

Press Release

Apparel exporters disappointed with the union budget

Mumbai, Feb 26 – Mr Premal Udani, chairman of the Apparel Export Promotion Council (AEPC), said today that while the union finance minister has been able to maintain expenditure and fiscal discipline, he has not provided a short-term or long-term roadmap for the growth of labour-intensive apparel industry.

Mr Udani welcomed the initiatives of interest subvention on export credits, grants being given to train three million workers in the textile and clothing industry and Rs 200 crore grant for the effluent discharge project at Tirupur.

However, the increase in excise duty coupled with about Rs 2 increase in prices of petrol and diesel will substantially increase raw material and input costs. Mr Udani further added that the industry already struggling mainly on account of high costs will be further suffocated with these cost increases.

He lamented that the finance minister had turned down exporters' plea for exemption of service tax, rather than claiming refunds. The refund procedure being so cumbersome, hardly any exporter has been able to get the same so far.

Overall, said Mr Udani, the budget has failed to give a thrust to the textile and clothing industry which generates the largest employment after agriculture.