



## GARMENT EXPORTS: ECONOMY

**NEWS:** India's garment export woes are self-inflicted: report

### WHAT'S IN THE NEWS?

Exports from India's labour-intensive garment sector, which have been losing ground to rivals like Vietnam and Bangladesh and were lower than 2013-14 levels last year.

### India's Garment Exports and Industry Challenges

#### Export Figures and Comparison (2023-24)

- **India:** \$14.5 billion (down from \$15 billion in 2013-14).
- **Vietnam:** \$33.4 billion (82% increase since 2013).
- **Bangladesh:** \$43.8 billion (70% increase since 2013).
- **China:** \$114 billion (nearly 25% decrease over the decade).

#### Industry Issues Highlighted by GTRI:

- **Production Linked Incentive (PLI) Scheme:** Launched in 2021, yet to attract significant investment, needs modifications.
- **Rising Imports:** Garments and textiles imports reached \$9.2 billion in 2023, with potential for further increase.

#### Export Challenges:

- **Complex Procedures:** Import restrictions and domestic vested interests hinder export growth.
- **Quality Raw Fabric Access:** Difficulty in obtaining quality synthetic fabrics, unlike Bangladesh and Vietnam.
- **Costly Domestic Supplies:** Reliance on expensive domestic raw materials (e.g., Polyester Staple Fibre, Viscose Staple Fibre) raises production costs.
- **Regulatory Hurdles:** Quality Control Orders complicate raw material imports, adding costs and delays.
- **Archaic Procedures:** Outdated export documentation requirements by the Directorate General of Foreign Trade and Customs.

#### Recommendations

- **Overhaul Needed:** Comprehensive reforms to simplify import procedures and reduce reliance on costly domestic supplies.
- **Streamlining Process:** Update and streamline export documentation and regulatory requirements to ease the burden on exporters.

Source: [https://www.thehindu.com/business/Economy/indias-garment-export-woes-are-self-inflictedreport/article68430023.ece#:~:text=A%20Production%20Linked%20Incentive%20\(PLI,Complex%20Procedures%2C%20Import%20Restrictions%20and](https://www.thehindu.com/business/Economy/indias-garment-export-woes-are-self-inflictedreport/article68430023.ece#:~:text=A%20Production%20Linked%20Incentive%20(PLI,Complex%20Procedures%2C%20Import%20Restrictions%20and)