

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:3037
ANSWERED ON:31.07.2014
EXPORT OF INDIAN TEXTILE TO EU
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Will the Minister of TEXTILES be pleased to state:

- (a) whether the European Union (EU) imports 95 per cent of its textile requirements;
- (b) if so, whether Bangladesh, Pakistan and Sri Lanka have been taking advantage of a duty-free access for their textile items into EU, whereby exports of Indian garments and textiles are getting affected because Indian exporters are subjected to a duty of 9.36 per cent;
- (c) if so, the details thereof and the reaction of the Government along with the necessary steps taken/being taken to ensure duty-free access for Indian garments and textile into EU;
- (d) whether the Government is considering to lower the interest rate subvention for textile exporters; and
- (e) if so, the details thereof?

Answer

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

(a): Ministry does not have authentic data regarding EUs total textile requirements. However, the data relating to imports of Textiles and Clothing products into EU from top 20 countries of the world is placed at Annex-I. It cannot be ascertained if EU imports 95% of its textiles requirement or not.

(b) & (c): Yes, Bangladesh Pakistan and Sri Lanka are taking advantage of unilateral tariff preference scheme granted to developing countries. India, which was also a beneficiary of the EU GSP has been graduated out of the GSP from 01.01.2014 for textiles and some other products. The graduation out of countries is done by the EU based on the criterion of trade share. Hence Indian exporters of textiles pay the normal customs duty of upto 8% on textiles products from 01.01.2014 onwards. Sri Lanka is covered under a preference scheme of the EU namely GSP. Bangladesh and Pakistan are covered under other unilateral preference scheme of the EU namely the Everything but Arms (EBA) and the GSP Plus respectively. Hence, they have zero duty access for textiles products into the EU.

Ministry of textiles has requested Department of Commerce and Ministry of External Affairs to take suitable measures to increase exports of Indian garments and textiles to EU.

(d) & (e): No, Ministry of Textiles is not considering to lower the interest rate subvention for textile exports.