

LOK SABHA
UNSTARRED QUESTION NO. 4570
TO BE ANSWERED ON 20.03.2020

NEW TEXTILE POLICY

4570. SHRI DIPSINH SHANKARSINH RATHOD:

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

- (a) whether the Government has come up with new textile policy to encourage garment exports from India; and
(b) if so, the details of the said policy and beneficiaries thereof?

उत्तर

ANSWER

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

(a) & (b): The Government is formulating a New Textile Policy for overall development of textile sector. The new policy will address issues and challenges faced by Textile Sector across the value chain including exports.

Some recent initiatives taken to encourage exports of textile sector include:-

- (i) Special Package for Textile and Apparel sector for Rs. 6000 crores package was launched in June 2016 to boost employment and export potential in the apparel and made up segments. This package consists of Remission of State Levies for garmenting and made-ups; additional production and employment linked subsidy of 10% under ATUFS for garmenting; assistance for the entire 12% employers' contribution towards EPF; fixed term employment in garmenting, increasing overtime caps; and income tax concessions under section 80JJAA for the garmenting sector.
- (ii) RoSCTL:- To boost exports, Govt. has launched a new scheme viz. Rebate of State and Central Taxes and Levies (ROSCTL) on Export of Garments/ Made-ups with effect from 07.03.2019, in addition to the duty Drawback scheme. Government has also notified a special one-time additional ad-hoc incentive upto 1% of FoB value to be provided for exports of apparel and made-ups to offset the difference between RoSCTL and RoSL + MEIS @4% from 7.3.2019 to 31.12.2019.
- (iii) Merchandise Export for India Scheme (MEIS): This scheme was introduced under Foreign Trade Policy 2015-2020 to offset infrastructural inefficiencies and associated costs involved in export of goods/products to enhance India's export competitiveness.

- (v) Market Access Initiative (MAI) is formulated on product focused country approach to evolve specific market and specific product through market studies/survey. Interest equalization rate for pre and post shipment credit for exports by MSMEs of textiles sector has been enhanced 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.
- (vi) To promote sourcing of materials from within Indian Textile Clusters by western retailers and retail chains, the Consolidated FDI Policy (Effective from August 28, 2017) provides following benefits to boost export:-
- (a) For Single Brand Product Retail Trading:- “In respect of proposals involving foreign investment beyond 51%, sourcing of 30% of the value of goods purchased, will be done from India, preferably from MSMEs, village and cottage industries, artisans and craftsmen, in all sectors.”
- (b) For Multi Brand Retail Trading:- “At least 30% of the value of procurement of manufactured/ processed products purchased shall be sourced from Indian micro, small and medium industries, which have a total investment in plant & machinery not exceeding US \$ 2.00 million.”
- (vi) To boost exports in the MMF sector, Government has removed anti-dumping duty on PTA, a key material for the manufacturing of MMF fibre and yarn.
