

Data Source: International Trade Division
Last Updated on: 03/11/2014

India's textiles and clothing industry is one of the mainstays of the national economy. It is also one of the largest contributing sectors of India's exports worldwide. The report of the Working Group constituted by the Planning Commission on boosting India's manufacturing exports during 12th Five Year Plan (2012-17), envisages India's exports of Textiles and Clothing at US\$ 64.41 billion by the end of March, 2017. The textiles industry accounts for 14% of industrial production, which is 4% of GDP; employs 45 million people and accounts for 12% share of the country's total exports basket. India is major exporting country as far as textile sector is concerned and not dependent on import. Majority of import takes place for re-export or special requirement. In the global exports of clothing, India ranked as the ninth largest exporter as per WTO data – 2012, with China, EU and Hong Kong occupying first three slots. In the global exports of Textiles, India ranked as the third largest exporter, trailing China and EU.

2. The Export and Import of T&C during 2013-14 was as under:-

Export	2012-13		2013-14*		Growth in percentage	
	Crore	US\$ Mn	₹ Crore	US\$ Mn	₹ Crore	US\$
Total Textile & Clothing	171970.53	31625.15	214918.45	35425.97	25%	12%
Handicrafts (EPCH Data)	17970.12	3304.90	23504.42	3884.91	31%	18%
Total T&C including Handicrafts	189940.65	34930.05	238422.87	39310.88	26%	13%
% Textile Exports of overall exports	11.63%	11.63%	12.59%	12.58%		
India's overall exports	1633634.81	300400.68	1894181.95	312610.30		

Source: DGCI&S

Note: DGCIS data takes into account only a limited handicrafts items (24 items) whereas the Export Promotion Council for Handicrafts (EPCH) considers comprehensive Handicrafts items (about 200 items).

*Provisional

Import	April - December, 2014 (as per DoC data)
Total Textile and Clothing Import	US\$ 4075.19 million

Source: DGCI&S

3. The year 2013-14 began with a challenging note for export of Indian T&C products in a difficult economic backdrop as the world was emerging from the shadows of a grim recessionary period as in 2012-13 and Textiles exports had witnessed a (-) 4.20% decline in US\$ terms in 2012-13. However concerted efforts were made to reverse the trend in 2013-14. The Ministry of Textiles remained conscious of the fact that textile export is not just an end itself but means of providing gainful employment to millions of people in the country. To address these issues and reverse the trend of declining exports, a multi-pronged strategy was adopted by

the Ministry of Textiles. The Ministry significantly stepped up external economic engagement with the other information and negotiated a number of bilateral agreements to gain significant market access. Various procedural bottlenecks in exports were also addressed while supporting the textiles exports sector through various provisions of the Foreign Trade Policy and the other policy initiatives to enable the sector to increase market share in the global textiles markets. As a result of focused efforts made by the Ministry of Textiles, not only the declining trend of textile exports was arrested but a significant growth in export was witnessed during 2013-14. The various activities undertaken by the Ministry to boost export are given below:-

Bilateral Negotiations

Mauritius

- (a) An 8 member Indian delegation led by Joint Secretary Exports visited Mauritius from January 28-30, 2013 for the 2nd meeting of the Joint Working Group. The 2nd meeting of the Joint Working Group at the level of Joint Secretary Textiles and Permanent Secretary to Government, Ministry of Commerce, Industry and Consumer Affairs Republic of Mauritius met on January 28, 2013. The Protocol of the Joint working Group, the Letter of Intent on the implementation framework of the CITM's announcements in Port Louis, 5 MoUs on collaboration between Institutions were finalized on January 29, 2013. These documents were signed in the presence of Minister of Commerce, Industry and Consumer Protection on January 30, 2013.
- (b) The 3rd meeting of the Joint Committee on cooperation about the textile and clothing industry constituted under the Memorandum of Understanding for Cooperation between the Ministry of Textiles of the Republic of India and the Ministry of Industry, Commerce and Consumer Protection of the Republic of Mauritius was held on January 31, 2014 at New Delhi, India. In the Joint Committee meeting various bilateral issues on cooperation in textile sector were discussed.

Tehran

- (a) A 16 member Textile delegation led by Joint Secretary Exports visited Tehran from 31 January till 3rd February 2013. The delegation also included a spectrum of textile industry representatives from TEXPROCIL, SRTEPC, CITI as well as individual companies. The Mission had arranged delegation's meetings with Iranian Textile Industry and different Chambers of Commerce. The delegation met 3 industry associations in Tehran, apart from visit to Kashan, where they had a buyer-seller meeting under the aegis of Kashan Chamber of Commerce.
- (b) Secretary (Textiles) led an Indian textiles delegation to Tehran, Iran from 19-21 May'2013 to inaugurate INTEXPO, Iran 2013 and had bilateral talks with the

Iranian authorities. The INTEXPO succeeded in creating an awareness about the Indian textile industry and its wide range of products, which can cater to the needs of Iran.

Japan

(a) A delegation from Japan, led by Mr Akikzu Shimomura, President JTF visited India on 18th Feb.'13 to discuss the greater market access for the India-Japan CEPA and a Zero for Zero approach in r/o textiles products. As per the developments;

- a) An ATDC-JUKI Skill Development Centre in New Delhi has been set up with state of the art sewing machines for skill building initiatives.
- b) TORAY Corporation delegation of 7 members has visited Brandix India Apparel city Visakhapatnam and M/o Textiles for investment opportunities in Apparel sector.
- c) SRTEPC is being encouraged to engage with UNIQLO Corpn having their predominant strengths in synthetic and polyester fabrics.

(b) Secretary Textiles Smt Zohra Chatterji led an Indian delegation to Japan from July 16-17, 2013 for inauguration of the India Pavilion at the International Fashion Fair, Tokyo and bilateral meetings with Japanese authorities. On July 16, 2013 Smt. Zohra Chatterji inaugurated the India Pavilion at the International Fashion Fair Tokyo which is the largest textiles trade show held by India in the World. The show was coordinated by AEPC as lead council and had 144 participants from AEPC, Texprocil and ISEPC. The show attracted 1900 buyers and generated business of USD 35.5 million.

During the visit, Smt. Zohra Chatterji held delegation level talks with the Vice Minister of METI, Mr. Norikiho Ishiguro covering a wide range of issues including enhancement of textiles trade between the 2 countries following the conclusion of CEPA in 2011 and reduction of tariffs and business to business collaboration between Indian and Japanese companies in investments in manufacture of sewing machines and shuttle-less looms in India. Secretary Textiles informed that an MOU between NIFT and Bunka Fashion Institute is under finalization. Vice Minister METI said that Japan would be the partner country in the 2013 IITF and looks forward to cementing partnerships further.

Secretary Textiles Smt. Zohra Chatterji also held wide ranging talks with captains of Japanese industry including the President of the Japan Textiles Federation, the President of the Japan Apparel Importers Association, the President of the JUKI Corporation and the representatives of Toray Industries Corporation.

The visit was cordial and constructive and will lead to significant enhancement of trade ties in the coming months.

(c) The Indian delegation was headed by Dr. K.S. Rao, Hon'ble Minister of Textiles, Govt. of India visited Tokyo (Japan) from 24th -27th November, 2013. The major outcomes of the visit:

- i. Discussion on training by JUKI Corporation on attachments and maintenance
- ii. Discussion on organization of further workshops in India on the lines of those conducted by QUTEC regarding testing requirements and standards for Japanese Market (possibly in collaboration with Textiles Committee)
- iii. Discussion on authorization of Textiles Committee to issue certificate of origin for IJCEPA
- iv. To organize meeting/interaction with textile federation and importers with HMoT
- v. Discussion and finalization/signing of MOU between National Institute of Fashion Technology and Bunka Fashion Graduate University
- vi. Discussion on possibilities of developing one or two model clusters where Japanese Fashion Designers, testing agencies, Japan garments manufactures and retailers could work jointly
- vii. Meeting with the Japan Textiles importers Ass (JTIA)
- viii. Meeting with President/Vice President, Japan Textiles Federation and other members of Federation

Uzbekistan

The 2nd meeting of the India-Uzbekistan Joint Working Group was held on 21st February' 2013 in New Delhi in a cordial and constructive atmosphere. It was decided that Central Silk Board (CSB) and the Uzbek Research Institute would jointly formulate research projects in the areas of silkworm & mulberry breeding, pest and nutrient management, silkworm seed technology, and cocoon & yarn processing technology. Collaborative project on plantation development, disease management and seed production would be taken up. Both sides agreed on collaboration in the sharing of market information, price forecasts and trends in Cotton trade. For exchange of information, it was agreed that the Chairman Cotton Corporation of India and the Representative of the State Joint Stock Foreign Trade Company would be communicating with each other on a regular basis.

Romania

An MoU was signed on 23rd April'2013 in New Delhi between Ministry of Textiles and the M/o Economy of Romania on cooperation in the field of Textiles, Clothing and Fashion Industries. The MoU will facilitate cooperation in the areas of Textiles, Clothing and Fashion Industries, which in turn is likely to increase trade and commerce between India and Romania and would promote growth in the economy and also revenues in the long run.

(b) An Indian delegation led by Joint Secretary (Exports) visited Bucharest from June 20-21, 2013 for bilateral discussions and the for attending the first meeting of the India-Romania Joint Working Group. The significant agreements reached during the first meeting of the JWG are as follows:

- a. a framework of collaboration between the Central Silk Board of India and the collaborating Institutes of Romania
- b. feasibility of further collaboration in the flax and hemp
- c. the possibility of entering Cotton Textiles Export Promotion Council (TEXPROCIL) and Synthetic Rayon and Textiles Export Promotion Council (SRTEPC) into cooperation with the Federation of Textiles, Garments and Leather Industry of Romania (FEPAIUS)
- d. Apparel Export Promotion Council of India's collaboration with appropriate institutions in Romania to address the compliance standards and productivity enhancement requirements of the Apparel Industry
- e. Apparel Training and Design Center's possibility for entering into a collaboration in the field of skill demands of the Apparel Sector with the professional associations of Romanian Textiles Clusters

EU

An Indian delegation led by Joint Secretary (Exports) visited Brussels form May 28-29 2013 for attending the 7th Meeting of India-EU Joint Working Group on T&C in Brussels. During the meeting follow up discussions were held in India's Cotton/Cotton Yarn production and export policy, including the Cotton Distribution Bill. The other issues discussed during the meeting were conformity assessment procedures for azo dyes, update on the Indian Labelling Legislation, discussion on developments in EU/Indian textiles markets, GSP benefits/Rules of Origin and DISHA programme of AEPC.

Bangladesh

(a) A bilateral meeting of India- Bangladesh textiles ministers was held on 19th August, 2013 in New Delhi. The Indian delegation was headed by Dr. K. S. Rao, Hon'ble Minister of Textiles, Govt of India and the Bangladesh Delegation was headed by Mr, Abdul Latif Siddiqui, Hon'ble Minister for Textiles and Jute, Govt. of Bangladesh. The major deliverable of the discussions were:

- a. The MoU between the Ministry of Textiles of the Republic of India and the Ministry of Textiles and Jute of the People's Republic of Bangladesh for Cooperation in Textile Sector was signed by representatives of both the countries.
- b. Hon'ble MoT assured the Bangladesh delegation that Bangladesh Textiles Mills would not face any restriction in sourcing cotton from India.

- c. A similar reciprocal arrangement on supplies of raw Jute from Bangladesh was confirmed by Hon'ble Textiles Minister of Bangladesh.
- d. Within a period of one month India will support the extension of IJSG through a demarche and both the countries would joining move to UNCTAD to strongly present their case for the extension of IJSG or formation of a new organization in place of IJSG.
- e. An exhibition of Jamdani Sarees is to be organized in Delhi in the coming months.

(b) Textile exporters had brought to the notice of the Ministry the problems faced due to congestion at the Bangladesh border. The matter was taken up by Minister of Textiles with Finance Minister. As a result the Government of India has taken several measures to facilitate bilateral trade between India and Bangladesh including extended working hours for the functioning of Customs as Petrapole, aligning the weekly holiday with Bangladesh so as to provide more working days to the trade, allowing movement of trucks carrying export cargo up to the LCS of the importing country for discharge of cargo and regular meeting between the jurisdictional commissioners of Customs of India and Bangladesh as well as meetings with trade at the border to address issues of concern to the trade

Sri Lanka

A Memorandum of Understanding between the Ministry of Textiles of the Republic of India and the Ministry of Industry and Commerce of the Democratic Socialist Republic of Sri Lanka for cooperation in the development of SMEs in Handloom, Powerloom and Textiles was signed on 9th September, 2013 in Colombo. The MoU seeks to enhance the economic relations by expanding business and cooperation in the development of SMEs in Handloom, Powerloom and Textiles including Trade Relations, Skill Development, Fashion Technology, and development of compliance standards. The composition of the Joint Working Group from Indian side has been sent to MEA for sharing with Bangladesh side.

Myanmar

On the request of MEA, an Indian delegation led by Joint Secretary (Exports) visited Myanmar from November 6-8, 2013 for discussion on the brand Memorandum of Understanding between Economy, Trade and Industry of Myanmar and the Ministry of Textiles, MoU on Handloom Sector, funding of Skill development for 250 apparel factory workers. Discussion were formulation of Common Compliance Code (DISHA Myanmar).

5. Other bilateral negotiations

In addition several bilateral agreements were being processed. The Cabinet, on 13.8.2013, approved the Memorandum of Understanding between the Ministry of Textiles of the Republic of India and the Ministry of Energy and Industry of the

Kyrgyz Republic for Cooperation in the field of Textile Sector. The MoU seeks to enhance the trade & economic relations by expanding business and cooperation in the sphere of their Textiles, Clothing and Fashion Industries between India and Kyrgyz Republic. The MoU is yet to be signed. In addition, the Cabinet on 13.8.2013, approved the Memorandum of Understanding with Belarus. The MoU seeks to enhance the trade & economic relations by expanding business and cooperation in the sphere of their Textiles, Clothing and Fashion Industries between India and Belarus. The MoU is yet to be signed.

6. Textile exporters had brought to the notice of the Ministry the problems faced due to congestion at the Bangladesh border. The matter was taken up by Minister of Textiles with Finance Minister. As a result the Government of India has taken several measures to facilitate bilateral trade between India and Bangladesh including extended working hours for the functioning of Customs as Petrapole, aligning the weekly holiday with Bangladesh so as to provide more working days to the trade, allowing movement of trucks carrying export cargo up to the LCS of the importing country for discharge of cargo and regular meeting between the jurisdictional commissioners of Customs of India and Bangladesh as well as meetings with trade at the border to address issues of concern to the trade.

7. Further, DGFT had issued a Notifications No.43 (RE-2013) 2009-2013 dated 25th September, 2013 putting export of cotton yarn in the category of 'Ineligible export category/sector for FMS'. As a result, cotton yarn was rendered ineligible for the benefits under Incremental Export Incentivisation Scheme (IEIS). The Ministry of textiles took up the matter with Department of Commerce for restoration of benefits of Incremental Export Incentivisation Scheme (IEIS) on export of Cotton Yarn. It was because of efforts put in by Ministry of Textiles that DGFT subsequently restored the benefits of IEIS on export of cotton yarn during 2013-14 by Notification No.88 (RE-2013/2013)/2009-2014 dated 23rd January, 2014. Withdrawal of the benefits of IEIS had dampened the enthusiasm of cotton yarn exporters and the restoration of these benefits will reflect in the export performance during the remaining part of the year.

8. Ministry of Textiles had received a representation from Texprocil indicating problems due to the requirement of submission of hard copies of documents for issuance of Registration Certificate for Cotton and Cotton Yarn to the Regional Office of DGFT as a system of online issuance of Registration Certificate had already been put in place on the DGFT website. Ministry of Textiles requested Department of Commerce for procedural simplifications and dispensing with the requirements of submission of the hard copies of various documents for issuance of Registration Certificate for export of cotton and cotton yarn. Subsequently, DGFT has issued a notification No 63 (RE 2013)/2009-14 dated 3.1.2014 in the matter which will give a relief to the exporters by saving their time, money and energy and will enable them to concentrate on market development programme.

9. EU has extended "Zero duty" benefit to Pakistan under the Generalized System of Preference Plus (GSP+) Scheme w.e.f. from 01.01.2014. This would result into duty free export from Pakistan to the 27 countries of the EU, while imports of yarn & fabrics from India will continue to pay 4% to 8% and Home textiles will pay

9.6%. The extension of “Zero duty” benefits to Pakistan under the GSP Plus Scheme will affect the Indian export of Home Textiles, Fabrics and Yarn to the EU countries since the duty differential will create difference of prices. Ministry had received representation to grant fiscal incentives to the Indian exporters to minimize the effect of EU’s extension of “Zero duty” benefits under the GSP Plus Scheme. The matter was taken up with Department of Commerce for granting 5% bonus on export of certain textile items to EU. Texprocil has now informed that DGFT has issued a notification in February, 2014 granting 2% bonus on export of Cotton Yarn, Fabrics and Made ups to the EU in view of zero duty benefit given to Pakistan for all these products under the GSP plus scheme.

These efforts have been simplifying the procedures for our exporters thereby helping in boosting exports.

10. EXPORT PROMOTION COUNCILS

There are eleven textiles Exports Promotion Councils representing all segments of the Textiles & Clothing sector, viz. readymade garments, cotton, silk, jute, wool, powerloom, handloom, handicrafts, carpets. These Councils work in close cooperation with the Ministry of Textiles and other Ministries to promote the growth of their respective sector in the global export markets. The Councils participate in textiles and clothing fairs and exhibitions in India and abroad as well as mount standalone shows in India and abroad to enhance the markets of their respective sectors. These councils are:-

- i) Apparel Export Promotion Council (AEPC)
- ii) The Cotton Textiles Export Promotion Council (Texprocil)
- iii) The Synthetic & Rayon Textiles Export Promotion Council (SRTEPC)
- iv) Wool & Woollen Export Promotion Council (S&WEPC)
- v) Wool Industry Export Promotion Organization (WOOLTEXPRO)
- vi) Indian Silk Export Promotion Council (ISEPC)
- vii) Carpet Export Promotion Council (CEPC)
- viii) Export Promotion Council for Handicrafts (EPCH)
- ix) Powerloom Development & Export Promotion Council (PDEXCIL)
- x) Handloom Export Promotion Council (HEPC)
- xi) Jute Product Development Export Promotion Council (JPDEPC)

11. Export Promotion Activities of EPCs

During the year 2013-14, the EPCs continued export promotion activities of textiles exports. These included participation in overseas exhibitions/fairs, organisation of Buyer-seller-Meets (BSMs) abroad and, sponsoring trade delegations for consolidating the existing markets and exploring new markets. Major textiles fairs like India International Garment Fair and Indian Handicrafts & Gifts Fair attracted large number of buyers from all over the world. The EPCs participated in all major fairs & exhibition world-wide, and Textiles Mega Shows were jointly put up in Japan, South Africa, Latin America etc with the support of the Government.

12. Textiles Exports performance during 2013-14:

(i) The year 2013-14 began in a difficult economic backdrop as the world was emerging from the shadows of a grim recessionary period as in 2012-13 and Textiles exports had witnessed a (-) 4.20% decline in US\$ terms in 2012-13. However concerted efforts were made to reverse the trend in 2013-14. To address these issues and reverse the trend of declining exports, a multi-pronged strategy was adopted by the Ministry of Textiles. The Ministry significantly stepped up external economic engagement with the other information and negotiated a number of bilateral agreements to gain significant market access. Various procedural bottlenecks in exports were also addressed while supporting the textiles exports sector through various provisions of the Foreign Trade Policy and the other policy initiatives to enable the sector to increase market share in the global textiles markets.

As a result of focused efforts made by the Ministry of Textiles, not only the declining trend of textile exports was arrested but a significant growth in export was witnessed during 2013-14. Textiles (incl. Handicrafts) exports during FY 2013-14 registered a growth of 13 % in US\$ terms and 26% in Rupee terms. Total Textile and clothing (DGCIS data) Including and Handicraft (EPCH data) exports during FY 2013-14 was US\$ 39310.88 million as against US\$ 34930.05 million in FY 2012-13. In Rupee terms, it is 238422.87 crore in 2013-14 against 189940.65 crore in 2012-13. Readymade Garments registered a growth of 16%, man-made textiles 13% and Cotton Textiles 11 % in US\$ terms. A statement showing principle commodity-wise exports data (Provisional) during 2013-14 is at Annexure-I.

The share of textiles export in the Indian Export Basket has significantly increased from 11.63% to 12.58% during 2013-14.

13. Import Scenario

The total imports of T&C products by India during the Financial Year 2012-13 was of the value of US\$ 5.35 billion. Cotton was the biggest import amongst T&C items with a share of US\$ 0.78 billion followed by Man-Made Filaments (US\$ 0.76 billion) and Impregnated Textile Fabrics (US\$ 0.73 billion). India's imports of T&C during 2013-14 (Apr-Dec) has been of the order of 4.07 billion. A statement showing import of Textiles and Clothing products during 2012-13 and current year (Apr-Dec) is at Annexure-II.

Click here for

[Annexure-I.](#) and [Annexure-II.](#)