

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:2470
ANSWERED ON:18.03.2005
IMPACT OF NEW TEXTILE POLICY ON EXPORT OF COTTON CLOTH
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Will the Minister of TEXTILES be pleased to state:

- (a) the impact of new textile policy introduced by the Government on the export of cotton cloth;
- (b) whether their rates have been decreased by the Government;
- (c) the total number of textiles whose DEPU rates have been revised by the Government;
- (d) whether the Government propose to chalk out any scheme to enable the textile industry to stand in competition; and
- (e) if so, the details thereof?

Answer

MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA)

(a) to(e) One of the objectives of new National Textile Policy (NTxP) is to facilitate the textile industry to attain and sustain a pre-eminent global standing in the manufacture and export of clothing. The policy endeavours to achieve the target of textile and apparel exports from the present level to US \$ 50 billion by 2010 of which the share of garments will be US \$ 25 billion. Subsequent to the announcement of NTxP-2000, woven segment of readymade garment sector was de-reserved from SSI and the announcement has been made for de-reservation of knitwear from SSI in the Union Budget 2005-06.

DEPB credit rates were reduced on 23.9.2004 across the board for all the 83 textile products including cotton textile items covered under DEPB Schedule. The Government has been taking a number of steps from time to time to strengthen and enhance the competitiveness of the Indian textile industry to meet the emerging global competition. Some of the important initiatives taken are:

- i) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1-4-1999 to facilitate the modernisation and upgradation of the sector.
- ii) The imports of specified textiles and garment machinery items have 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.
- iii) To improve the productivity and quality of cotton, Government has launched Technology Mission on Cotton (TMC).
- iv) The Government has launched a centrally sponsored scheme titled "Apparel Park for Export Scheme" for imparting focused thrust for setting up of apparel manufacturing units of international standards at potential growth centres to give fillip to exports.
- v) For upgrading infrastructure facilities at important textile centres, a scheme titled "Textile Centre Infrastructure Development Scheme" (TCIDS) has been launched.
- vi) The fiscal duty structure has been generally rationalised to achieve growth and maximum value addition. Except for mandatory excise duty on polyester filament yarn, synthetic and artificial fibres and synthetic and artificial filament yarns, the whole value addition chain including cotton textile and cotton clothing items have been given excise exemption option. Additional Excise Duty on Textiles & Textile Articles (AT&T) and Additional Excise Duty (Goods of Special Importance) Act have been abolished.
- vii) The Government has de-reserved the woven segment of readymade garment from the SSI sector. It has also raised the SSI investment limit for knitted segment to Rs. 5 crores. In the Union Budget 2005-06, an announcement has been made for de-reservation of 30 hosiery items from the SSI.
- viii) National Institute for Fashion Technology (NIFT), its six 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.
- ix) 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.

