

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:1003

ANSWERED ON:29.07.2005

EXPORT OF COTTON

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Will the Minister of TEXTILES be pleased to state:

- (a) whether the present exports are cotton dominated although there was a higher demand for polyester products;
- (b) whether Industry urged Government to give priority to synthetic textiles sector to put the growth of the synthetic yarns and fibres sector on a high priority as the textile industry is gearing up to meet fresh challenges in the post Multi Fibre Arrangement regime;
- (c) if so, the details thereof; and
- (d) the steps taken by the Government to increase its share in world textiles and garment exports?

Answer

MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA)

(a): The exports of cotton based textile items (cotton yarn, fabrics, made-ups and readymade garments) were US\$ 7769.7 million whereas the exports of such man-made textile items were US\$ 2557.6 million in 2004-05. This has been due to the reason that India enjoys intrinsic advantages in cotton due to strong raw material base of home grown cotton.

(b): Yes, Sir.

(c): Suggestions have been received from the industry for reduction in fiscal duties on synthetic fibres / yarns, making available raw materials at international prices, increased enhanced benefits under Export Promotion Schemes, etc.

(d): In order to capitalize the opportunities to meet the increasing global trend for consumption of man-made and blended textile items, the Government has taken a number of steps from time to time to strengthen the Indian textile industry. Some of the important initiatives taken are:

- i) The excise duty structure of textile industry has been rationalized. The excise duty on polyester filament yarn / partially oriented yarn / polyester texturised yarn has been reduced in the Budget 2005-06 from 24% to 16%. Except for mandatory excise duty on man-made filament yarns and man-made staple fibres, the whole value addition chain has been given excise exemption option.
- ii) The import of a large number of capital goods of synthetic fibre / yarn industry has been allowed under concessional customs duty of 5%.
- iii) The Government has de-reserved the readymade garments, hosiery and knitwear from the SSI sector.
- iv) 100% Foreign Direct Investment is allowed in the textile sector under the automatic route.
- v) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1-4-1999 to facilitate the modernisation and upgradation of the sector.
- vi) 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 to give fillip to exports.
- vii) For upgrading infrastructure facilities at important textile centres, a scheme titled "Textile Centre Infrastructure Development Scheme" (TCIDS) has been launched.
- viii) The imports of specified textiles and garment machinery items has been allowed at concessional rate of customs duty to encourage investments and to make our textile products competitive in the global market. The cost of machinery has also been reduced through fiscal policy measures.
- ix) Duty-free imports of 21 items of trimmings and embellishment items are allowed to the garment exporters, upto 3% of their actual export performance during the previous year.
- (x) National Institute for Fashion Technology (NIFT), its seven 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.
- xi) Facilities by way of eco-testing laboratories have been created to enable exporters to get the garments/textiles pre-tested for conforming to the requirements of importing countries.