

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:1006

ANSWERED ON:28.11.2011

EXPORT OF TEXTILES AND CLOTHING

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Will the Minister of TEXTILES be pleased to state:

- (a) whether the production and export of textiles and clothing items including garment has been badly affected during the last three years and the current year due to global slowdown;
- (b) if so, the details thereof alongwith foreign exchange earned and target achieved during the above period;
- (c) whether the readymade garments and other textile products are covered under Focus Product Scheme (FPS)/Market Linked Focus Product Scheme (MLFPS) for exports to various countries including United States of America and Europe under Chapters 61 and 62;
- (d) if so, the salient features of the scheme alongwith value of exports made under the above scheme during the last two years; and
- (e) the measures taken by the Government to increase the share of Indian textile in the global market and to boost the textile export during the last three years and the current year?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF TEXTILES (SMT. PANABAAKA LAKSHMI)

(a) & (b): No Madam. There has been an increase in production of cotton spun yarn, cloth and other textiles & clothing items in the last three years. As per latest available statistics, for the period 2007-08 to 2009-10, production of cotton increased from 258 lakh bales to 295 lakh bales, spun yarn from 2896 million kgs to 3079 million kgs and cloth from 1781 million sq. mtr to 2016 sq. mtrs. The foreign exchange earned by exports of textiles & clothing products during the period 2008-09 to 2010-11 is USD 70.5 billion. Targets for 2008-09 and 2010-11 aggregated to USD 52.04 billion. No targets were set for 2009-10 due to global recession. Foreign exchange earnings from textiles exports in the current financial year (April-July 2011) are USD 10.32 billion against an annual target of USD 32.35 billion.

(c) & (d): The items under Chapter 61 & 62 are covered under the Focus Product Scheme (FPS) / Market Linked Focus Product Scheme (MLFPS) for exports to USA and EU. As per Foreign Trade Policy (FTP) 2009-14, benefits at 2% of FOB value on textiles and clothing export to USA and EU are available to exports made during 01.4.2011 to 31.3.2012.

(e): Government have introduced several provisions in the Foreign Trade Policy 2009-14, further supplemented in August, 2010, for providing incentives to the T&C sector exports. This includes incentives for exports to focus markets and exports of focus products, extension of Duty Entitlement Passbook Scheme; interest subvention on pre-shipment credit, duty-free import of trimmings etc. required by the garmenting industry and duty-free import of tools by the handicrafts industry. This apart, financial assistance is being provided to the exporters under the Market Development Assistance Scheme and the Market Access Initiative Scheme, for projecting capabilities in existing markets and for exploring new markets.