



TAXATION TARIFF CHANGE ON TEXTILE INDUSTRIES

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The Ministry is regularly monitoring India's export of Textile & Apparel including Handicrafts to United States and other countries in the world and tracking of the impact of US tariffs on all segments of the textile Sector.

India's Textiles & Apparel exports, including handicrafts, stood at US\$ 20,401.95 million during April–October 2025, reflecting a marginal decrease of 1.8% compared to the same period in the previous year (US\$ 20,728.05 million), yet indicating overall stability in export performance despite global tariff-related and other external challenges. (Source- Quick Estimates, Department of Commerce). During April–October 2025, India's exports recorded positive growth in more than 100 countries compared to the previous year—including key markets such as the UAE, U.K., Germany, Spain, France, Italy, China, Saudi Arabia, Egypt and Japan—reflecting the resilience and diversification efforts of the Indian textile industry.(Source- DGCIS).

The combination of different factors such as product differentiation, demand, quality, contractual arrangements etc. would determine the impact of reciprocal tariffs on India's exports of textiles sector in global market. The Ministry is in regular consultation with exporters including MSMEs to assess the impact of US tariff on India's textiles & apparel export and other challenges. The Ministry has convened two wide-ranging consultative meetings with large as well as Micro, Small and Medium (MSME) textile exporters from across the textile and apparel value chain at various levels.

The Government is implementing various schemes/initiatives to boost the Indian textile and apparel sector and enhance its competitiveness from Country:-

The major schemes/initiatives include PM Mega Integrated Textile Regions and Apparel (PM MITRA) Parks Scheme to create a modern, integrated, world class textile infrastructure; Production Linked Incentive (PLI) Scheme focusing on MMF Fabric, MMF Apparel and Technical Textiles to boost large scale manufacturing and enhancing competitiveness; National Technical Textiles Mission focusing on Research Innovation & Development, Promotion and Market Development; SAMARTH – Scheme for Capacity Building in Textile Sector with the objective providing demand driven, placement oriented, skilling program; Silk Samagra-2 for comprehensive development of sericulture value chain; National Handloom Development Program for end to end support for handloom sector. Ministry of Textiles is also implementing National Handicrafts Development Programme and Comprehensive Handicrafts Cluster Development Scheme for promotion of handicrafts

Export Obligation (EO) period under the Advance Authorisation Scheme for inputs falling under mandatory Quality Control Order (QCO) in the textile sector has been extended from six (6) months to eighteen (18) months.

The Government has brought key revisions to the Production Linked Incentive (PLI) Scheme for MMF Apparel, MMF Fabrics, and products of Technical Textiles to address industry challenges, enhance ease of doing business, encourage fresh investments in the sector etc. The Revisions include Expansion of Eligible Products, relaxation from setting up new companies, reduction in minimum threshold of investment and incremental turnover Criteria. The revision aims to reduce entry barriers and financial thresholds, enabling faster execution.

The Government has exempted import duty on cotton under HS 5,201 upto 31.12.2025 for reducing the input material costs for the textile industry, ensuring adequate supply and improving export competitiveness and enhancing overall industry efficiency.

The Government has rationalized the GST rate across the textile value chain to remove structural anomalies, reduce costs, boost demand, support exports and sustain jobs.

The Government is also administering the two remission schemes of Rebate of State and Central Taxes and Levies (RoSCTL) for Apparel/Garments and Made-ups and the Remissions of Duties and Taxes on Exported Products (RoDTEP) Scheme for other textiles products

India has signed 15 Free Trade Agreements (FTAs), including the India-UK Comprehensive Economic and Trade Agreement (CETA) which was signed on 24 July, 2025. These FTAs aim to reduce tariff and non-tariff barriers, simplify procedures, and address structural issues to make Indian Exporters more competitive in partner markets.

Further, the Ministry has formulated a comprehensive 40-country market diversification strategy, identifying high-potential global destinations for Indian textile exports. A structured and targeted outreach in these markets—supported by coordinated efforts of Export Promotion Councils (EPCs), industry delegations, and Indian Missions abroad—aims to reduce market concentration risks, enhance India's export share, and establish a more resilient and sustainable global footprint for the Indian textile industry.

The Government has approved Credit Guarantee Scheme for Exporters (CGSE) for providing 100% credit guarantee coverage by National Credit Guarantee Trustee Company Limited (NCGTC) to Member Lending Institutions (MLIs) for extending additional credit facilities upto Rs.20,000 crore to eligible exporters, including MSMEs. The Scheme aims to enhance the global competitiveness of Indian exporters and support diversification into new and emerging markets.

The Government has approved the Export Promotion Mission (EPM) which is anchored in a collaborative framework involving the Department of Commerce, Ministry of MSME, Ministry of Finance, and other key stakeholders including Financial Institutions, Export Promotion Councils, Commodity Boards, industry associations, and state governments.

This information was provided by THE MINISTER OF STATE FOR TEXTILES SHRI PABITRA MARGHERITA in a written reply to a question in Lok Sabha today.

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(Lok Sabha US Q1401)

