

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:157

ANSWERED ON:02.07.2009

PROMOTION TO TEXTILE INDUSTRY

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Will the Minister of TEXTILES be pleased to state:

- (a) whether the Government has conducted any study to assess the impact of global slowdown on Indian textiles and clothing industry;
- (b) if so, the details thereof;
- (c) the quantum of exports declined as a result of global slowdown during the last year and the steps taken by the Government to boost the textile and clothing industry; and
- (d) the details of further measures initiated by the Government to improve textile exports and competitiveness of Indian Textile Industry?

Answer

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

(a): No, Sir.

(b): Does not arise.

(c) & (d): As per the latest available provisional data of Directorate General of Commercial Intelligence & Statistics, Kolkata, India's textiles and clothing export has indicated a growth of over 7% in Indian rupee terms during April-February' 2008-09 over the corresponding period of previous year. However, in US dollar terms, it recorded a decline of 5.31%. The Government has already introduced several packages of relief measures in the wake of the global economic slowdown, to provide relief to the domestic industry including textiles industry. These measures inter-alia include:-

- i) Additional allocation of Rs.1400 crore to clear the entire backlog of Technology Upgradation Fund Scheme (TUFS).
- ii) All items of handicrafts to be included under 'Vishesh Krishi & Gram Udyog Yojana (VK&GUY)'.
- iii) Across-the-board cut of 4% in the ad-valorem Cervat rate till 31.3.2009.
- iv) Interest subvention of 2% upto 31.3.2009 subject to a minimum of 7% per annum on pre and post-shipment export credit (since extended to 20.9.09 in the Union Budget 2009-10).
- v) Provision of additional funds for full refund of Terminal Excise Duty/Central Sales Tax.
- vi) Enhanced back-up guarantee to ECGC to cover for exports to difficult markets/products.
- vii) Refund of Service Tax on foreign agent commissions of upto 10% of FOB value of exports as well as refund of service tax on output service while availing benefits under Duty Drawback Scheme.
- viii) Credit targets of Public Sector Banks revised upward to reflect the needs of the economy.
- ix) State Level Bankers Committee would hold meetings for resolution of Credit issues of MSMEs.
- x) Guarantee cover under Credit Guarantee Scheme doubled to Rs.1 crore with cover of 50%.
- xi) DEPB rates restored to pre - November, 2008 levels and extended till 31.12.2009.
- xii) Duty Drawback on knitted fabrics enhanced retrospectively from 1.9.2008.