

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:5080
ANSWERED ON:20.12.2002
QUOTA FOR TEXTILE EXPORTERS
IQBAL AHMED SARADGI

Will the Minister of TEXTILES be pleased to state:

- (a) whether the Government are considering a proposal for doing away with the condition of legal undertaking and bank guarantees for making quota allocations under the first-cum-first serve basis for textile exporters;
- (b) if so, whether the Government are also looking at ways to deal with Canada's recent announcement of allowing the least developed nations, including Nepal and Bangladesh duty free access to its markets from January next; and
- (c) if so, the action proposed to be taken by the Government thereon ?

Answer

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

(a) No Sir.

(b) & (c): The Government of Canada has announced some trade concessions to Least Developed Countries (LDCs) but have not extended the same to developing countries like India. The measures taken by Canada are WTO compatible. India would also make efforts to get concessions in the post-Doha market access negotiations.

In addition, Government of India has been taking a number of measures to enhance the competitiveness of India's textile and clothing exports in the international market. 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) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1-4-1999 to facilitate the modernisation and upgradation of the sector.
- 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. This further encourages modernisation.
- iv) 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.
- 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) 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.
- viii) 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.
- ix) The Textile Export Promotion Councils have been undertaking promotional measures for boosting exports of textiles to various countries including USA and European countries.