

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:4732
ANSWERED ON:23.05.2006
IMPACT OF QUOTA- FREE REGIME
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Will the Minister of TEXTILES be pleased to state:

- (a) whether quota-free regime has increased opportunities for export of textile particularly apparels from India;
- (b) if so, the details thereof;
- (c) whether Government is contemplating to remove impediments like labour to tap the opportunities emerging out of quota-free regime; and
- (d) if so, the details thereof ?

Answer

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

(a)&(b): The liberalised trading regime would result in increased international trade in textiles thus providing greater export opportunities for the indigenous textile industry. According to study by CRISIL (commissioned by Indian Cotton Mills' Federation- now Confederation of Indian Textile Industry), international trade in textiles and clothing will grow at an average annual growth rate of 8% from 2005, as against the average annual growth rate of 6% in the period 1995 to 2002. As a result, international trade in textiles and clothing is expected to grow from US\$ 353 billion in 2002 to US\$ 655 billion in 2010. The study report has concluded that the Indian textiles and apparel industry has the potential to double the country's share of the global textile and clothing market to 6%, implying export earnings to US\$ 40 billion by 2010. The apparel segment of the value chain, which will drive the growth of Indian textile industry, has the potential to achieve a CAGR of 21%.

(c)&(d): From time to time, suggestions on various issues, including labour, are received from various quarters for improvement in textile exports. Government maintains continuous interaction with all the stakeholders of the textile industry to take appropriate action, keeping in view the changed socio-economic environment. Rationalisation of fiscal duty structure, 100% Foreign Direct Investment under automatic route, de-reservation of readymade garments, hosiery and knitwears from SSI sector, Technology Upgradation Fund Scheme, Technology Mission on Cotton, Scheme for Integrated Textile Parks, Group Worksheds Scheme for Powerloom weavers are some of the recent initiatives taken by the Government to increase the competitiveness of Indian textiles in international markets.