

## Despite being the largest employment generator textile sector not given required impetus Chairman, TEXPROCIL

In a statement issued today, Shri R K Dalmia, Chairman Texprocil stated that even though the textile sector was in the forefront of creating employment in the country, the cotton textiles business is fast losing its market share worldwide." Drawing attention to a report of the Labour Bureau published recently, Shri Dalmia stated that it was a matter of abundant satisfaction that the textile industry one of the oldest industries in India - was at the forefront of creating maximum employment in 2015 as compared to other sectors like Auto and IT.

He said that more employment can be generated provided the government gives greater priority to the needs of the textile sector and recognizes its huge potential by giving timely impetus in terms of policy support. Some of the issues relating to exports such as cost of funds and adverse impact of preferential access given to competing countries need to be addressed on a war footing.

The Chairman stated that it was a matter of deep concern that India has already lost market share to Pakistan in 19 textile and 18 clothing products during calendar year 2014 due to the preferential access extended by EU to that country under the GSP Plus Scheme. If urgent action is not initiated to address the issue then India stands to lose its market share in many more items.

This has happened entirely due to the duty free access given to Pakistan while Indian exporters were paying a duty of 9.6% for made-ups and garments and 6.5 - 8% in fabric items.

According to Shri Dalmia, the signing of the Indo-EU FTA at the earliest would help the textiles sector gain immensely in terms of market access. However, he expressed his concern at the slow progress of the negotiations being made on this FTA and urged the Government to revive the talks under the Indo-EU FTA and conclude it at the earliest, if need be as a separate sectoral agreement.

Recognizing exports as a priority lending sector and including cotton yarns in the MEIS and interest equalization scheme are a few other key issues that need to be addressed to keep up the momentum in exports which will further lead to employment generation.