

[3 March, 2005]

RAJYA SABHA

Organisation (WTO) regime, had come to an end on January 1, 2005; and

(b) if so, how India, China and others concerned stand to gain or lose thereby?

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA):  
(a) and (b) As per WTO Agreement on Textiles & Clothing (ATC), the textile quota regime has been phased out and textile sector fully integrated into WTO on 1<sup>st</sup> January 2005.

India's textiles and clothing exports in the post regime will be driven by value added made-ups & apparels as India has comparative advantages over its competitors in relation to (i) availability of relatively inexpensive and skilled workforce (ii) design expertise (iii) large production base of basic raw materials.

#### **Ban Imposed by USA**

290. SHRI RK MAHESHWARI: Will the Minister of TEXTILES be pleased to state:

(a) whether USA has imposed a ban on import of suit, under garments and a number of other garments from India;

(b) if so, the details thereof; and

(c) the impact on Export of Indian garments as a result thereof?

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA):

(a) No, Sir.

(b) and (c) Do not arise, in view of (a) above.

#### **Investment in Textiles sector**

291. SHRI PENUMALLI MADHU: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that the textile sector needs a huge capital investment of Rs. 27,000 crores, within the next 2 years, to compete with other countries, with the phasing out of the quota regime this year; and

(b) if so, the steps taken or proposed to meet the target?

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA):

(a) The Indian Textile and clothing industry is in a resurgent mood consequent on the abolition of quotas with effect from 1st January, 2005. The industry is making vigorous efforts to upgrade its production technology and improve competitiveness in order to face the new challenges and use the opportunities with confidence. As per the "Vision Statement for the Textile Sector 2010" issued by the Indian Cotton Mills' Federation, the total investment requirement of textile sector is estimated at Rs. 1,40,000 crores over the period 2002-2010. This implies that the capital investments of Rs. 25,000-30,000 crores in the next two years in the textile sector will help in taking full advantage of opportunities available in the quota free regime and to compete with other countries.

(b) Some of the important initiatives already taken by the Government are:-

- \* To improve productivity and quality of cotton, Government has launched the Technology Mission on Cotton (TMC).
- \* The Technology Upgradation Fund Scheme (TUFS) has been launched to facilitate the modernisation and upgradation of the textile industry both in the organized and in the unorganized sector.
- \* The cost of textile machinery has been brought down by reducing the customs duty on imports.
- \* The Government has also launched centrally sponsored schemes titled "Apparel Parks for Export Schemes" for setting up apparel manufacturing units of international standards and the "Textile Centre Infrastructure Development Scheme" for upgrading the infrastructure facilities at old textile centers.
- \* The bold and imaginative fiscal duty regime announced in the Budget 2004-05 has provided a level playing field to both the organized and the unorganized sector; has brought down the cost of production and has helped in consolidation and expansion of capacities.
- \* Government has launched the Debt Restructuring Scheme with the principal objective to permit banks to restructure high-cost debts of textile units at 8-9% rate of interests.