Gujarat Chamber of Commerce & Industry

ગુજરાત વેપારી મહામંડળ ૧૯૪૯ થી કાર્યરત

12353

25th January, 2020

To,

Shri Hasmukh Patel
Hon'ble Member of Parliament, Ahmedabad East &
The President
The Textile Association of India
Ahmedabad

Sub: New Textile Policy

Respected Sir,

Greetings from Gujarat Chamber of Commerce and Industry (GCCI).

We thank you very much for sparing your valuable time on 23rd January, 2020 and patiently listening to grievances put forth by GCCI.

We enclose herewith our inputs for new Textile Policy.

1) Inputs/Suggestions for New Textile Policy
2) Suggestions for Development of Textile Industry
3) Textile Industry Note submitted to Hon'ble Prime Minister by Surat Textile Industry

We hope issues raised by us will be represented to consultative committee for new Textile Policy.

Thanking you.

With regards,

Yogendrakumar Trivedi
Chief Operating Officer

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INPUTS/SUGGESTIONS WHICH MAY BE INCORPORATED IN THE NEW TEXTILE POLICY

A. POWERLOOM SECTOR

1) **Increasing subsidy for upgradation of technology of powerlooms**
The powerloom sector got an impetus during the earlier TUFS scheme when the rate of Margin Money Subsidy (MMS) was 30% for weaving machines and around 1.5 lakh old technology loom were converted to shuttles looms. However gradually with decrease in the subsidy, the momentum of turning to new technology weaving machines got affected and it slowed down the upgradation of technology specially in powerloom sector. Most of the powerloom weavers are from SME sector, who require more financial support for the development. Therefore it is requested to increase the subsidy on weaving machines from current 10% under ATUFS scheme to 30% at-least. Moreover 7% interest subsidy to be given

2) **Uniform rate of power tariff**
The powerloom product manufacturers/exporters are generally belonging to SME sector and thus require support from Government, especially when export incentives are going to be phased out. At present, some states provide electricity rates under substantially subsidized rate, whereas in some states power tariffs are too high which affect the production cost between states. It is therefore suggested that a standard reasonable rate shall be fixed for decentralized powerloom units at the maximum rate of Rs.2 per unit, atleast for the first 5 years. Central Power –Tariff Mechanism system, so that there is level playing field across the country.

3) **Increasing financial assistance for yarn bank scheme**
Under the scheme, an interest-free corpus fund up to Rs.2.00 crore is provided to the Special Purpose Vehicle (SPV)/Consortium formed by power loom weavers. The corpus fund for raw material availability i.e. yarn for powerloom sector should be increased from Rs. 2 crore to Rs. 5 crore.

B. EXPORTS SECTOR

1) **All Free Trade Agreements and Region agreements like SAFTA, AIFTA etc** are not in favour of India, they should be reviewed and specifically garment imports from these countries should have clause of :- **FABRICS SHOULD BE OF INDIAN ORIGIN**

2) **Since MEIS and ROSCTL have been withdrawn**, new scheme of incentives under **RODTEP** should include fabrics and yarn as major component and for encouragement of exports at least 5% incentive should be given.

3) 5% interest subvention for fabrics and textile value chain should be given.

4) **<u>At all parts custom clearance</u>** should be 24 x 7 irrespective of holidays that will tremendously help the exporters in meeting the delivery deadlines.

5) **<u>Market Promotion: -</u>** Mega oversees exhibitors of textiles India should be organised in major thrust Countries (ASEAN, AFRICA , LATIN AMERICA) and encouraging small and MSME units to participate at a very nominal cost.

6) **<u>NEPAL TRADE :-</u>**Trade with Nepal should be considered as Local trade, since it is in INR

SUGGESTIONS FOR DEVELOPMENT OF TEXTILE INDUSTRY

SUBMITTED TO

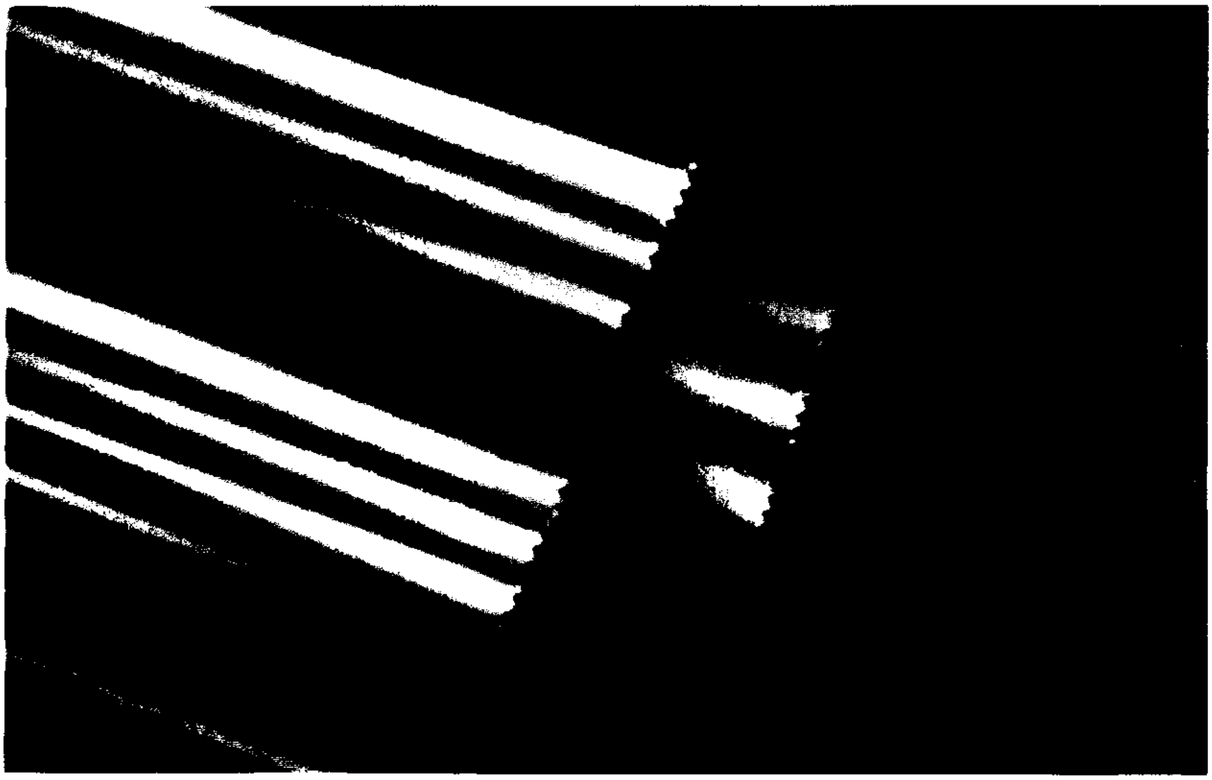
SHRI HASMUKH PATEL
HON'BLE MEMBER OF PARLIAMENT
AHMEDABAD, EAST

SUBMITTED BY

ગુજરાત વેપારી મહામંડળ

GUJARAT CHAMBER OF COMMERCE AND INDUSTRY

DATE: 23RD JANUARY, 2020



Preamble

India is the 2nd largest producer of cotton, and next only to China. The global net cotton production has come down substantially in the recent past in China & US. On the other hand, besides US and other developed nations, cotton textile demands are increasing from economically strong Asian Countries.

On the other hand, Textile being highly labour-intensive industry, developed nations have already lost their cost competitiveness and are trying to re-locate their activities in low cost countries like India. It is observed that besides the quality production of cotton, India is quite strong in the various sub-segments of textile value-chain in terms of Technology & Productivity. However, there is a need to establish our country's brand as a leading manufacturer of cotton, yarn, fabric and garment with a policy to work on five F's - Farm, Fibre, Fabric, Fashion (Garment) & Foreign (Export). In the export front, certain initiatives need to be taken to remove the undue advantage which the other neighbouring countries are getting due to duty exemptions under trade agreements, so that our exporters get a level playing field vis-à-vis the other countries.

In view of the current scenario of the textile sector, we have put forth some suggestions for the growth and development of Textile industry in the country.

1. Need to remove the undue duty advantage available to Bangladesh by strong implementation of minimum value-addition criteria

India allowed duty free import of readymade garments from Bangladesh under SAFTA in 2006. Earlier, this facility was limited to 8 million pieces per annum. This restriction was removed in 2010. Imports from Bangladesh have been growing at a steady pace ever since and gained momentum in mid-2017. India imported $87.4 million worth of readymade garments from Bangladesh during July-November 2017, which was a sharp rise of 56 per cent compared to $55.92 million during the same period last year, according to the data released by Export Promotion Bureau of Bangladesh. Knitted apparel imports from Bangladesh rose by 69 per cent while woven apparel imports grew by 51%. In the pre-GST era, import of garments from Bangladesh was attracting CVD (countervailing duty) plus education cess thereon. However, in the post-GST scenario, there is no cost for import of garments from Bangladesh which is causing this increase. This unilateral duty-free market access given to Bangladesh is actually facilitating backdoor entry of Chinese textiles into India, which needs to be curbed by introducing some protectionist measures such as imposition of anti-dumping duty. **Under SAFTA regime, the clause of minimum value addition of the country should be more than 90%. In that case the product should be given duty-benefit only in case of such value addition.**

2. Formulation and strict enforcement of laws to ensure availability of original seeds, pesticides and fertilizers to farmers

Good quality original seeds are an essential prerequisite for successful and viable farming, especially in the context of cotton farming. However, majority of the seeds currently available to the farmers are not the original seeds but are instead hybrids with a lower yield and higher pesticide and fertilizer requirement. This reduces the overall productivity of the cotton farming and causes higher vulnerability to pests, disease, drought and crop failure. Similar is the case for pesticides and fertilizers. We suggest that strict laws should be formulated and enforced so as to ensure the availability of original seeds, pesticides and fertilizers to farmers.

3. Benefits to process houses

There are many large textile process houses which operate across multiple segments of the textile value chain. However, they receive very little benefits from the State and Central Governments. Many of these process houses are exporters. Looking at the huge employment and foreign exchange generated by these process houses, we suggest that additional benefits should be provided to them as below:

- Setting up a common CETP or Individual Pollution Treatment Plant
- Setting up Zero-Liquid Discharge (ZLD) infrastructure

4. Support for creation of globally recognized Indian apparel brands

Since creation of a brand in the apparels segment is a process requiring huge amount of funding, some government support is needed in the process as most Indian manufacturers are wary of creating brands for lack of adequate funds. Support could be extended in the following areas:

- Designing costs
- Training costs
- Certification costs
- Advertising and promotional costs

5. Promotion of Technical Textiles

Technical Textiles is a high-growth, high-value added sector which has ample opportunities for the future, as new unique uses of textile in various industries are getting discovered. For e.g. There is a huge potential for the textile industry in the area of alternative man-made fibres such as carbon and glass fibres. These are used in high-end manufacturing sectors such as aerospace, automotive, energy and defence.

- The technical textiles segment is know-how and technology driven and requires requisite machinery and technology for production. Support should be made available to them for purchase of technology and machinery.

- We suggest that government should provide viable and innovative projects for MSMEs prepared through extensive studies conducted with the help of expert agencies.

6. Modifications required in the solar and wind power policies

- Currently, the solar and wind power policies have maximum cap on the amount of captive power which could be generated through installation of solar/wind power plant and used for production purposes in-house. This maximum cap restriction should be removed and the unit should be allowed to install solar/wind power plant for a capacity which can fulfil its power needs completely. This will enable the Indian textile industry to compete well in the global textile markets and will also encourage use of alternative power.

7. International Marketing and branding

International Marketing and branding are expensive but essential tools for MSME textile units. Government should support and **encourage creation of a specific brand for "Indian Cotton"** on similar lines as that done for "Giza Cotton". This would help us in facing the stiff competition from other neighbouring countries by reducing chances of its replacement by cotton produced by them.

8. Incentivizing exports to compensate for the duty drawbacks in pre-GST era

Many of our underdeveloped neighbouring nations such as Bangladesh enjoy duty exemption advantages vis-à-vis India, which make their products cheaper than ours as duty drawbacks are no longer available after implementation of GST. To counter this, the government should provide export benefits to the garment manufacturers so that they can sell the products at the same price as the neighbouring countries. Also, as export incentives are increasingly getting challenged due to WTO norms, government should work on alternative benefits such as power/water/CNG subsidy and reimbursement of costs of treating effluents.

9. R&D and Certification Laboratories

- There is a severe shortage of testing facilities across the textile chain which is proving to be a major handicap for raising the standards of our products to match international levels.
- We therefore urge the government to set up proper state-of-art R&D and testing labs in all major textile manufacturing centres.
- Financial support should also be provided for setting up of preliminary in-housing testing facilities by units
- Government Certified Domestic labs should be authorised to issue Compliance certificates required by international buyers

10. Promotion of value-added yarn and hand-spun yarn

Hand-spun yarn fabric (khadi) should be promoted as many national leading brands have introduced their khadi fabric due **to huge demand for hand-spun yarn in countries such as Japan**. Also, since hand spun yarn is manufactured by small fabric and garment manufacturers, they will also be encouraged and employment will be provided.

The utility of value-added yarn is rapidly increasing due to the emergence of new promising avenues such as technical textiles. Therefore, the **value-added yarn should also be promoted through specific interventions.**

11. Single National Policy for the Textile Sector

There is a need to establish our country's brand in various sub-sectors of textile industry on similar lines as that done by the other countries. To achieve this purpose, a single market for Indian Textile needs to be created. We therefore suggest that there should be **One Industry-One Policy across the country**, i.e. a **single unified policy for the textile sector across India**. This will prevent unnecessary undercutting within the country due to variable policies and would be vital in building and promoting our national brand for textiles in the global markets.

12. Green Fibre

Countries such as China are constantly bringing out new green and organic fibres in the market through R&D which are sold at a higher cost due to its unique branding as a natural, organic, environment-friendly and skin -friendly fibre. Although, such fibres are not resilient and have a short life-span, they sweep the global markets initially resulting in a temporary boom. The country's textile industry is also marketed strongly in guise of such new developments.
In order to counter such measures by neighbouring countries such as China, **we need to develop and promote our cotton fibre as "green fibre", which is manufactured through environment-friendly methods and zero-discharge processes.** Also, as developed countries constantly look forward to reducing and tightening the pollution norms, it is

imperative that the growth of our industry should happen keeping in view the future of our future generations.

For this, we suggest increased government support for the following:

- Purchasing Green Manufacturing Technology for textile
- Conducting R&D for manufacturing green fibre
- Testing and certification costs regarding green/zero environmental impact fibre

13. Relaxation in Labour Laws

The textile segment is a high-employment generating sector employing a huge number of unskilled and semi-skilled workers. The textile industry is also one of the sectors having the highest attrition rates. The sector has a significant fraction of small and medium-sized units which are mainly in the unorganized sector. In addition, the garment industry is mostly seasonal in nature and therefore the demand for workers varies throughout the year. However, the labour laws applicable to the sector are stringent, due to which the small units find it very difficult to manage their costs and compete with imported goods as well as global competitors.

The labour laws need to be made simpler and lenient keeping in mind below points:

- Contract labour for specific time-period needs to be allowed for the textile sector so that costs can be managed.
- Employees should be given an option between ESIC benefits and private medical insurance
- Subsidies and benefits should be credited directly in the bank accounts of the employees.

14. Branding and Promotion of Traditional textiles, Handlooms and Handicrafts segment

India is home to some of the most unique traditional textiles, handlooms and handicrafts segment. However, many of these traditional textiles and handicrafts are gradually decreasing due to lack of financial support, non-availability of resources and skilled labour and inadequate marketing and promotion. There is a need to **promote and brand these unique textiles and provide necessary handholding to them.**

15. Honouring achievers in Agro, Ginning, Fabric Manufacturing and Retail segments

Awards should be given by the government to recognize and encourage achievers in the cotton forming, ginning, fabric manufacturing, retail and technical textiles segments. This will motivate them to perform better.

16. Problems of Textile Traders doing trade with Nepal

From 1st July, 2017. After the Textile sector was covered under GST, the trade with Nepal has been converted from Local trade to Export trade, due to this, the textile traders who are unaware of so much complicated export procedure & along with the new GST era, were severely affected by this & have still not come to normalcy.

Compliance of Bill of Export (shipping bill) is to be done at the different Land Customs Border, situated thousands of kms away from the place of exporter. Since the Textile Trader/

Exporter is based far away from the border, it is extremely difficult to fulfill the complete requirements and Hence it causes undue delay in shipping the goods. Due to this complicated and impractical procedure, the trader is engaged in completing the compliance in turn its result in blockage of funds as well as increase in costs. It is to be noted that, if the exporter Ships the Container to the third Country, it takes only 2-3 days to complete the procedure, whereas for Nepal, it takes 10 to 15 days. Moreover, there are stringent rules and regulations of Bank procedure, BRC etc. although the trade is in Indian Rupees. Further, although the small traders have to undergo all the compliances, he is not given any duty drawback or MEIS.

Our request is to consider Nepal textile trade as local trade and not exports. If this is not possible, our suggestions for simplification of textile trade with Nepal are as below:

(1) All the export procedures should be completed at the place of Shipment /Exporter example from Ahmedabad, Surat, Mumbai, Pali, Balotra , Burhanpur etc.

(2) Since trade with Nepal is not in bulk, like full container or full truck, exporter sends the goods in small consignments (1 Bale/2 Bale/5 Bale), from his shop/factory/godown to the transporter's godown. **Hence the customs procedures should be done at various transport godowns on daily or alternative basis.**

(3) Bill of Export (Shipping Bill) to be generated by the Customs at the dispatch point and not at the borders.

(4) All Nepal Shipping Bills, should be marked as NFEI (No Foreign Exchange Involved).

(5) Moreover, since the goods are in open trucks & not containers, the sealing is not possible. In its place, each & every Bale/carton can be affixed by a custom seal & the same can be verified by the Indian Land customs at border & allowed to proceed to Nepal. This will enable to considerably ease the problems.

(6) Requirement of BRC to be waived off. **Nepal Shipping Bills should not be linked to the Banks EDPMS, as the trade is in Indian Rupees and not in convertible currency.**

Textile Industry Note Submitted to Hon'ble Prime Minister

Immediate Policy Interventions Required

Table 1: Ministry of Finance & Ministry of Commerce and Industry

Sl. No.	Policy	Issues/Constraints	Impact	Suggested interventions
1)	Export benefits MEIS & RoSCTL	**Garment & made-ups exports** Disbursement suspended in March 2019 after the announcement of RoSCTL in lieu of RoSL	Exporters factored in the cost; paid advance tax under income tax; facing acute liquidity problems; resulting in fall in exports	Disburse enhanced benefits of MEIS, RoSCTL due from 7th March 2019 at the earliest
2)	RoDTEP (already announced by Hon'ble Minister of Finance - effective from 1st January 2020)	RoSCTL schedule does not include yarns & fabrics	New Policy in lieu of RoSCTL & MEIS Embedded taxes make yarns & fabrics uncompetitive; 35 to 40% drop in exports; underutilized capacity results in financial stress & job losses in the spinning & powerloom sectors	Extend RoDTEP benefit for yarns & fabrics, highly capital & labour intensive sectors in the value chain; tremendous potential for boosting exports.
3)	GST - MMF segment	GST rates on MMF products: fibre 18%, yarn 12%, fabric & other products 5% results in inverted duty structure in the SME segment	Fabric segment predominantly in the decentralized sector (powerloom, knitting & processing); unable to utilize the entire input tax credit resulting in blockage of working capital & liquidity crisis.	Slot entire MMF textile value chain (fibre to finished goods) @ 5% GST rate on par with cotton textile value chain; since final product attracts 5% GST rate, no revenue loss for the government; as a first step, reduce GST rate on man-made fibres from 18% to 12%

Sl. No.	Policy	Issues/Constraints	Impact	Suggested interventions
	FTP - MMF segment	Basic raw materials of MMF (MEG, PTA, Wood Pulp, etc.,) attract import duty and other duties..	Indian MMF segment growth & exports stagnated/ declining; there is a surge in imports of yarns, fabrics & readymade garments affecting the domestic industry; technical textiles needs 70% MMF raw material, not able to make any progress in the absence of level playing field;	Make all raw materials including MEG, PTA, Wood Pulp, fibres and other raw materials available on par with international price; This reform will boost MMF textiles & clothing exports several folds
4)	GST - RMG segment	Readymade garments beyond Rs.1,000 slotted under 12% GST	Makes Indian garments uncompetitive with the duty free import of RMGs.	Enhance RMG value cap under 5% GST to Rs.2,500 would boost domestic consumption, make Indian garments competitive that would boost the business for the entire textile value chain
5)	GST - ITC Refund	Refund of accumulated ITC of capital goods and services not allowed	Cost escalation for the end customer; blockage of huge working capital and affecting the competitiveness; discourages technology upgradation and investments in new projects; would curtail new job creation and exports; domestic sector would become uncompetitive resulting in imports	Allow refund of input tax credit of capital goods and services in the textile value chain
6)	GST - Rate for CETP Services	Prior to GST textile common effluent treatment plants were exempted from all taxes and levies to strengthen the processing sector, the weakest link in the textile value chain	Cost escalation to the MSME segment and making them uncompetitive; huge blockage of working capital as ITC refund is not allowed for such services	Reduce GST rates for the services rendered by common textile effluent treatment plant from 12% to 5% (prior to GST, this service was exempted from service tax)

Sl. No.	Policy	Issues/Constraints	Impact	Suggested interventions
7)	FTA	Textile goods attract 10% to 26% duty in all the major markets; competing Nations having duty free access enable to grab the space vacated by China; India's export stagnated	Highly capital intensive textile manufacturing facility created across the value chain and various State textile policies underutilized; special export garment package had very little impact due to tariff barriers	FTA with UK could be concluded immediately; this would boost exports considerably; FTA with EU, Eurasia & USA could also be explored
8)	Export Benefits	Inadequate export benefits	Makes Indian textiles & clothing products uncompetitive with the tariff barriers; inadequate export benefits and export of taxes further affects the exports;	Extend 5% Interest Subvention for all textiles and clothing export products including all types of spun yarns
9)	FTP - Technical Textile Segment	India does not produce majority of the basic raw materials required to produce technical textile products; import of such raw material attracts duties and levies	Indian technical textile segment is not able to make the envisaged progress as Indian technical textile products are uncompetitive in the international markets	Allow duty-free import of speciality raw material for technical textiles; constitute an empowered Committee to boost the Indian made technical textiles in the country and export and also enhance the list of mandatory usage of Indian made technical textiles by different Ministries.
Note: Industry is in the process of conducting a comprehensive study on enhancing competitiveness of Indian textile industry and making it clothier of the globe; the report will be submitted shortly.				

Table 2: Ministry of Finance & RBI

Sl. No.	Policy	Issues/Constraints	Impact	Suggested interventions
1)	Debt restructuring	Steep fall in demand, volatility in raw material prices, elongated receivable period, eroded working capital and severe financial stress; this issue addressed only for MSME units and not extended for others	CMIE textile industry financial performance data portray the severe financial stress being faced by the textile industry which is acknowledged by RBI. Most of the textile units across the country are under the verges of becoming NPAs/closure, if timely financial assistance is not provided; units having financial stress become un-competitive	One time intervention from RBI by way of conversion of working capital loan into long term loan, providing additional working capital and extending two years moratorium for all long term loans are essential. (Most of these units are potentially viable with the timely financial assistance)
2)	Risky exporters under Customs	The classification of "Risky Exporters" under customs circular no.16/2019 dated 17th June 2019 has affected large number of genuine exporters especially the MSMEs	In the RMG segment, huge amount of export benefits got blocked and such units are directed to settle the disputed amounts with interest; Indian exporters loosing reputation and business	Relax the classification taking into account of the practical scenario by constituting a special task force involving the industry
3)	BASEL Norms	BASEL norms stipulate for third party rating based lending mechanism and reduced timeframe to 90 days for NPA classification	In the highly volatile market conditions and economic slowdown scenario, most of the MSME units are unable to adhere to the timelines prescribed under BASEL norms resulting in large no. of accounts classified under SMA I & II and also as NPAs	Revisit the BASEL norms and the eco-system of MSMEs and insulate MSMEs giving adequate time to bounce back from any recession

Sl. No.	Policy	Issues/Constraints	Impact	Suggested interventions
4)	Exchange Rate	Competing nations often devalue their currencies to sustain their export competitiveness whenever the globe faces economic slowdown	According to RBI, REER Rupee is overvalued by 18% making Indian exports uncompetitive that already is plagued with tariff barriers	Consider addressing the exchange rate on a need basis to enable the exporters to sustain their global competitiveness

Note: Industry is also conducting a study on financial performance of the textile industry by engaging CRISIL; the report will be submitted shortly

Table 3: Ministry of Agriculture, Ministry of Textiles & Ministry of Commerce and Industry

Sl. No.	Policy	Issues/Constraints	Impact	Suggested interventions
1)	Cotton Policy			
	- Cotton production, productivity & quality	Technology Mission on Cotton (TMC) discontinued from the year 2013; BT technology provider discontinued the licence from the same year. TMC & BT technology enabled the country to increase, productivity from 275 kgs to 566 kgs per hectare and made cotton as an attractive cash crop for the farmers.	In the absence of world-class cotton seed technology and technology transfer, Indian cotton productivity and quality depleting; seriously affecting around 25 million farmers and the entire cotton textile value chain; globally several countries achieve over 1500 kgs per hectare productivity as against the India's productivity of 445 kgs per hectare.	Announce TMC in a revised format with the objective of doubling cotton farmers income by adopting global best practices.
	- MSP operations	Cotton Corporation of India (CCI) exercises the MSP operation. CCI normally holds MSP procured cotton and always quotes higher price.	This affects the competitiveness of the industry especially the MSMEs.	CCI may be advised to sell the MSP procured cotton at regular intervals at market price and ensure stability in the cotton price. Alternately, **Direct Benefit Transfer (DBT)** system could be implemented for MSP
2)	Scale of operation	Most of the policies have been encouraging to remain small including the current Amended Technology Upgradation Fund Scheme (ATUFS)	With smaller scale of production not able to supply global brands that demand large volume; buyers prefer to source from countries even like Bangladesh that have scale of operation advantage	Announce a special scheme for Mega Textile Parks and mega projects. As already recommended by Niti Aayog, mega apparel cities near ports with plug & play infrastructure could be created

Table 4: Ministry of Power

Sl. No.	Policy	Issues/Constraints	Impact	Suggested interventions
1)	Cross-subsidy surcharge	Open access power becomes expensive and the industry is compelled to source power from the discoms of the respective States	Purpose of open access power purchase system is defeated and makes the industry uncompetitive.	Exempt textile exports from cross subsidy surcharges or factor in the same in the RoDTEP export benefit calculation Cross subsidy surcharge to be eliminated as envisaged originally in the Electricity Act, 2003.
2)	Non-conventional Energy	The Non-Conventional Energy Policy defers widely from State to State; wind power banking facility is not extended in most of the States	Investments in non-conventional energy becomes unviable; sustainability and green energy would become mandatory for capturing the global export markets especially the global brands	Encourage investments in non-conventional energy especially wind energy and solar power energy: remove the cap of non-conventional energy that prevails in several states. Also remove the cap on banking of wind power.

Table 5: Ministry of Commerce and Industry & Ministry of Textiles

Sl. No.	Policy	Issues/Constraints	Impact	Suggested interventions
1)	Packaging Commodity Act	Domestic retailers being harassed under this stringent Act	Retailers find it difficult to encourage new brands and SMEs: causing hardship for the entrepreneurs and affecting the business	Remove RMG from the packaging commodity act to enable ease of doing business
2)	Market Promotion	Competing Nations organize International events to create visibility and promote brands/markets	India's growth is stagnated; Indian Textiles & Clothing industry is predominantly in the MSME segment; unable to connect with the buyers	Organize Mega Shopping Festivals in line with Dubai Shopping Festival at regular intervals in the major metro cities Also, launch a dedicated web portal for branding Indian textiles & clothing products; facilitate e-commerce Establish a dedicated board for knitted garment sector Establish a domestic trade promotion council for RMG
		Government Departments and Defence import huge volume of technical textile products in the absence of mandatory use of Indian made technical textile products and certifications for the same	Affects the growth of domestic technical textile segment	Establish Indian standards for all technical textile products and enhance the list of mandatory use of such products by different Ministries

Sl. No.	Policy	Issues/Constraints	Impact	Suggested interventions
3)	Sustainability	Global brands insist for sustainability and compliances; currently there is no specific schemes that encourages sustainability; though Indian textile industry make huge investments in non-conventional energy, Zero Liquid Discharge (ZLD) of textile effluents, etc. Indian exporters are not able to derive advantage	Countries like Bangladesh take advantage under sustainability programme and grabbing such market opportunities	Encourage sustainability by formulating a comprehensive Scheme for the manufacture of textiles & clothing products (recycling of textile waste, water, PET bottle, ZLD of textile effluent, etc.)

Table 6: Ministry of Labour

Sl. No.	Policy	Issues/Constraints	Impact	Suggested interventions
1)	Relaxation of Labour Laws	The present Labour Law permits 50 hours overtime per quarter and another 25 hours with special permission; industry needs to pay 200% wages for the overtime hours	With the high attrition of labour, labour shortage becoming a serious issue for the industry to meet the delivery schedule; often seasonal orders require additional labour for a shorter duration; with the present Labour Laws, industry is losing several export orders	Overtime hours could be extended from 50 hours plus 25 hours with special permission per quarter (three months) to 150 hours per quarter Overtime wages may be fixed in line with ILO norms with maximum of 150% of normal wages