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PRESS RELEASE

AEPC hopes for liberal policies to boost textile, apparel sector

New Delhi, May 16 – The Apparel Export Promotion Council (AEPC) today described 15th Lok Sabha election results a vote for development and hoped that the UPA government will continue its progressive social and economic agenda for inclusive growth and good governance.

In a statement, AEPC chairman Rakesh Vaid said the people seem to have favoured the Congress-led coalition because of its development initiatives which are intended to narrow down the rural and urban divide.

“The verdict proves that the government which talks and ensures development and stability will have the acceptance from people of India,” he said.

Mr Vaid said the textile and apparel sector is the second largest employment generator after agriculture, providing work to about 33 million people directly and another 55 million indirectly. Of these, seven million are involved in garment manufacturing -- 3.9 million for exports and the rest for domestic market.

To increase installed capacities in the apparel sector, he said, the new government will require reforms in five broad areas: fiscal incentives to the tune of Rs 2,600 crore, a Rs 250 crore product development fund, simplification of exim norms, facilitating capital investment and friendlier labour laws.

Mr Vaid hoped the government will push ahead a more comprehensive and competitiveness enhancement strategy in the form of a stimulus package as Indian goods are over 20 per cent costlier than those supplied by some of our competing

countries. “The higher cost is due to higher credit rates, wages for labour and transaction costs,” he said.

Garment exports from India totaled 10.13 billion dollars in 2008-09 compared to 9.68 billion dollars in the previous year.

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