

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

UNSTARRED QUESTION NO:6738
ANSWERED ON:10.05.2005
LEATHER AND TEXTILES EXPORT
Adsul Shri Anandrao Vithoba

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

- (a) whether the Leather and Textiles are two industries which by virtue of their exciting growth prospects promise to increase India's share in the respective global trade;
- (b) if so, the present share of leather and textiles industries in the global market as compared to the last three years;
- (c) whether large investments and participation of large organizations will be required to capitalise on the tremendous growth opportunities that existed in the leather and textiles industries;
- (d) if so, the Government's response thereon;
- (e) the steps taken by the Government in this regard; and
- (f) the steps taken by the Government to achieve the 16% target growth in these sectors?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGO VAN)

(a) & (b): Leather and Textiles are two important industries from the point of view of exports. Both these industries have good future prospects emanating from supply and demand factors like availability of abundant raw-material, cheap labour and the lifting of the Multi Fibre Agreement (MFA) since 1st January, 2005. According to the International Trade Statistics Yearbook: UN 2004, India's share in world leather, leather manufacturers & dressed fur skin trade was 3.3%, 3.4% and 3.4% in 2000, 2001 and 2002 respectively. In these three years India's share in world trade in textile yarn, fabrics, made-ups articles was 3.6%, 3.4% and 3.6% respectively.

(c) to (f): Recognising that modernisation and technical upgradation is important for enhancing competitiveness, the Foreign Trade Policy, 2004-09 has announced special focus initiatives for these two sectors which include duty free imports, identification of towns of export excellence and support to marketing initiatives under Market Access Initiatives/Market Development Assistance (MA/MDA) Schemes. Besides, a number of key strategies have been adopted in the Foreign Trade Policy (FTP) and its annual supplement which will benefit these sectors as well. These include simplification of procedures, reduction in transaction cost, neutralisation of incidence of levies & duties used for production for exports and development of global hubs for manufacturing, trading & services.