

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:524

ANSWERED ON:25.11.2005

EXPORT OF TEXTILES

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Will the Minister of TEXTILES be pleased to state:

- (a) whether India's textile exports has registered an all time high figure;
- (b) if so, the details thereof and the expected increase of foreign exchange due to increased textile exports;
- (c) the target of textile exports fixed for the next five years; and
- (d) the steps taken by the Government to make India a 'trend setter' in textile exports in the global market?

Answer

MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA)

(a) to (b) :Yes, Sir. As per the Directorate General of Commercial Intelligence & Statistics (DGCI&S), Kolkata India's export of textile items during April-August, 2005 has increase to US\$ 5885 million from US\$ 5369.5 million during the corresponding period of previous year showing an increase of US\$ 515.5 million.

(c) The target of textile exports (textile & clothing) given to the Export Promotion Councils for the next five years is as follows:-

(In US\$ billion)

	2005	2006	2007	2008	2009	2010
Clothing	9.01	11.77	15.37	20.12	26.32	34.49
Textiles	5.56	6.59	8.02	9.95	12.64	16.36
Total	14.57	18.36	23.39	30.07	38.96	50.85

(d) The following steps have been taken by the Government to make India a 'trend setter' in textile exports in the global market:-

- i) 100% Foreign Direct Investment is allowed in the textile sector under the automatic route.
- ii) The Government has de-reserved readymade garments, hosiery and knitwear from the SSI sector.
- 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) To improve the productivity and quality of cotton, Government has launched the Technology Mission on Cotton (TMC). Incentives are provided for better farm practices, quality seeds, improvement in market infrastructure and modernisation of the ginning & pressing sector.
- v) The Ministry of Textiles has recast the Textile Centres Infrastructure Development Scheme (TCIDS) and Apparel Parks for Exports Scheme (APES), for speeding up the implementation of the Schemes and to actualize the vision of attaining the export target of \$50 billion by 2010. This scheme is based on Public- Private Partnership (PPP), and envisages the engagement of a professional agency for project execution.
- vi) The fiscal duty structure has been generally rationalized to achieve growth and maximum value addition within the country. Except for mandatory excise duty on man-made filament yarns and man-made staple fibres, the whole value addition chain has been given the option of excise exemption.
- vii) The import of specified textiles and garment machinery items has been allowed at a 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.
- viii) 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.

ix) For the speedy modernisation of the textile processing sector, Government has introduced, w.e.f 20.4.2005, a credit linked capital subsidy scheme @10% under TUFS, in addition to the existing 5% interest reimbursement.

x) National Institute for Fashion Technology (NIFT), its seven branches, and the Apparel Training & Design Centres (ATDCs) are running various courses/programmes to meet the skilled manpower requirements of the textile industry, especially apparel, in the field of design, merchandising and marketing.

xi) Facilities like eco-testing laboratories have been created to enable exporters to get garments/textiles pre-tested so that they conform to the requirements of the importing countries.