



IAS PARLIAMENT

Information is Empowering
A Shankar IAS Academy Initiative

Falling Apparel Exports

What is the issue?

\n\n

\n

- India's apparel exports have dropped about four per cent for the year 2017-18.

\n

- An early resolution is needed to prevent a crisis particularly when global demand has picked up.

\n

\n\n

What is the significance of Indian Apparel exports?

\n\n

\n

- Apparel exports has been growing steadily, it contributes 4% of GDP and account for nearly 15% of India's total exports.

\n

- The textiles and apparels industry is one of the largest employers of women and helps in creation of jobs for skilled and semi-skilled labours.

\n

- It also has a world market share of 4.4% and has potential to increase up to 8%.

\n

\n\n

What are the prevailing issues in Indian apparel export?

\n\n

\n

- Global apparel market is most competitive, faster growth of exports from Bangladesh and Vietnam concerns Indian exports.

\n

- The apparel manufacturing and exporting units are facing a funds crisis due to delays in processing of refund of taxes.
\n
- Duty drawback was initially curtailed and later reduced after the implementation of GST in July 2017.
\n
- While the Union increased the duty drawback understanding the woes of exporters, States who pay major share of duty drawback are yet to rebate the taxes.
\n
- This funds crunch has pushed the apparel manufacturers and exporters to increase the costs up to 5% which has led to loss of market and thereby decreased exports.
\n

\n\n

What measures are needed to improve apparel exports?

\n\n

- The flow of funds to the manufacturing and exporting units has to be eased.
\n
- Sate component of the GST refunds have to be released quickly to avoid losing markets further which will directly affect the labour intensive sector.
\n
- Better infrastructure and smoother policies with less paperwork will help to compete with these countries and improve apparel exports.
\n

\n\n

\n\n

Source: Business Line

\n\n

\n\n

\n



IAS PARLIAMENT

Information is Empowering

A Shankar IAS Academy Initiative