

# Textile export target for FY13 raised to \$41 bn



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**New Delhi, Jun 20:** The textile ministry has raised the export target for the sector to \$41 billion from \$38 billion for fiscal 2012-13, hoping that exporters will cash in on recent concessions offered by the Foreign Trade Policy and a weak rupee, a senior textile ministry official said on Wednesday.

India had exported textile products worth \$34 billion in 2011-12, up 26% from the previous fiscal, despite the global macro-economic crisis, partly due to a 15% depreciation of the rupee against the dollar.

The textile ministry had a meeting with the export promotion councils, including the Cotton and Synthetic Export Promotion Council, in Mumbai on June 11 to discuss the implications of the foreign trade policy and ways to boost exports.

Under the foreign trade policy announced earlier this month, the commerce ministry extended the zero-duty Export Promotion Credit Guarantee (EPCG) scheme by a year to March 31, 2013. In the case of the apparel sector, the market-linked focus product scheme was extended until the end of the current fiscal for exports to the US and the European Union. Apart from this, a 2% interest subsidy scheme for the labour-intensive ready-made garment and knitwear sector has been extended until March 2013.

The Cotton Textiles Export Promotion Council (CTEPC) has sought a 2% interest subvention scheme for the entire textile sector, which is the largest employer after agriculture. "Keeping in mind the rising interest rates, the textile sector as a whole needs an interest subvention of 2%," CTEPC executive director told *FE*. Apart from this, the councils have also said that the manufacturing of textiles needs to be encouraged in case of yarn, fabrics, home textiles.

Expectations of higher exports intensified after the government, late last month, announced the restructuring of debt worth ₹35,000 crore to bail out cash-starved textile mills that have fallen into a debt trap owing to a sudden fall in product prices after two successive years of relentless rise in raw material costs.