

**GOVERNMENT OF INDIA  
TEXTILES  
LOK SABHA**

UNSTARRED QUESTION NO:2592  
ANSWERED ON:09.12.2005  
SETTING UP OF UNITS IN FOREIGN COUNTRIES  
Mohite Shri Subodh

**Will the Minister of TEXTILES be pleased to state:**

- (a) whether the Indian textile companies are establishing its units abroad;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government carried out any study for the impact of this aspect on Indian export; and
- (d) if so, the steps taken by the Government this regard?

**Answer**

MINISTER OF TEXTILES ( SHRI SHANKERSINH VAGHELA)

- (a) & (b): As a part of business promotion and to take comparative advantages, textile companies establish their units abroad.
- (c): No, Sir.
- (d): The Government has been taking a number of steps from time to time to promote textile exports. Some of the important initiatives taken are as under:-
  - i. 100% Foreign Direct Investment is allowed in the textile sector under the automatic route.
  - ii. The Government has de-reserved the readymade garments, hosiery and knitwear from the SSI sector.
  - iii. The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1-4-1999 to facilitate the modernisation and upgradation of the sector. For the speedy modernisation of the textile processing sector, Government has introduced, w.e.f 20.4.2005, a credit linked capital subsidy scheme @10% under TUFS, in addition to the existing 5% interest reimbursement.
  - iv. To improve the productivity and quality of cotton, Government has launched the Technology Mission on Cotton (TMC). Incentives are provided for better farm practices, quality seeds, improvement in market infrastructure and modernisation of ginning & pressing sector.
  - v. With the objectives of imparting a focused thrust to set up apparel units of international standards and upgrading infrastructure facilities at important textile centres, the Government had launched the Apparel Park for Exports Scheme (APES), and Textile Centre Infrastructure Development Scheme (TCIDS). Under these two schemes 30 projects have been sanctioned with an estimated support from Government of India of Rs. 462.50 crore. However, after reviewing the implementation of these two schemes, a new scheme, namely, Scheme for Integrated Textile Parks has been launched by merging the two schemes. This scheme is based on Public-Private Partnership (PPP), and would equip the industry with world-class infrastructure facilities for setting up their textile units to meet international environmental and social standards. Government of India support under the scheme by way of grant or equity shall be limited to 40% of the project cost, subject to a ceiling of Rs. 40 crore.
  - vi. The fiscal duty structure has been generally rationalised to achieve growth and maximum value addition within the country. Except for mandatory excise duty on man-made filament yarns and man-made staple fibres, the whole value addition chain has been given an option of excise exemption.
  - vii. The import of specified textiles and garment machinery items has been allowed at a concessional rate of customs duty to encourage investments and to make our textile products competitive in the global market. The cost of machinery has also been reduced through fiscal policy measures.
  - viii. The National Institute for Fashion Technology (NIFT), its seven branches, and the Apparel Training & Design Centres (ATDCs) are running various courses/programmes to meet the skilled manpower requirements of the textile industry, especially apparel, in the field of design, merchandising and marketing.
  - ix. Facilities like eco-testing laboratories have been created to enable exporters to get garments/textiles pre-tested so that they conform to the requirements of the importing countries.