

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

LOK SABHA
UNSTARRED QUESTION NO. 1360
TO BE ANSWERED ON 09th FEBRUARY, 2022

FTAs WITH MAJOR EXPORT DESTINATIONATIONS

1360. SHRI KANUMURU RAGHU RAMA KRISHNA RAJU:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether the country needs to actively pursue Free Trade Agreements (FTAs) with major export destinations like the European Union and the United States to push apparel shipments amid increasing competition from Bangladesh and Cambodia that enjoy tariff concessions;
- (b) if so, the details thereof and the steps being taken in this regard along with the results yielded till date;
- (c) whether India has traditionally enjoyed a comparative advantage in the textile sector, including apparels, and these constitute a major chunk of export basket and if so, the details thereof; and
- (d) whether over the past few years, near stagnation in textile exports, particularly in apparel exports, has been witnessed and if so, the details thereof and the reasons therefor along with the corrective steps being taken in this regard?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्रीमती अनुप्रिया पटेल)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SMT. ANUPRIYA PATEL)

(a) & (b): To increase exports including apparel exports, India is actively negotiating Regional Trade Agreements (RTAs)/Free Trade Agreements (FTAs) with the following countries/regions:

| Sl. | Countries/Regions | Name of the Agreement |
|------------|--------------------------------------------------------|-----------------------------------------------------------------------|
| 1 | UAE | India-UAE FTA |
| 2 | Australia | India - Australia Comprehensive Economic Cooperation Agreement (CECA) |
| 3 | Canada | India – Canada Comprehensive Economic Partnership Agreement |
| 4 | Israel | India – Israel Free Trade Agreement (FTA) |
| 5 | United Kingdom | India-UK Enhanced Trade Partnership (ETP) |
| 6 | Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Russia | India-Eurasian Economic Union (EAEU) Free Trade Agreement (FTA) |
| 7 | European Union | India - EU Broad Based Trade and Investment Agreement (BTIA) |
| 8 | South Africa, Botswana, Lesotho, Swaziland and Namibia | India - SACU PTA |

(c): Textile including apparel exports constitute a significant share in India’s total exports. The share of textile and apparel exports was 10.52% of the total exports in 2021.

(d): Textile and Apparel export growth has been facing adverse impact of Covid pandemic and higher import tariffs in key markets such as European Union and United Kingdom as compared to zero duty access in these countries to competing countries like Bangladesh and Cambodia. Government has taken various supportive steps in this regard. Production Linked Incentive Scheme has been introduced for the sector with an approved outlay of Rs 10,683 Crore; Rebate of State and Central Taxes and Levies (ROSCTL) scheme has been extended and setting up of 7(seven) PM Mega Integrated Textiles Region and Apparel (PM MITRA) Parks has been approved to promote competitiveness of India’s textile and apparel exports. In addition, on going FTA negotiations will also provide more favourable market access to products exported from India.
