

**'Indian textile exports can be taken to \$300b by 2025'**

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*Texpreneurs' Federation calls for policy backing*

Coimbatore, April 6:

The Indian textile industry, which has been registering a slide on the export front, perceives that with focused trade policy support and by moving up the value chain, the industry can achieve the export target of \$300 billion by 2025.

Conceding that "Transpacific Trade Partnership (TPP) is a natural threat," the secretary of Indian Texpreneurs' Federation (ITF) D Prabhu said, "It may not take away the country's textile and clothing business completely. However, to achieve the export target, India should press for reduction of Chinese import and the RCEP (Regional Comprehensive Economic Partnership)."

**Access to US market**

Explaining the implication of TPP, he said, "Exporters from TPP member countries (of which India is not a member) tend to get preferential access to the US market."

"The US apparel imports account for roughly \$82 billion, but India's supplies is just about \$3.7 billion (₹25,000 crore approx). India's apparel exports to the US have been sliding since 2010-11. If duty turns disadvantageous for the country's apparel exports, then this share could further fall," Prabhu said.

Yarn forward rule (YFR) makes it mandatory to source yarn, fabrics and other inputs from TPP member countries, basically to avail duty preference.

"The option before Indian businesses therefore would be to consider relocating to Vietnam (a TPP partner and among the 12 countries including the US, Australia, Peru, Malaysia, New Zealand, Chile, Singapore, Canada, Mexico, Brunei Darussalam and Japan) to avail TPP duty advantage, but this proposition may not be feasible considering that labour is highly expensive in Vietnam compared to India," he added.

**Alternative markets**

To tide over the situation, India should seek improved export market access from China under RCEP, at alternative export markets in emerging regions of Africa, South Asia, CIS and Latin America, Prabhu said.

The country will need to address the issue of inverted duties (that is a situation of higher duties on fibre and lower duties on apparel), push aggressively for inclusion of textile and apparel items under India-Mercosur PTA, expedite FTA with Russian Customs Unions (it can be a big market in the coming years), make it mandatory for all least developed countries to use fabrics made in India if they want to export their apparels to India duty free and request the US to include apparel items in its GSP programme, the ITF secretary added.

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