

**Export Division**  
**Frequently Asked Questions (For Posting on Ministry's Website)**

**1. What is India's position in the global Textiles and Clothing (T&C) trade?**

As per the latest data of the WTO, India's percentage share in global textiles and clothing trade was 4% in textiles, and 2.8% in clothing during the year 2007. India's rank in world trade has been 7<sup>th</sup> in textiles and 6<sup>th</sup> in clothing.

**2. What is the share of Textiles and Clothing (T&C) in total exports basket?**

The T&C sector currently accounts for nearly 13% share of the country's total exports basket.

**3. What is the T&C exports target?**

The projections for the textiles industry for the 11<sup>th</sup> Five Year Plan (2007-12), inter-alia, envisages India securing a 7% share in the global textiles trade by 2012.

**4. What is the profile of Indian T&C exports?**

- i) Readymade Garments accounts for almost 45% of the total textiles exports. Apparel and cotton textiles products together contribute nearly 75% of the total textiles exports.
- ii) The exports basket consists of a wide range of items comprising readymade garments, cotton textiles, handloom textiles, man-made fibre textiles, wool and woollen goods, silk, jute and handicrafts including carpets.
- iii) India's textiles products, including handlooms and handicrafts, are exported to more than a hundred countries. However, the USA and the EU, account for about two-thirds of India's textile exports. The other major export destinations are Canada, U.A.E., Japan, Saudi Arabia, Republic of Korea, Bangladesh, Turkey, etc.

**5. What are the milestones of Indian T&C exports?**

- i) Exports of textiles and clothing products from India have increased steadily over the last few years, particularly after 2004 when textiles exports quota were discontinued.
- ii) During 2003-04, 2004-05, 2005-06, 2006-07 and 2007-08 exports were of the order of US\$13.5 billion, US\$ 14.0 billion, US\$ 17.52 billion, US\$ 19.15 billion and US\$ 22.13 billion respectively. The exports of textiles from India has risen from US\$ 13.5 billion in 2003-04 to US\$ 22.13 billion in 2007-08, denoting an increase of 64% during 2003-08.
- iii) India's textiles & clothing (T&C) export registered robust growth of 25% in 2005-06, recording a growth of US\$ 3.5 billion in value terms thereby

reaching a level of US\$ 17.52 billion and the growth continued in 2006-07 as T&C exports were US\$19.15 billion recording a increase of 9.28% over previous year. Though India's T&C exports in 2007-08 were badly affected by strong appreciation of Indian rupee against US dollar, exports at USD 22.13 billion still managed to record a healthy growth of 15.59% in US dollar terms over 2006-07 (in rupee terms the growth was about 2.76%).

**6. What are the emerging opportunities of liberalised trading regime after the phasing out of Quota regime?**

In the liberalized post-quota period, India has emerged as a major sourcing destination for new buyers. As a measure of growing interest in the Indian textile and clothing sector a number of buyers opened their sourcing/ liaison office in India. These include Marks and Spencer, Haggar Clothing, Kellwood, Little Label, Boules Trading Company, Castle, Alster International, Quest Apparel Inc., etc. Commercially the buoyant retailers across the world are looking for options of increasing their sourcing from the Indian markets. Indian manufacturers are also pro-actively working towards enhancing their capacities to fulfill this increased demand.

**7. What is the role of export promotion councils in exploring new markets in foreign countries?**

In order to explore new markets in foreign countries the export promotion councils organize textiles and garments fairs in the country and also participate in important textiles exhibitions/fairs in foreign countries. They also organize mega-shows, fashion fairs, buyer-seller meets (BSMs) in potential markets. They also sponsor trade delegations for consolidating the existing markets and exploring new markets.

**8. What types of assistance is provided by the export promotion councils to the exporters in various parts of the country?**

The export promotion councils provide assistance to their members in the following areas:-

- i) Issuance of Certificate of Origin;
- ii) Benefits under Market Development Assistance/Market Access Initiative Scheme;
- iii) Overseas participation in international fair/buyer seller meets etc;
- iv) Attending to problems relating to customs;
- v) Collection of cost data for duty drawback;
- vi) Providing training facilities to augment skilled manpower at the shop floor level;
- vii) Providing a channel of coordination between the Industry and the Government.

**9. How many textiles export promotion councils are there?**

There are eleven textiles exports promotion councils catering to various segments of the T&C sector, as indicated below:-

<b>Name of the EPCs</b>	<b>Area of activity</b>
1. Apparel Export Promotion Council, New Delhi	Readymade garments
2. Carpet Export Promotion Council, New Delhi	Hand-knotted carpets and other floor coverings.
3. Cotton Textiles Export Promotion Council, Mumbai	Cotton Textiles
4. Export Promotion Council for Handicrafts, New Delhi	Handicrafts items
5. Handlooms Export Promotion Council, Chennai	Handloom products
6. Indian Silk Export Promotion Council, Mumbai	Natural silk goods
7. Powerloom Development & Export Promotion Council, Mumbai	Fabrics and made-ups produced on powerlooms
8. Synthetic and Rayon Textiles Export Promotion Council, Mumbai	Synthetic and Rayon Textiles
9. Wool and Woolen Export Promotion Council, New Delhi	Indian woolen products
10. Wool Industry Export Promotion Council (WOOLTEXPRO)	Indian woolen products
11. Jute Manufactures Development Council (JMDC)	Jute & Jute promotion

#### **10. What are the major drawbacks for India's T&C exports?**

T&C exports have been facing acute crisis on some count or the other during the year 2007-08 and 2008-09 prominently due to unprecedented rupee appreciation against the US Dollar as well as global economic slowdown. The major constraints of Indian T&C exports include lack of world class infrastructure, high power and transaction cost, non-reimbursement of state level cess and duties, lack of state-of-the-art technology etc.

#### **11. What is India's position in Global Textiles Economy?**

India's position in the World Textile Economy

- Second largest producer of raw cotton
- Second largest producer of cotton yarn.
- Second largest producer of cellulosic fibre / yarn
- Second largest producer of silk.
- Fourth largest producer of synthetic fibre / yarn.
- Largest producer of jute.

**12. What is the target mentioned in the National Textile Policy, 2000 regarding exports of textiles and apparel?**

The National Textile Policy, 2000 inter alia, stipulates that the Endeavour will be to achieve the target of textile and apparel exports from the present level of US \$ 11 billion to US \$ 50 billion by 2010 of which the share of garments will be US \$ 25 billion.

**13. What are the targets mentioned in the 11<sup>th</sup> Five Year Plan 2007-12?**

Regarding textiles and clothing the 11<sup>th</sup> Five Year Plan documents mention a target to reach a potential market size of US\$115 Billion;

- > Domestic market to reach US\$ 60 Billion;
- > Exports to increase to US\$ 55 Billion;
- > This would create 17.37 million job opportunities, 12 million direct jobs in textiles industry, and 5.35 million jobs in allied sectors.

In order to achieve this Vision, investments of Rs.1,50,600 crore would be required as follow:-

**Segment-wise incremental machinery and investment requirement**

S. No.	Sector	Incremental capacity	Investment (In crore)
1	Spinning	29.25 Million Spindles (8.25)*	50,200
2	Weaving	1,08,850 shuttleless looms, 98500 auto looms, 59100 plain looms, 39400 semi-auto looms	20,200
3	Knitting	9,400 M/cs	2,400
4	Processing	38 Billion sq. metres	56,000
5	Garment	14.5 lakh M/cs	21,800
	<b>Total</b>		<b>1,50,600</b>

\* - Including replacement of machinery

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