"Budget 2017-18 is positive & growth oriented but could have been better"
– Shri Ujwal Lahoti, Chairman, TEXPROCIL

The Government has announced the Union Budget for 2017-18 in the parliament today.

"Overall the budget is positive, wide ranging and inclusive" said Shri Ujwal Lahoti, Chairman, TEXPROCIL.

Shri Lahoti was glad that the **job creating package** of the textile sector found a worthy mention in the latest Economic Survey 2016-17 which was presented by the Hon'ble Finance Minister, Shri Arun Jaitley. However, the made-ups sector which is included in the package still awaits the rates on ROSL scheme (Refund of State levies). The Chairman hoped that the rates will be announced soon so that the sector could take advantage of this path breaking scheme.

The Chairman welcomed the 5% reduction in **Corporate Income Tax** for medium and small enterprises with 50 crores turnover. This will benefit a large number of MSMEs in the textile sector also.

Shri Lahoti appreciated that the Government will continue to take measures to boost growth as well as employment generation. He however stated that the **export sector** which was at the moment languishing on account of low overseas demand and rising protectionism had **not found a mention in the budget**. In this connection, he appealed to the Government to restore some of the incentives relating to interest subvention for **merchant exporters and cotton yarn and MEIS benefit for cotton yarns.**

He further stated that the Economic Survey 2016-17 in Chapter 7 has expressed concern on Indian exporters of garments/textiles being **disadvantaged in foreign markets** on account of Free Trade Agreements (FTAs). In fact the Economic Survey has estimated that an FTA with EU and UK can lead to almost 1 lakh additional jobs being created in the garment sector apart from an increase in exports of US$ 2 billion. If fabrics and made-up industries are also included in this calculation, the exports can easily increase to US$ 3.5 billion and an additional 1 million jobs can be created.

Considering the fact that the FTA with EU may take some time, Government should immediately consider giving an additional benefit of **3% MEIS for exports of made-ups to EU** so that the adverse impact of the FTAs can be mitigated to some extent, till such time the FTA is signed.