile exports to USA during the period April-July, 2002 amounted to US\$ 992.5 million as compared to export of US\$ 908.3 million during the corresponding period of 2001, recording a growth of 9.3%. These latest trends show that the downtrend in textile exports to USA has been reversed.

Government have been taking several steps from time to time to boost textile exports to all countries, including USA. 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 raised the SSI investment limit for knitted segment to Rs. 5 crores.
- ii) Government has imposed a combination of ad-valorem and specific duty on `whichever is higher basis` on import of number of textiles and fabrics to safeguard the interest of the domestic industry, especially the decentralised sector against cheap imports.
- iii) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1-4-1999 to facilitate the modernisation and upgradation of the sector.
- iv) 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. This further encourages modernisation.

v) With a view to encouraging backward integration, the custom duty on shuttleless looms has been brought from 15% 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.

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

vii) 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.

viii) To conform to the ecological requirements of importing countries facilities by way of eco-testing laboratories have been created.

ix) The Government has launched a centrally sponsored scheme titled `Apparel Park for Export Scheme` for imparting focused thrust for setting up of apparel manufacturing units of international standards at potential growth centres and to give fillip to exports. A provision of Rs.14.5 crore has been made in the B.E. 2002-03 for providing assistance under the scheme.

x) For upgrading infrastructure facilities at important textile centers, a scheme `Textile Centre Infrastructure Development Scheme (TCIDS) has been launched. A provision of Rs.15 crores has been made in the B.E. 2002-03 for providing assistance under the scheme.

xi) With a view to ensure sustainable development of handicrafts sector in the country, a new scheme named `Baba Saheb Ambedkar Hastshilp Vikas Yojana` has recently been launched. The scheme seeks to develop selected artisan clusters into professionally managed self-reliant community enterprises working on the principle of effective member participation and mutual cooperation.

xii) The Textile Export Promotion Councils have been undertaking promotional measures for boosting exports of textiles and handicrafts to USA.