

**GOVERNMENT OF INDIA  
TEXTILES  
LOK SABHA**

UNSTARRED QUESTION NO:1991

ANSWERED ON:19.08.2013

COMPETITION IN TEXTILE INDUSTRY .

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**Will the Minister of TEXTILES be pleased to state:**

- (a) whether the Indian textile industry is facing competition from foreign textile industry including neighbouring countries;
- (b) if so, the details thereof and the reasons therefor along with the efforts made/study undertaken by the Government during the 12th Plan to make it competitive with the international textile industry including our neighbouring countries like China, Pakistan and Bangladesh;
- (c) the present share of Indian textile industry in production and exports in comparison to other developing nations;
- (d) the likely impact of depreciation of rupee on the textile sector during the last year and the current year;
- (e) whether the Government has conducted any study to assess the impact of global slowdown on Indian textiles and if so, the details thereof and the measures initiated by the Government to improve textile exports and competitiveness of Indian textile industry; and
- (f) the efforts made by the Government to cut the production cost of textile sector including cotton textiles and shortage of workers in textile and clothing industry in the country to make it competitive with the other countries like China?

**Answer**

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

(a) to (d):Yes Madam, the Indian textile industry is facing competition from foreign textile industry including neighbouring countries. The details of exports of textiles & clothing by India and major textile exporting countries including neighbouring countries to the major destinations during the last five calendar years are as under:-

EU27 (External Trade) Import Statistics from World (US\$ Million)

Partner	Calendar Year						
Country	2008	2009	2010	2011	2012	05/2012	05/2013
World	118407	104659	112377	130945	114114	46297	46502
China	45642	42963	46776	52591	44630	16702	15846
Turkey	16753	13880	14958	17089	15381	6392	6908
Bangladesh	7368	7486	8149	11132	11073	4675	5020
India	9087	8300	8701	10335	8088	3832	3854
Pakistan	3519	3172	3499	4552	3638	1533	1671

USA (External Trade) Import Statistics from World (US\$ Million)

Partner	Calendar Year						
Country	2008	2009	2010	2011	2012	05/2012	05/2013
World	95900	83203	95455	103964	103542	40031	41395
China	31489	30896	37031	39269	39290	13765	14158
Vietnam	5271	5173	6063	6908	7340	2819	3184
India	5422	4863	5692	6281	6201	2775	2875
Mexico	5544	4791	5145	5512	5368	2220	2207
Indonesia	4300	4061	4697	5373	5234	2224	2344

Source: GTIS

Stable raw material prices in cotton season 2012-13 with rupee depreciation has enabled a strong industry performance and the textiles industry has become more competitive in global markets based on which Government revised the annual export targets for 2013-14 to USD 43 billion from an actual performance of USD 32 billion during 2012-13. India's share in global textiles & clothing exports was 3.87% in 2009, 3.98% in 2010 and 4.10% in 2011. The shares of other major textiles exporting countries are as under:-

Textiles	Clothing		
2011	2010	2011	2010

Rank	Country	%age share in world exports	%age share in world exports	Rank	Country	%age share in world exports	%age share in world exports
1.	China	32.2	30.7	1.	China	37.3	36.9
2.	EU-27	26.1	26.8	2.	EU-27	28.2	28.1
3.	India	5.1	5.1	3.	Bangladesh	4.8	4.5
4.	United States	4.7	4.9	4.	India	3.5	3.2
5.	RP Korea	4.2	4.4	5.	Turkey	3.4	3.6
6.	Taipei, Chinese	3.7	3.9	6.	Viet Nam	3.2	3.1
7.	Turkey	3.7	3.6	7.	Indonesia	2.0	1.9
8.	Pakistan	3.1	3.1	8.	United States	1.3	1.3
9.	Japan	2.7	2.8	9.	Mexico	1.1	1.2

Source: International trade statistics 2012, WTO Secretariat

(e) & (f):The textiles sector which currently employs 45 million textiles workers. An assessment report of the stress in the Textiles industry undertaken by Government in 2012 revealed that textiles industry faced a debt exposure of Rs.171,351 crores and was generating deficit cash flows on principal repayments due to volatility in raw material prices, steep increase in power tariffs, low capacity utilization and global recession. To address the temporary slowdown, Government announced a debt restructuring package of Rs.35,000 crores was announced by Government in 2012 to be implemented on a case by case basis in accordance with Reserve Bank of India's prudential guidelines of 2008.