

National Committee on Textiles Proposes Measures to Boost Textile and Clothing Industry

With the objective of highlighting the issues and challenges being faced by the textile and clothing industry as well as the urgent policy interventions required to address the same, all the stakeholders of Textile and Clothing Industry, viz., National Textile Associations, Export Promotion Councils (EPCs) as well as regional level textile and clothing industry associations representing the entire textile value chain have formed a steering committee called the “National Committee on Textiles & Clothing (NCTC)” under the chairmanship of Shri T Rajkumar, Chairman CITI.

The NCTC comprises major textile associations and EPCs at regional and national level like TEXPROCIL, AEPC, PDEXCIL, SRTEPC, CITI, CMAI, ITTA, AFI, AMFII among others. The NCTC is now meeting regularly to discuss various issues ranging from fibres to fashion to arrive at a common understanding on both short term and long term policy measures for domestic and international markets. For the purpose of long term policy measures, the NCTC has decided to hire the services of a competent agency to undertake a study and recommend various policy measures to enable the entire textiles and clothing value chain covering all types of fibres and products to remain globally competitive and achieve a sustained growth rate, both in the domestic and international markets.

In the meanwhile a list of short term policy measures has been finalised and the NCTC delegation led by Shri t Rajkumar, Chairman CITI met the Hon’ble Ministers for Finance, Commerce and Textiles respectively to apprise them of the grim situation facing the T&C sector. The Hon’ble Minister of Textiles, Smt Smriti Zubin Irani assured the NCTC that all necessary action will be taken for the revival of the industry.

The NCTC thanked HMoT for recommending to the Ministries of Finance and Commerce, issues like extending 1-2 years moratorium or liquidity support for the financially stressed textile units; Slotting recycled PSF under 5% GST rate; and the CCI cotton MSP operations to factor in international and domestic prices to protect the interests of farmers and cotton textile industry.

TEXPROCIL

The NCTC delegation led by Shri T Rajkumar, Chairman CITI also met the Hon'ble Minister of Finance, Smt Nirmala Sitharaman on 14th October 2019 and submitted a Joint Memorandum apprising her about the urgent need to release the pending claims under RoSL/RoSCTL Schemes; urging the banks to upload documents expeditiously for release of TUFSS Subsidy; extending the benefit of enhanced MEIS & RoSCTL till RoDTEP comes into force; reducing the margin money for working capital from 25% to 10% and the Debt Equity Ratio norm from 1:1.33 for the entire textiles and clothing industry; extending 5% Interest Subvention for all textiles and clothing export products; and also all the benefits announced under special garment export package (SPELSGU) especially the 80JJA income tax and enhanced EPF benefits extended for new jobs.

The NCTC proposed a slew of short term policy measures to the Hon'ble Minister of Commerce, Shri Piyush Goyal at a meeting held on 15th October 2019 which covered issues broadly related to GST, the Ease of Doing Business and RCEP negotiations. The measures suggested were imposing adequate protection/safeguards measures on the imports of fibres, yarns, fabrics, readymade garments and used cloths especially from China, Bangladesh and Indonesia; extending the benefits of enhanced MEIS & RoSCTL till RoDTEP comes into force; consider including anti-dumping duty in the duty drawback calculation and enhance the rates appropriately; restructure the obligation period under the EPCG scheme; extend the remission of duties and taxes under the proposed RoDTEP scheme for the entire textile value chain viz. all fibres, yarns, fabrics, made-ups, garments, and all types of Technical Textiles. It was also suggested that in India's list under RCEP all textiles and clothing items must be kept in D Category for 20 years with certain sensitive items under exclusion list.

The Joint Memorandum submitted by NCTC hopes to receive valuable support from the Ministries to mitigate the challenges presently faced by the T&C Industry and boost exports.

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