

REMOVE QUALITY CONTROL ORDER

2605. SHRI K C VENUGOPAL:

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

- (a) whether the Government has taken cognizance of the "12.91% decline in textile and apparel exports in October" and the sharp fall in jute, cotton yarn, fabrics and made-ups and if so, the corrective immediate corrective measures are being implemented to stabilise outbound shipments and if so, the details thereof;
- (b) whether the Government has assessed the extent to which "U.S. tariff pressures and heavy-discount-driven exports" are impacting the profitability and sustainability of Indian exporters, especially MSMEs in the textile sector and if so, the details thereof;
- (c) whether the Government proposes to introduce "targeted financial or policy support" for exporters affected by reduced global demand and tariff-related disruptions, including credit assistance and export-promotion incentives and if so, the details thereof; and
- (d) whether the removal of the "Quality Control Order (QCO) on viscose staple fibres" is expected to reduce input costs and improve export competitiveness and the further steps are planned to strengthen the MMF value chain and if so, the details thereof;

उत्तर
ANSWER
वस्त्र राज्य मंत्री (श्री पबित्र मार्घेरिता)
THE MINISTER OF STATE FOR TEXTILES
(SHRI PABITRA MARGHERITA)

(a) to (c): The Ministry is regularly monitoring India's export of Textile & Apparel including Handicrafts to United States and other countries in the world and tracking of the impact of US tariffs on all segments of the textile sector. India's Textiles & Apparel exports, including handicrafts, stood at US\$ 20,401.95 million during April-October 2025, reflecting a marginal decrease of 1.8% compared to the same period in the previous year (US\$ 20,728.05 million), yet indicating overall stability in export performance despite global tariff-related and other external challenges. Exports of readymade garments (RMG) across all textile segments, as well as jute Mfg. including floor coverings, registered positive growth during the period April–October 2025. However, certain other key segments such as cotton and man-made fibre (MMF) products—including yarn, fabrics and made-ups—as well as carpets, witnessed nominal de-growth during the same period vis-à-vis the corresponding period of the previous year. (Source- Quick Estimates, Department of Commerce).

2. During April-October 2025, India's exports recorded positive growth in more than 100 countries compared to the previous year-including key markets such as the UAE, U.K., Germany, Spain, France, Italy, China, Saudi Arabia, Egypt and Japan-reflecting the resilience and diversification efforts of the Indian textile industry. (Source- DGCIS).

3. The Government is implementing various schemes/initiatives to boost the Indian textile and apparel sector and enhance its competitiveness from Country: -

(i) The major schemes/initiatives include PM Mega Integrated Textile Regions and Apparel (PM MITRA) Parks Scheme to create a modern, integrated, world class textile infrastructure; Production Linked Incentive (PLI) Scheme focusing on MMF Fabric, MMF Apparel and Technical Textiles to boost large scale manufacturing and enhancing competitiveness; National Technical Textiles Mission focusing on Research Innovation & Development, Promotion and Market Development; SAMARTH – Scheme for Capacity Building in Textile Sector with the objective providing demand driven, placement oriented, skilling program; Silk Samagra-2 for comprehensive development of sericulture value chain; National Handloom Development Program for end to end support for handloom sector. Ministry of Textiles is also implementing National Handicrafts Development Programme and Comprehensive Handicrafts Cluster Development Scheme for promotion of handicrafts.

(ii) Export Obligation (EO) period under the Advance Authorisation Scheme for inputs falling under mandatory Quality Control Order (QCO) in the textile sector has been extended from six (6) months to eighteen (18) months.

(iii) The Government has brought key revisions to the Production Linked Incentive (PLI) Scheme for MMF Apparel, MMF Fabrics, and products of Technical Textiles to address industry challenges, enhance ease of doing business, encourage fresh investments in the sector etc. The Revisions include Expansion of Eligible Products, relaxation from setting up new companies, reduction in minimum threshold of investment and incremental turnover Criteria. The revision aims to reduce entry barriers and financial thresholds, enabling faster execution.

(iv) The Government has exempted import duty on cotton under HS 5201 upto 31.12.2025 for reducing the input material costs for the textile industry, ensuring adequate supply and improving export competitiveness and enhancing overall industry efficiency.

(v) The Government has rationalized the GST rate across the textile value chain to remove structural anomalies, reduce costs, boost demand, support exports and sustain jobs.

(vi) The Government is also administering the two remission schemes of Rebate of State and Central Taxes and Levies (RoSCTL) for Apparel/Garments and Made ups and the Remissions of Duties and Taxes on Exported Products (RoDTEP) Scheme for other textiles products.

(vii) India has signed 15 Free Trade Agreements (FTAs), including the India-UK Comprehensive Economic and Trade Agreement (CETA) which was signed on 24 July 2025. These FTAs aim to reduce tariff and non-tariff barriers, simplify procedures, and address structural issues to make Indian Exporters more competitive in partner markets.

(viii) Further, the Ministry has formulated a comprehensive 40-country market diversification strategy, identifying high-potential global destinations for Indian textile exports. A structured and targeted outreach in these markets—supported by coordinated efforts of Export Promotion Councils (EPCs), industry delegations, and Indian Missions abroad—aims to reduce market concentration risks, enhance India's export share, and establish a more resilient and sustainable global footprint for the Indian textile industry.

(ix) The Government has approved the Export Promotion Mission (EPM) which is anchored in a collaborative framework involving the Department of Commerce, Ministry of MSME, Ministry of Finance, and other key stakeholders including Financial Institutions, Export Promotion Councils, Commodity Boards, industry associations, and state governments.

The Mission will operate through two integrated sub-schemes:

(i) NIRYAT PROTSAHAN – focuses on improving access to affordable trade finance for MSMEs through a range of instruments such as interest subvention, export factoring, collateral guarantees, credit cards for e-commerce exporters, and credit enhancement support for diversification into new markets.

(ii) NIRYAT DISHA – focuses on non-financial enablers that enhance market readiness and competitiveness, including export quality and compliance support, assistance for international branding, packaging, and participation in trade fairs, export warehousing and logistics, inland transport reimbursements, and trade intelligence and capacity-building initiatives.

(x) The Government has approved Credit Guarantee Scheme for Exporters (CGSE) for providing 100% credit guarantee coverage by National Credit Guarantee Trustee Company Limited (NCGTC) to Member Lending Institutions (MLIs) for extending additional credit facilities upto Rs.20,000 crore to eligible exporters, including MSMEs. The Scheme aims to enhance the global competitiveness of Indian exporters and support diversification into new and emerging markets.

(d): The removal of Quality Control Orders (QCOs) on critical MMF raw materials is a direct facilitative measure taken by the Government to stabilize domestic prices and ensure an unhindered supply of key raw materials of MMF sector to downstream processors. Further, with the objective to enhance operational efficiency, Goods and Services Tax (GST) structure in the MMF value chain has been rationalized to bring down the GST rate of MMF Fibre and Yarn at 5%, resulting in lower overall cost of MMF products. The recent initiatives in PLI aims to reduce entry barriers and financial thresholds, enabling faster execution.
