

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:580
ANSWERED ON:25.11.2005
TARIFF ON TEXTILE
Sippiparai Shri A. Ravichandran

Will the Minister of TEXTILES be pleased to state:

- (a) whether Government is required to reduce the tariff pertaining to textiles to 0-5 per cent within 7 years under South Asia Free Trade Agreement which is going to be operational from January 1, 2006;
- (b) if so, the details thereof alongwith salient features of the agreement;
- (c) whether Government has already offered to remove specific duties on 189 tariff lanes pertaining to textiles and remove another 117 textile items; and
- (d) if so, the details thereof?

Answer

MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA)

(a) & (b) Yes, Sir. South Asia Free Trade Agreement (SAFTA) was signed to promote and enhance mutual trade and economic cooperation among Contracting States by, inter-alia:

- i) eliminating barriers to trade in, and facilitating the cross-border movement of goods between the territories of the Contracting States;
- ii) Promoting conditions of fair competition in the free trade area, and ensuring equitable benefits to all Contracting States, taking into account their respective levels and pattern of economic development;
- iii) Creating an effective mechanism for the implementation and application of this Agreement, for its joint administration, and for the resolution of disputes; and
- iv) Establishing a framework for further regional cooperation to expand and enhance the mutual benefits of this Agreement.

(c) & (d) The Government has offered to remove in phases specific duties on the import of certain textile products under SAFTA in the ongoing negotiations. Based on threat of import from SAFTA countries to India, textiles items with specific duty (on 6-digit HS Classification) have been divided into four categories namely,

- (i) Minimal Threat Category – 99 items
- (ii) Mild Threat category – 90 items
- (iii) Medium Threat category – 39 items
- (iv) Severe Threat category – 43 items

The Government has also decided to delete 116 textile tariff lines from India's sensitive list of 429 textile tariff lines (on 6-digit HS Classification). (Rs.)