

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

STARRED QUESTION NO:446

ANSWERED ON:16.05.2006

EXPORT OF TEXTILES

Patel Shri Jivabhai Ambalal;Yadav Shri M. Anjan Kumar

Will the Minister of TEXTILES be pleased to state:

- (a) the target fixed for the export of garments/textiles during the last three years, year-wise;
- (b) whether the target fixed for export of garments/textiles has not been achieved during the same period;
- (c) if so, the reasons therefor; and
- (d) the steps taken/proposed to be taken by the Government to achieve the targets ?

Answer

MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA)

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 446 FOR ANSWER ON 16.05.2006

(a) & (b) : The targets assigned to Textile Export Promotion Councils and achievements of export of textiles during the last three years, year-wise are as under:-

(In Billion US\$)

2003-04	2004-05	2005-06			
Target	Achievement	Target	Achievement	Target	Achievement

16.310	13.496	15.2	13.038	15.565	17.007 (Prov.)
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Source:- Directorate General of Commercial Intelligence & Statistics, Kolkata.

(c): There was a shortfall in achievement of export target during 2003-04 and 2004-05 due to factors such as general recession in the world market and stiff competition from low cost supplier countries. However, the target for 2005-06 has been overachieved by 9.26%.

(d): Government has been taking a number of steps to boost exports of textile items from the country so as to achieve the export target. Some of the important initiatives taken are:

- 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 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 fibres and filament yarns, the whole value addition chain has been given excise exemption option.
- iv) The Technology Upgradation Fund Scheme (TUFS) has been in operation since 1999 to facilitate the modernization and technological upgradation of the sector.
- v) To augment the availability of quality raw material at a competitive price, the Government 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.
- vi) 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. So far nine (9) projects have been sanctioned at an estimated cost of Rs. 873.07 Crore including Government of India share of Rs. 304.32 Crore.