

LOK SABHA
UNSTARRED QUESTION NO. 1006
TO BE ANSWERED ON 08.02.2023

FREE TRADE AGREEMENT WITH AUSTRALIA

1006. DR. JAYANTA KUMAR ROY:
SHRI VINOD KUMAR SONKAR:
SHRI BHOLA SINGH:
DR. SUKANTA MAJUMDAR:
SHRI RAJVEER SINGH (RAJU BHAIYA):
SHRI RAJA AMARESHWARA NAIK:

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

- (a) whether the Government is hoping exponential growth in Textile sector after signing of India's Free Trade Agreement (FTA) with Australia and if so, the details thereof;
- (b) whether FTA with Australia eliminates the import duty on textile exports from India bringing them at par with China, Vietnam and Bangladesh and if so, the details thereof;
- (c) whether it is a fact that India exports a significant proportion of its low value-added products such as yarn and fabrics to China, Bangladesh and Vietnam which use them to value add and export to countries such as Australia and other potential FTA partners;
- (d) if so, the details thereof; and
- (e) other important steps being taken by the Government?

उत्तर
ANSWER
वस्त्र राज्य मंत्री (श्रीमती दर्शना जरदोश)
THE MINISTER OF STATE FOR TEXTILES
(SMT. DARSHANA JARDOSH)

(a) & (b): Pursuant to the signing and implementation of India-Australia Economic Cooperation and Trade Agreement (Ind-Aus ECTA), exports of several labour-intensive sectors including apparel & textiles sector, which are otherwise currently facing import duty of 4-5 per cent in Australia vis-à-vis India's competing countries such as China, Bangladesh and Vietnam, is expected to gain from the immediate duty-free access.

(c) & (d): Details of India's exports of fabrics, fibre and yarn to Bangladesh, China and Vietnam is as follows:

India's Exports during April-November 2022 (USD Million)						
Category	Bangladesh	% share w.r.t. India's Textile & Apparel (T&A) export	China	% share w.r.t. India's T&A export	Vietnam	% share w.r.t. India's T&A export
Fabrics	546	2.4%	33	0.1%	51	0.2%
Fibre	334	1.5%	85	0.4%	49	0.2%
Yarn	781	3.4%	53	0.2%	55	0.2%

As compared to total textile exports, the export of fibre, yarn and fabric is not significant.

Source: DGCI&S provisional data, figures are rounded off

(e): Government is implementing various schemes to extend end-to-end support to textile sector viz, Pradhan Mantri Mega Integrated Textile Region and Apparel (PM MITRA), SAMARTH (Scheme for Capacity Building in Textile Sector), Silk Samagra, National Handloom Development Programme, National Handicraft Development Programme, Integrated Wool Development Programme (IWDP), National Technical Textile Mission (NTTM), Scheme for Integrated Textile Parks (SITP) etc. Further, Government is promoting production of MMF Apparel, MMF Fabrics and Products of Technical Textiles in the country through Production Linked Incentive (PLI) Scheme for Textiles.

In order to increase the export potential, India has so far signed 13 Free Trade Agreements (FTAs) including recently concluded agreement with UAE and Australia; and 6 Preferential Trade Agreements (PTAs) with various trading partners. In order to boost export of textiles products, Government extended scheme of Rebate of State and Central Taxes and Levies (RoSCTL) on exports of Apparel/Garments and Made-ups. Further, textiles products not covered under the RoSCTL are covered under Remissions of Duties and Taxes on Exported Products (RoDTEP) along with other products. Government also provides financial support to various Export Promotion Councils and Trade Bodies engaged in promotion of textiles and garments exports, for organising and participating in trade fairs, exhibitions, buyer-seller meets etc.
