

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:2368
ANSWERED ON:23.07.2004
EXPORT OF COTTON YARN READY MADE GARMENTS
Nitish Kumar Shri ;Singh Shri Rajiv Ranjan (Lalan)

Will the Minister of TEXTILES be pleased to state:

- (a) whether cotton, yarn, fabric and readymade garments are exported from the country;
- (b) if so, the details including value of the same separately for three years, year-wise;
- (c) whether any incentive scheme has been introduced and implemented by the Government to promote export of fabric and readymade garments instead of cotton and yarn;
- (d) if so, the details thereof and whether component of profit has increased on export of fabrics and readymade garments instead of export of cotton and yarn; and
- (e) if so, the estimated component of the said increase ?

Answer

MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA)

(a) Yes, Sir.

(b) As per Directorate General of Commercial Intelligence & Statistics (DGCI&S) data, the value of cotton, yarn, fabric and readymade garments exports from the country during the last three years i.e. 2001-02, 2002-03 and 2003-04 have been as follows:

(Value in US\$ Million)

Item	Apr.-Mar.	Apr.-Mar.	Apr. -Feb.
	2001-02	2002-03	2003-04
Total Textiles Exports;	10764.7	11842.2	11698.5

Of which:

1) Readymade Garments	4618.7	5031.5	4946.7
2) Cotton yarn, fabrics & madeups	3072.9	3271.3	2971.3
3) Manmade yarn, fabrics & madeups	1065.0	1315.5	1582.0
4) Wool yarn, fabrics & madeups	52.2	50.3	54.1
5) Natural silk yarn, fabrics & madeups	278.2	299.8	338.3

(c) To encourage the export of value added textile items, the Government is implementing various schemes such as Technology Upgradation Fund Scheme (TUFS) for modernisation and technological upgradation of textile sector, Scheme for development of Group Worksheds for strengthening the decentralised powerloom weaving industry, Apparel Parks for Exports Scheme for imparting focussed thrust for setting up of apparel manufacturing units of international standards at potential textile growth centres etc. In addition, the garment exporters are also allowed to import certain items of trimming and embellishments on duty-free basis upto 3% of the FOB value of their export in the preceding year..

Further, for modernisation and strengthening of domestic textile industry, the following important announcements has been made in the Union Budget 2004-05:

- Except for mandatory excise duty on polyester filament yarn including texturised yarn, synthetic and artificial fibres and synthetic and artificial filament yarns, the whole value addition chain has been given excise exemption option.

- Additional Excise Duty on Textiles & Textile Articles (AT&T) and Additional Excise Duty (Goods of Special Importance) Act have been abolished.

- Basic customs duty on various textile machinery and spare parts has been reduced to 5%.

The Government has not introduced any additional incentive scheme to promote export of fabric and readymade garments instead of cotton and yarn.

(d) & (e) The profit margins are dependent on variety of commercial factors such as quality, prices, demand and supply position etc. Profit margins in value added products are generally better than the raw material profit margins. The Government does not maintain any data regarding the same.