

INTERVIEW: RITA MENON

TEXTILE SECRETARY

We want excise duty on branded apparel to go

The global economic crisis and the resultant slump in key export markets for textiles and apparel have hit Indian textile and clothing (T&C) industry. Several textile companies are in talks with banks for restructuring of their loans. Further, the National Fibre Policy, first mooted by former textile minister Dayanidhi Maran in 2009, has got delayed and the latest news is that it will be embedded in the Twelfth Five Year Plan. In an interview with FE's Neha Pal, textile secretary Rita Menon talks about the issues confronting the textile industry. Excerpts:



Does the government support the textile industry's demand for another debt recast?

Clearly, the textile industry needs support because the interest rates are quite volatile and the number of companies defaulting in payments has gone up. The ministry is in talks with the finance ministry for restructuring of these loans.

When is the National Fibre Policy expected to see the light of the day?

The policy will be embedded in the Twelfth Five-Year Plan. This would be a major reform that would help not just for the exporters but also boost the domestic market. The idea is to remove the disparity in taxation and pricing of fibres (conventionally, manmade fibres have been

taxed at very high rates but over the last few years, the rates have come down, but there is still a disparity with natural fibres).

What are the initiatives being taken by the ministry for promotion of technical textiles?

The ministry has taken several initiatives like the scheme for growth and development of technical textiles (SGDTT), inclusion of major machinery under modified TUFs for 10% capital subsidy etc. However, the technical textiles industry still suffers from a number of problems like lack of basic infrastructure in terms of testing facilities, market development support and skilled manpower. There is a need for specifications and standards for technical textiles.

We had also launched a technology mission on

technical textiles with two mini-missions for a period of five years, from 2010-11 to 2014-15 with a fund outlay of ₹200 crore. We would like to expand the mission in the Twelfth Plan.

What is the agenda of the textile ministry for the coming year?

One of our priorities is removal of excise duty on branded apparel and it is most likely to be removed this year. Scheme for integrated textiles has brought uniformity and we are very keen on expanding the textile parks.

A cluster based approach is required to scale-up production chain at handicrafts cluster. There is a need for more investments in modernisation and technology up gradation that has been envisaged through continuation of the TUFs scheme.