

LOK SABHA
UNSTARRED QUESTION NO. 5586
TO BE ANSWERED ON 26.07.2019

EXPORT IN TEXTILE SECTOR

5586. SHRI SYED IMTIAZ JALEEL:
SHRI ASADUDDIN OWAISI:
SHRI BENNY BEHANAN:
SHRI JAYADEV GALLA:
DR. T. SUMATHY (A) THAMIZHACHI THANGAPANDIAN:

Will the Minister of TEXTILES वस्त्र मंत्री
be pleased to state:

- (a) whether it is true that the Ministry has announced measures to boost exports in wake of continuously declining textile exports, if so, the details thereof and the steps taken thereon;
- (b) the manner in which these measures are helpful in the post-GST regime; and
- (c) the extent to which competition from neighbouring countries like China, Bangladesh and Sri Lanka have affected India's export in textile sector?

उत्तर

ANSWER

वस्त्र मंत्री (श्रीमती स्मृति ज़ूबिन इरानी)

MINISTER OF TEXTILES
(SMT. SMRITI ZUBIN IRANI)

(a): As per the data of Directorate General of Commercial Intelligence and Statistics, export of textiles has increased by 0.6% from USD 19,972 in 2014-15 to USD 20,420 in 2018-19. To increase competitiveness of textile industry, Government announced a Special Package for garments and made-ups sectors which provides Rebate of State Levies (RoSL), labour law reforms, additional incentives under Amended Technology Upgradation Fund Scheme (ATUFS) and relaxation of Section 80JJAA of Income Tax Act. The package offers Rebate of State Levies through the scheme for RoSL. The RoSL scheme has since been replaced by the new RoSCTL (Rebate of State and Central Taxes and Levies) scheme w.e.f 7th March 2019. The rates under Merchandise Exports from India Scheme (MEIS) were enhanced from 2% to 4% for garment and made-ups, 5% to 7% for handloom and handicrafts w.e.f. 1st November 2017. Products such as fibre, yarn and fabric in the

textile value chain are being strengthened and made competitive through various schemes, inter alia, Powertex for fabric segment, ATUFS for all segments except spinning, Scheme for Integrated Textile Parks (SITP) for all segments, etc. Assistance is also provided to exporters under Market Access Initiative (MAI) Scheme. Government has enhanced interest equalization rate for pre and post shipment credit for exports done by MSMEs of textile sector from 3% to 5% w.e.f. 02.11.2018. Benefits of Interest Equalization Scheme has been extended to merchant exporters from 02.01.2019 which was earlier limited to only manufacturer exporters.

(b): RoSCTL rebates all embedded state and central taxes and levies which are outside the GST. Export of textiles has increased by 22% to USD 43.7 bn in post GST regime (July'17 to April'19) from USD 35.8 bn during pre GST regime (July'15 to April'17).

(c): India faces competition from countries like Bangladesh and Sri Lanka which have competitive manufacturing costs and enjoy duty free access to major textiles and apparel markets like EU. China's textile industry has attained economies of scale, thereby giving competition to India's textile industry globally. As per the data of Directorate General of Commercial Intelligence and Statistics, export of textile and apparel by India and neighboring countries like China, Bangladesh and Sri Lanka to key markets such as EU and USA is as follows:

Exports to EU (28) (mn usd)

	2014	2018	% Share
India*	9.8	9.5	-1%
China	56.8	48.2	-4%
Bangladesh	17.7	23.6	7%
Sri Lanka	2.4	2.4	0%

Exports to USA (28) (mn usd)

	2014	2018	% Share
India*	7.2	8.3	4%
China	41.9	45.9	2%
Bangladesh	5.7	5.7	0%
Sri Lanka	1.9	1.9	-1%

Source: DCGIS*, Trademap
