

LOK SABHA
UNSTARRED QUESTION NO.4328
TO BE ANSWERED ON 13.12.2019

EXPORT SUBSIDY

4328. SHRI D. K. SURESH:

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

- (a) whether the textile industry in India is subjected to any provisions of the WTO agreement on subsidies and countervailing measures, if so, the details thereof;
- (b) whether the Government is under pressure to end export subsidy for the textile sector from the current year, if so, the details thereof;
- (c) whether the Government has made any assessment of adverse effects of WTO agreement on textile sector, if so, the details of findings of the assessment; and
- (d) whether the Government proposes to introduce any policies and programmes to counter the effects of the WTO Agreement on employment in this industry, if so, the details thereof?

उत्तर

ANSWER

वस्त्र मंत्री (श्रीमती स्मृति जूबिन इरानी)
MINISTER OF TEXTILES
(SMT. SMRITI ZUBIN IRANI)

(a): Textile industry in India is subject to provisions of the WTO Agreement on Subsidies and Countervailing Measures (ASCM) which stipulates that if a developing country member's export of a product has reached a share of at least 3.25% of world trade of that product for two consecutive calendar years, it will be considered as export competitive in that product. Further, export subsidies on such products shall be gradually phased out over a period of eight years.

(b) & (c): As per above WTO provisions, India is obligated to phase out subsidies which are export contingent.

(d): To boost exports and enhance competitiveness, of the textiles sector, Government had announced a Special Package for garments and made-ups sectors. The package offers Rebate of State Levies (RoSL), labour law reforms, additional incentives under Amended Technology Upgradation Fund Scheme (ATUFS) and relaxation of Section 80JJAA of Income Tax Act. The RoSL scheme has since been replaced by the scheme for Rebate of State and Central Taxes and Levies w.e.f 7th March 2019. 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 done 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.
