

domestic textile Industry at most competitive rates but also stabilizes the prices since it is a common platform open to all.

**Shortfall in projected revenue target of textile industry**

1241. SHRI VIVEK K. TANKHA: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that as per the report of Indian Brand Equity Foundation (IBEF), a body under the Ministry of Commerce and Industry, the textile industry missed its projected revenue target of 45 billion US Dollars for financial year of 2016-17 by a huge margin, managing to earn only 38.6 billion US Dollars;

(b) if so, the reasons for such falling exports, low productivity and rising prices in the textile industry; and

(c) how the Central Government plans to tackle such downfall in textile industry?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI AJAY TAMTA): (a) Textile and apparel exports have been reported at around USD 39-40 bn in last four years. As per DGCIS data, exports have been reported at USD 26.63 bn during April to December 2018 which is an increase of 2.5% over previous corresponding period.

(b) Manufacturing costs of textile sector in India is higher due to fragmented structure of industry and presence of MSMEs. Various challenges faced by textile and apparel exports are as follows:—

(i) India faces duty disadvantage of up to 9.6% in important consuming markets like the European Union as compared to competing countries viz. Bangladesh, Sri Lanka, Turkey and Pakistan which have zero duty access.

(ii) Demand in India's top exports markets have declined during 2014 to 2017. Global textile imports of countries like China and UAE have declined at 7% and 12% CAGR, respectively. Global apparel imports of major consuming markets viz. UAE, EU and Saudi Arabia have declined at 6%, 0.4% and 0.6% CAGR respectively.

(c) To enhance exports of textile and apparel products, Government announced the Special Package for garments and made-ups sectors. The package offers Rebate of State Levies (RoSL), labour law reforms, additional incentives under ATUFS and relaxation

of Section 80JJAA of Income Tax Act. Further, the rates under Merchandise Exports from India Scheme (MEIS) have been enhanced from 2% to 4% for apparel, 5% to 7% for made-ups, handloom and handicrafts *w.e.f.* 1st November 2017. Products such as fibre, yarn and fabric in the textile value chain are being strengthened and made competitive through various schemes, *inter alia*, Powertex for fabric segment, Amended Technology Upgradation Fund Scheme (ATUFS) for all segments except spinning, Scheme for Integrated Textile Parks (SITP) for all segments, etc. Assistance is also provided to exporters under Market Access Initiative (MAI) Scheme. Government has enhanced interest equalization rate for pre and post shipment credit for exports done by MSMEs of textile sector from 3% to 5% *w.e.f.* 02.11.2018. Benefits of Interest Equalization Scheme has also been extended to merchant exporters from 2019 which was earlier limited to only manufacturer exporters.

**Handloom exports facing competition from other countries**

1242. SHRI MOHD. ALI KHAN: Will the Minister of TEXTILES be pleased to state:

(a) whether Indian handloom exports are facing competition from countries like Pakistan and Bangladesh;

(b) if so, what type of products are hit and from which States; and

(c) whether any action plan has been drawn up to face competition and to capture new markets from Indian handlooms?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI AJAY TAMTA): (a) Yes, Sir. Pakistan and Bangladesh enjoy tariff preference in India's major exports destinations *viz.* European Union, United States of America and United Arab Emirates by way of Generalized System of Preferences Plus (GSP+) and Least Developed Countries (LDC) status etc. Under GSP+ notification, Pakistan products are enjoying duty free access in European Union. Bangladesh became a WTO Member on the date of its inception *viz.* 1st January 1995 and is enjoying duty free access to European Union under the Everything but Arms (EBA) scheme which came into force in the year 2012 for Least Developed countries (LDCs).

(b) In general, the handloom exports from India consist of made-ups, floor coverings and fabrics, and these products have been hit because of competition. The major states which manufacture handloom products being exported are Haryana, Tamilnadu and Kerala.