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PRESS RELEASE

Apparel export sector let down by interim trade policy: AEPC

New Delhi, Feb 26 – An apex body of garment exporters today said it is extremely disappointed by the government’s inaction to help the sector tide over impact of global economic downturn.

“The textile and apparel sector has been total ignored,” said chairman of the Apparel Export Promotion Council (AEPC) Rakesh Vaid. “No impetus has been provided in the two economic stimulus packages or the interim foreign trade policy.”

The procedural simplifications announced under the duty entitlement passbook (DEPB) scheme and cut in customs duty from five to three per cent under the export promotion capital goods (EPCG) scheme will have only marginally beneficial impact, he said as there is no move to enhance new production capacity by the industry to reverse falling profit margins.

The textile and apparel sector employs 35 million people directly and is the second largest provider of employment after agriculture, contributing 14 per cent to the industrial production and four per cent to the GDP.

India exported garments worth 9.7 billion dollars in 2007-08 and ranks sixth among top exporters worldwide.

Due to falling sales in the United States (the largest importer of readymade garments) and Europe, Indian exports have been hit badly resulting in massive job losses. About one million workers will be out of work by March-end, according to industry estimates.

Apparel exports from India are likely to stagnate this fiscal year, said Mr Vaid.