

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:2299

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PROMOTION OF TEXTILE INDUSTRY

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Will the Minister of TEXTILES be pleased to state:

(a) the details of export of textile products/items and revenue earned therefrom during each of the last three years and the current year, country/item-wise; and

(b) the details of various schemes being implemented by the Government to promote the Indian Textile Industry in the overseas market and the achievements made as a result thereof?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF TEXTILES (SHRI SANTOSH KUMAR GANGWAR)

(a): As per latest DGCIS data and GTIS data available, a Statement indicating Textiles and clothing exports of principal commodities for the last three years and current year (April- May14) are attached as Annex-I. A Statement indicating country-wise Indias exports to top 20 countries of Textiles & clothing item is attached at Annex-II.

As a result of focused efforts made by the Ministry of Textiles, not only the declining trend of textile exports was arrested but a significant growth in export was witnessed during 2013-14. Textiles (incl. Handicrafts) exports during FY 2013-14 registered a growth of 13 % in US\$ terms and 26% in Rupee terms. Total Textile and clothing (DGCIS data) Including and Handicraft (EPCH data) exports during FY 2013-14 was US\$ 39310.88 million as against US\$ 34930.05 million in FY 2012-13. In Rupee terms, it is 238422.87 crore in 2013-14 against 189940.65 crore in 2012-13. Readymade Garments registered a growth of 16%, man-made textiles 13% and Cotton Textiles 11 % in US\$ terms.

During the current Financial Year (April-May), as per latest DGCIS data available, Textiles and Clothing Exports (excluding Handicrafts) registered a growth of 11% in USD terms and 22% in rupee terms. Total Textiles and Clothing data (April-May, 2014) is USD 6207 million and Rs. 3258 crore.

(b): The details of various schemes being implemented by the Government to promote the Indian Textiles Industry include:-

1. Focus Market Scheme (FMS) - To offset high freight cost and other externalities to select international markets with a view to enhance Indias export competitiveness in these markets.

2. Focus Product Scheme (FPS) - To incentivise export of such products which have high export intensity / employment potential, so as to offset infrastructure inefficiencies and other associated costs involved in marketing of these products, Govt. has introduced Focus Product Scheme.

3. Market Linked Focus product scheme (MLFPS) - To incentivise export of products that have high employment intensity in rural and semi urban areas, to offset infrastructure inefficiencies and other associated costs involved in marketing of these products, the scheme has been introduced.

4. 2% Interest Subvention Scheme on rupee export credit is available to certain specific export sectors. These include Handicrafts, Carpets, Handloom and Readymade Garments. In addition Small and Medium Enterprises (SME) in all sectors enjoy this benefit. This scheme of 2% interest subvention to these specific sectors was available up to 31st March, 2014.

5. Duty Drawback Scheme: Duty Drawback is the rebate of duty chargeable on imported material or excisable material used in the manufacturing of goods in and is exported. The exporter may claim drawback or refund of excise and customs duties being paid by his suppliers. The final exporter can claim the drawback on material used for the manufacture of export products. In case of re- import of goods the drawback can be claimed.

6. EPCG (Export Promotion Capital Goods) scheme:

The Export Promotion Capital Goods (EPCG) scheme was one of the several export-promotion initiatives launched by the government in the early '90s. The basic purpose of the scheme was to allow exporters to import machinery and equipment at affordable prices so that they can produce quality products for the export market.

7. Guarantees to Banks: Packing Credit Guarantee: Timely and adequate credit facilities at the pre-shipment stage are essential for

exporters to realize their full export potential. The Packing Credit Guarantee of ECGC helps the exporter to obtain better and adequate facilities from their bankers. The Guarantees assure the banks that, in the event of an exporter failing to discharge his liabilities to the bank, ECGC would make good a major portion of the bank's loss. The bank is required to be co-insurer to the extent of the remaining loss.

8. Advance License: Advance licence duty free import of inputs allowed which are physically incorporated in export product with normal allowance of wastage on the basis of SION

(Standard Input Output Norms). Under advance license input imports are exempted from payment of basic custom duty, additional custom duty, education cess, anti-dumping duty, and safeguard duty. It has export obligation attached to it which should be fulfilled in 18 month from the date of release of advance license are issued for annual requirements or advance release order. A minimum of 15% value additional shall be required for issuance of Advance Licence.

9. Increase in duty free entitlement for import of trimmings, embellishments and other specified items - To encourage exports of readymade garments it has been announced in Union Budget 2014-15 to increase the duty free entitlement for import of trimmings, embellishments and other specified items from 3 percent to 5 percent of the value of their exports.