

GARMENT EXPORT

4339. SHRI SUBBARAYAN K.:

Will the Minister of TEXTILES वस्त्र मंत्री
be pleased to state:

- (a) whether India's garment export growth has remained flat for the last few years mainly because of products not being competitive in the international market due to high rate of wages and duties, if so, the details thereof;
- (b) whether the Government is considering to discuss the matter with the representatives of Indian textile and garment manufacturers to resolve the issues, if so, the details thereof; and
- (c) whether the Government is aware that Indian textile units, especially garment manufacturing factories are expanding to new geographical locations like Africa due to the duty free access to the US and the EU markets from African countries, if so, the details and reaction of the Government thereto?

उत्तर

ANSWER

वस्त्र मंत्री (श्रीमती स्मृति जूबिन इरानी)

MINISTER OF TEXTILES
(SMT. SMRITI ZUBIN IRANI)

(a): As per DGCIS data, export of apparel has increased by 2% from Rs 102,943 crore in 2014-15 to Rs 112,701 crore in 2018-19. In dollar terms garment exports have been valued around 16 to 17 bn USD. India faces competition from Bangladesh and Sri Lanka which have competitive manufacturing costs and enjoy duty free access to major markets like EU.

(b): To identify issues and solutions to enhance exports, Ministry of Textiles has regular interface with various Ministries/Departments, industry associations and Export Promotion Councils

(c): Some garment units have set up units in Ethiopia due to zero duty access for Ethiopian exports in US and EU markets and due to incentives being offered for investments there. Government has taken various initiatives to promote the garment sector as follows:

- A Special Package was announced for garments and made-ups which offers Rebate of State Levies (RoSL), labour law reforms, additional incentives under Amended Technology Upgradation Fund Scheme (ATUFS), enhanced duty drawback coverage and relaxation of Section 80JJAA of Income Tax Act.
- A new Scheme for Rebate of State and Central Taxes and Levies (RoSCTL) was announced w.e.f 7th March 2019.
- Rates under Merchandise Exports from India Scheme (MEIS) were enhanced from 2% to 4%.
- Assistance is also provided to exporters under Market Access Initiative (MAI) Scheme.
- Government has enhanced interest equalization rate for pre and post shipment credit for exports by MSMEs of textile sector from 3% to 5% w.e.f. 02.11.2018. Benefits of Interest Equalization Scheme has been extended to merchant exporters from 02.01.2019 which was earlier limited to only manufacturer exporters.
