

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:2556
ANSWERED ON:07.03.2003
TEXTILE QUOTA
SRIPRAKASH JAISWAL

Will the Minister of TEXTILES be pleased to state:

- (a) whether the USA and the European Union have assured India of the phasing out of textile quota by the end of 2004 to facilitate integration into multilateral trade regime;
- (b) if so, the details thereof; and
- (c) the manner in which India propose to tackle the problem and raise it during the forthcoming WTO meeting ?

Answer

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

(a) to (c) Till December 31, 1994, the exports of textiles to certain developed countries (e.g. US; member countries of EU; Canada) had been governed by bilateral textile agreements entered into between India and these countries under the aegis of the Multi-Fibre Arrangement (MFA), outside the rules of the General Agreement on Tariffs and Trade (GATT). With effect from January 1, 1995, the quantitative restrictions (import quotas) in the bilateral agreements under the MFA, are being governed by the Agreement on Textiles and Clothing (ATC) contained in the Final Act of the Uruguay Round negotiations of the GATT. Presently, our textiles and clothing items face restraints in USA, European Union and Canada. As per ATC, the textile quotas would be phased out and textile sector fully integrated into WTO by 1st January 2005.