

LOK SABHA
UNSTARRED QUESTION NO.4283
TO BE ANSWERED ON 11.8.2016

EXPORT OF GARMENTS

4283. SHRI OM PRAKASH YADAV:
SHRI SUMEDHANAND SARSWATI:

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

- (a) the details of the production and export of garments and textiles during each of the last three years and the current year;
- (b) the country-wise details of the foreign exchange earned through exports during the said period;
- (c) the share of the country in the global export market of textiles and garments;
- (d) whether the Government has projected annual growth rate of export of textiles and garments for the next five years, and if so, the details thereof; and
- (e) the steps taken/proposed to be taken by the Government to increase the export of textiles and garments; and the incentive/financial assistance being provided/proposed to be provided by the Union Government in this regard during the said period?

उत्तर

ANSWER

वस्त्र राज्य मंत्री (श्री अजय टम्टा)
MINISTER OF STATE FOR TEXTILES
(SHRI AJAY TAMTA)

- (a) The details of production and exports of textile and garments is given as under:-

• Exports

Year	2013-14	2014-15	2015-16	2016-17 (Apr- June)
Exports (In US\$ Bn.)	40.3	40.7	40.0	8.85

Data Source: DGCIS

• Production

Category	Unit	2012-13	2013-14	2014-15 (P)
Fibre				
Raw cotton	Lakh bales	370	398	390
Man-made fibres	Mn. Kg	1,263	1,307	1,344
Raw wool	Mn. Kg	46.1	47.9	48.1
Raw silk	Mn. Kg	23.68	26.48	28.71

Category	Unit	2012-13	2013-14	2014-15 (P)
Yarn				
Cotton Yarn	Mn. kg	3,583	3,928	4,055
Other spun yarn	Mn. kg	1,285	1,381	1,433
Manmade filament yarn	Mn. kg	1,371	1,293	1,248
Total	Mn. kg	6,239	6,602	6,736
Fabric				
Cotton	Mn. Sq. mtr	33,870	35,513	36,959
Blended	Mn. Sq. mtr	9,283	10,062	10,449
100% Non-cotton	Mn. Sq. mtr	19,639	17,925	17,868
Total	Mn. Sq. mtr.	62,792	63,500	65,276

Data Source: Office of Textile Commissioner

- (b) The country wise exports of the foreign exchange earned through exports of garments during the said period:

Values in US\$ Million	2013-14	2014-15	2015-16
EU	10,366	10,694	10,113
USA	7,408	8,064	8,450
UAE	3,007	4,159	4,780
China & HK	4,441	2,819	2,158
Bangladesh	1,935	1,983	2,097
Others	13,173	12,983	12,385
Total	40,329	40,702	39,984

- (c) India has a share of 5% in the global trade of textile and apparel.
- (d) Government has set a target of US\$ 48.5 billion for exports of textile and apparel for 2016-17. Over the next 5 years, India's textile and apparel exports is expected to increase substantially.
- (e) The Government has announced a special package of Rs 6,000 crores for boosting export potential of the Textile and Apparel Sector. The details of package are given in Annexure I. Apart from that Govt. has launched various schemes to boost textile and apparel exports. The details are given in Annexure II.

The Government has announced a special package of Rs 6,000 crores for boosting the employment generation and export potential of the Textile and Apparel Sector. Salient features of the package are:

1. Labour Law Reforms

- a) Government to bear 3.67% of employer's Employee Provident Fund (EPF) contribution for new workmen in addition to existing reimbursement of 8.33% employer contribution under Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) for 3 years.
- b) EPF will be made optional for employees earning less than Rs. 15,000 per month; thus, leaving more money in the hands of the workers.
- c) Overtime cap will be raised from 50 hours per quarter to 100 hours per quarter leading to increased earnings of workers.
- d) Considering the seasonal nature of the industry, fixed term employment will be introduced for the garment sector. A fixed term workman will be considered at par with permanent workman in terms of working hours, wages, allowances and other statutory dues.

2. Additional incentives under ATUFS

- The subsidy provided to garmenting units, under Amended-TUFS, is being increased from 15% to 25%, providing a boost to employment generation.
- The package breaks new ground in moving from input-based to outcome-based incentives; a unique feature of the scheme will be to disburse subsidy only after expected jobs have been created.

3. Enhanced duty drawback coverage

- In a first-of-its-kind move, a new scheme will be introduced to refund the state levies which were not refunded so far.
- This move will greatly boost the competitiveness of Indian exports in foreign markets
- Drawback at All Industries Rate will be given for domestic duty paid inputs even when fabrics are imported under Advance Authorization Scheme.

4. Enhancing scope of Section 80JJAA of Income Tax Act

- Looking at the seasonal nature of garment industry, the provision of 240 days under Section 80JJAA of Income Tax Act would be relaxed to 150 days for garment industry.

Government of India has launched various schemes to boost competitiveness of Indian garment exported to foreign countries and to increase country's share in global markets. The details of the schemes are:-

- i. Merchandize Exports from India Scheme (MEIS): Rewards for export are payable as percentage of realized FOB value to all the countries. The reward rates are given below:

Eligible Products	Reward Rate
Textile and Apparel Products (HS Code 50-63: eligible lines)	2%
All handloom and handicraft items	5%
All jute, ramie and coir based items	5%

The duty reward is available to textile and garment exporters in any country globally. Also, Government has withdrawn the requirement of Landing Certificate to avail the benefit of MEIS. This removal of requirement of landing certificate is a major step in ease of doing business.

- ii. Interest Equalization Scheme: Pre and post shipment rupee export credit of 3% is given to Handicrafts, Carpet, Handlooms, Small & Medium Enterprises, Readymade Garments, Made-ups, Fabrics, Coir & Coir Products, Jute & Jute Products.
- iii. Duty Drawback: Duty drawback rates for textile items are given below:

	When CENVAT is not availed	When CENVAT is availed
Cotton yarn	2.5-4.5	1.2-1.4
Cotton fabric	4.3-7.3	1.4-2.0
Man-made fabric	6.6-11.5	1.9-2.4
Apparel	7.2-10.5	2.0-3.5
Home textiles	5.0-10.7	1.9-8.9

- iv. Market Access Initiative (MAI):
- Financial assistance for carrying out marketing projects abroad
 - Assistance for building capacity for exporters, export promotion organizations, etc.
 - Assistance on reimbursement basis to individual exporters for charges/fees paid by them for fulfilling the statutory requirements in the buyer country
 - Assistance for conducting studies
 - Assistance in developing projects leading to substantial improvement in market access
- v. Market Development Assistance (MDA):
- Financial support to exporters registered with Export Promotion Councils
 - For participation in Trade Fairs/Exhibitions, assistance would be permissible on travel expenses by air in economy class and/or charges of the built up furnished stall, subject to an upper ceiling as given below:
 - Focus Latin American Countries (LAC) – Rs. 250,000
 - Focus Africa, Focus CIS, Focus ASEAN – Rs. 200,000
 - General areas – Rs. 150,000
 - For each region, the exporter can claim benefit once a year
 - Maximum number of permissible participations shall be 5 in an FY.
