

**GOVERNMENT OF INDIA  
TEXTILES  
LOK SABHA**

UNSTARRED QUESTION NO:856

ANSWERED ON:24.02.2006

TEXTILE IMPORT

Meghwal Shri Kailash;Nedurumalli Janardhana Reddy Shri

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

- (a) whether the production cost of textiles is more in our country as compared to China;
- (b) if so, the details thereof;
- (c) whether there has been tremendous increase in the import of textiles particularly from China during the last three years;
- (d) if so, the details thereof alongwith the reasons therefor;
- (e) whether any scheme is under consideration of the Government to use advanced and modern techniques to increase production of textiles;
- (f) if so, the details thereof;
- (g) the details of export of textile to China during the above period, quantity-wise, value-wise and year-wise; and
- (h) the steps taken to increase export of textile over import to China?

**Answer**

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

(a) & (b):According to a Study conducted by M/s Gherzi Eastern Ltd. on behalf of the Cotton Textile Export Promotion Council (Mumbai), China has certain edge in production cost of cotton textiles, as summed up below:-

Major cost drivers (index)	India	China
- raw material (cleaned cotton)	100	100
- power	100	100
- dyes & chemicals	100	6-9%
- steam	87	68
- wages		
- interest on capital for	30	114
technology upgradation	6-9%	3%

Source: Study Report (M/s Gherzi Eastern Ltd.)

(c)&(d):The details of imports of textile items from China during last three years are given in the table below:

Year	2002-03	2003-04	2004-05
Value (In Rs. lakhs)	159784.59	225695.52	309434.09

Source : DGCI&S, Kolkata

(e) to (h):Government has been taking a number of steps from time to time to strengthen Indian textile industry for meeting the growing global competition and thereby increase exports to all countries, including China. A Statement showing some of the important initiatives is attached.

(g) The details of export of textile to China during the last three years is given in the table below:

Year	2002-03	2003-04	2004-05
Value (Rs. lakh)	39206.42	65521.11	52607.96

Source : DGCI&S, Kolkata

Statement referred to in the parts (e), (f) and (h) of the reply to the Lok Sabha Unstarred Question No. 856 for 24-02-2006

- 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.
- iv) To improve the productivity and quality of cotton, Government has launched Technology Mission on Cotton (TMC). The mission comprises four mini-missions, which are being jointly implemented by the Ministry of Agriculture and Ministry of Textiles. One of the important ingredients of the Mission is to improve cotton processing facilities by upgrading/modernizing the existing ginning and pressing facilities and setting up of new market yards/improvement of existing market yards.
- v) Ministry of Textiles has recast the Textile Centres Infrastructure Development Scheme (TCIDS) and Apparel Parks for Exports Scheme (APES) for speeding up the implementation of the Schemes and to actualize the vision of attaining export target of \$50 billion by 2010. This scheme is based on Public – Private Partnership (PPP) and envisages engaging of a professional agency for project execution.
- 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 excise exemption option.
- vii) The imports of specified textiles and garment machinery items has been allowed at 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) Duty-free imports of 21 items of trimmings and embellishment items are allowed to the garment exporters, upto 3% of their actual export performance during the previous year.
- ix) For 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.
- x) National Institute for Fashion Technology (NIFT), its seven branches and Apparel Training & Design Centres (ATDCs) are running various courses/programmes to meet skilled manpower requirements of textile industry especially apparel in the field of design, merchandising and marketing.
- xi) Facilities by way of eco-testing laboratories have been created to enable exporters to get the garments/textiles pre-tested for conforming to the requirements of importing countries.