

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:4125
ANSWERED ON:20.03.2015
EXPORT OF TEXTILES AND GARMENTS
Galla Shri Jayadev

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether India's share in export of textiles and garments has crossed the threshold limit of global trade during two consecutive years and if so, the details thereof;
- (b) whether certain foreign countries including United States (US) have urged India for removing export subsidy given to textiles and garments citing World Trade Organisation (WTO) rules and regulations in this regard;
- (c) if so, the details thereof indicating the rules and regulations of WTO in this regard;
- (d) the reaction of the Government thereto along with the manner in which the Government proposes to protect domestic textiles and garment exporters in this regard; and
- (e) whether the Government proposes to make any change in proposed New Foreign Trade Policy in regard to subsidy/incentives for export of textiles and garments and if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE) (SMT. NIRMALA SITHARAMAN)

- (a) Yes, Madam. As per the WTO data released in 2010 for the years 2006 and 2007, India has crossed the threshold limit (exports reaching 3.25% threshold of the world trade) consecutively for two years for Textiles and Apparel (Section XI comprising of chapter 50 to 63 of the Harmonised system of classification).
- (b) & (c) In the WTO subsidies Committee Meetings, the WTO member countries, in particular the US, supported by European Union, turkey, Japan and others have urged phasing out of export subsidies by India for the Textiles and the Apparel Sector. As per the Agreement on Subsidies and the Countervailing Measures(ASCM) of the WTO, Subsidies contingent, in law or in fact, whether solely or as one of several other conditions, upon export performance are prohibited subsidies and WTO members including India are committed to the same.
- (d) & (e) No decision has yet been taken on this subject as the new Foreign Trade Policy is still under consideration.