Textile Industry Seeks Relief Package to Mitigate Ill-effects of COVID-19 Pandemic

Shri T. Rajkumar, Chairman, Confederation of Indian Textile Industry (CITI) thanked the Hon'ble Prime Minister of India, Shri Narendra Modi Ji, for taking several war-footing measures to protect the people of India and also calling upon SAARC nations to fight together the deadly pandemic COVID-19. He further stated that India is confident that under the dynamic leadership of the Hon'ble Prime Minister of India, the economy would soon overcome the worst ever historical crisis faced by India.

Shri Rajkumar pointed out that the demand for the textile products and also the domestic sales have come down to a grinding halt due to the panic situation created by the outbreak of COVID-19 which was first reported in China and which later got spread to EU and USA as well which are the final destinations for the textile products manufactured in India.

CITI Chairman further stated that understanding the gravity of the Pandemic and with a view to control the situation at an early stage, Government of India has issued directions to close all the malls and retail outlets so that people do not further get infected and this decision of the Government has resulted in the substantial reduction in the sales of the domestic textiles & clothing.

CITI Chairman informed that he has requested to the Hon'ble Prime Minister of India to immediately announce a relief package for the Textile and Apparel Sector to mitigate the crisis being faced by the highly-capital and labour-intensive Textile Industry which runs on wafer-thin margin. The Industry seeks the following support from the Government of India:

1. Moratorium for repayment of Principal and Interest Amount to the banks for four quarters (1st April 2020 to 31st March 2021);

2. Exempt all raw materials, dyes & chemicals, intermediaries, spares, accessories, etc., from anti-dumping duty and basic customs duty;

3. Include cotton yarn and fabrics under RoSCTL, IES & MEIS benefits with immediate effect to prevent job losses for lakhs of people in the handloom, powerloom and spinning sectors;

4. Extend soft loan equivalent to Government dues pending in the books of individual textile units that could be adjusted soon as the Government clears the dues (TUF subsidy, RoSCTL, MEIS, GST refund, etc.);

5. Enhance IES benefit for all textiles and clothing exports to 5%; and

6. Reduce the bank interest rate by 3%.

CITI Chairman observed that several countries across the world have extended liberal packages to mitigate the COVID-19 crisis. For instance, Germany has announced a financial package of Half Trillion Euros for companies impacted by the crisis to boost their liquidity. Under this Scheme, any German company hit during this crisis can borrow as much as necessary by them for a longer duration with zero interest rate till such time they completely recover; they do not have to pay back.

CITI Chairman concluded by saying that the relief package is urgently required to ensure the survival of the Textile & Clothing Industry that employs over 105 million people and also earn around US$ 40 billion forex, apart from substantial revenue under GST and other taxes.