

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:5312

ANSWERED ON:14.08.2014

EXPORT OF TEXTILES

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Will the Minister of TEXTILES be pleased to state:

- (a) the details of the targets fixed and achieved regarding export of textiles during the last three years, sector and item-wise;
- (b) whether the Government has explored new markets for exports in view of the recent slowdown in the United States of America, European and other countries and if so, the details thereof and the steps taken by the Government in this regard;
- (c) the details of the share of other major textile exporting countries of the world during the last three years, country-wise and the steps taken by the Government to augment the share of Indian textile exports;
- (d) whether the textile workers are facing problems due to global and domestic recession; and
- (e) if so, the details thereof along with the steps taken by the Government to protect them from the recent slowdown?

Answer

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

- (a): The details of targets fixed for textiles and clothing is at Annex-I and achievement sector-wise achievement thereof is at Annex-II.
- (b): Yes. Government, in addition to traditional markets like EU & USA, is exploring new markets by holding exhibitions/shows in Russian Federation, Israel, Eastern Europe, Latin American countries and other non-traditional markets. Government is providing grants under Market Access Initiative and Market Development Assistance Scheme for this purpose, which includes:-
 - (i) assistance to textiles exporters for export promotion activities abroad;
 - (ii) assistance to textiles export promotion councils (EPCs) to undertake export promotion activities for their product(s) and commodities;
 - (iii) assistance to approved organizations/trade bodies in undertaking exclusive non-recurring activities connected with export promotion efforts for their members;
 - (iv) assistance for export promotion programmes in specific regions abroad like Focus(LAC), Focus(Africa), Focus(CIS) and Focus(ASEAN+2) programmes;
 - (v) residual essential activities connected with marketing promotion efforts abroad.
 - (vi) To defend India's interests abroad against protectionist measures and non-tariff barriers.
 - (vii) Exploring non-traditional markets.
 - (viii) Inclusion of new Markets such as New Zealand, Cayman Islands, Latvia, Lithuania and Bulgaria under Focus Market Scheme
 - (ix) Use of Focus Market Scheme, Focus Product Scheme, status holder incentive scrip and MLFPS for payment of excise duty for domestic procurement.
- (c): Details of the share of other major textile exporting countries of the world during the last three year country-wise are at Annex-III. In order to augment the share of Indian textiles and clothing exports, Government has taken following measures:-

i) Government implements several export promotion measures including incentives under Focus Market Scheme and Focus Product Scheme; enhancing the coverage of Market Linked Focus Product Scheme for textile products to increase India's share in various countries. Focus Market Scheme (FMS) offsets high freight cost and other externalities to select international markets with a view to enhance India's export competitiveness in these markets. Further, 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. implements Focus Product Scheme. In addition, Market Linked Focus Product Scheme (MLFPS) incentivises 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.

ii) Financial Assistance is provided for export promotion activities on focus countries and focus product countries under Market Access Initiative (MAI) Scheme.

iii) Financial Assistance is provided under Market Development Assistance (MDA) Scheme for a range of export promotion activities implemented by Textiles Export Promotion Councils on the basis of annual action plan.

iv) 2% Interest Subvention Scheme on rupee export credit was available to certain specific export sectors including Handicrafts, Carpets, Handloom and Readymade Garments up to 31st March, 2014.

v) 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 paid by his suppliers.

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

vii) 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.

viii) Advance License: Advance License Scheme allows duty free import of inputs which are physically incorporated in export product with normal allowance of wastage on the basis of SION (Standard Input Output Norms). It has export obligation attached to it which should be fulfilled in 18 month from the date of release of advance licence.

ix) Increase in 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 of garment exporters for duty-free import of trimmings, embellishments and other specified items from 3% to 5% of the value of their exports.

(d) & (e): It has not come to the notice of the Government that textile workers are facing problems due to global and domestic recession now.