

Apparel Export Promotion Council

Budget to support a foundation for robust export growth, employment generation and spur investment: Chairman AEPC

1st February 2025; New Delhi/ Gurugram: Reacting on the Union Budget 2025, Shri Sudhir Sekhri, Chairman AEPC stated that, “The budget 2025-26 is inclusive, forward- looking and balanced. The budget shows the Government's commitment towards export-led growth and inclusive approach, particularly for the generation of employment in the textiles and apparel export industry. It seeks to create a foundation for robust export growth encouraging innovation and competitiveness, particularly for the MSME sector.”

Further, Shri Sekhri noted that, “The measures announced in the budget will help the apparel sector compete globally by promoting 5 F vision and “Make in India, Make for the World” initiative driven by the Hon’ble Prime Minister” Ease in MSME financing, encouragement to farmers to produce extra- long staple cotton varieties, broad-basing skilling programme to spur employment, regulatory reforms and support to start-ups will surely accelerate growth.”

Shri Mithileshwar Thakur, Secretary General AEPC, in his reaction to the Union Budget said, “The steps taken by the government towards establishment of Export Promotion Mission, creation of a unified digital platform BharatTradeNet to streamline export documentation and finance issues, support to MSMEs by facilitating easier access to credit by enhancing credit guarantee cover and setting up national centers of excellence for skilling etc. will drive India’s manufacturing and export growth story.” The budget will promote investment and growth through supportive policy reforms, he added.

Chairman AEPC Shri Sekhri highlighted that some of the important measures announced in this budget include;

Five-year mission for cotton productivity, providing major relief for cotton farmers faced with lower productivity. The mission will focus on the production of extra-long staple cotton varieties. Further, the government will provide the best of science and technological support to farmers. This will help in increasing the income of the farmers by ensuring a steady supply of quality cotton for rejuvenating India’s traditional textile sector.

Conditional exemptions/concessional rate on BCD on import of select textile machinery parts and components, for use in manufacturing of textile machineries (as mentioned in S. No. 460, 460A, B, C, D, E of Customs Notification No. 50/2017-Customs dated 30th June, 2017), which was expiring on 31st March 2025, has now been extended till 31st March 2027.

To boost the production of agro-textiles, medical textiles, and geo-textiles by making advanced machinery more affordable, two additional types of shuttle-less looms will now be fully exempted from import duties.

Credit guarantee cover for micro enterprises will be raised from ₹5 crore to ₹10 crore, facilitating an additional ₹1.5 lakh crore in credit over the next five years.

To achieve higher efficiencies of scale, technological upgradation and better access to capital to MSME sector, which accounts for around 80% of apparel export sector, the investment and turnover limits for classification of all MSMEs will be enhanced to 2.5 and 2 times respectively

Support will be provided to MSMEs to tackle non-tariff barriers in exports, with an export promotion mission jointly led by the Commerce Ministry and MSMEs.

Emphasis on skill development and employability: Building on the initiative announced in the July 2024 Budget, five National Centres of Excellence for skilling will be set up with global expertise and partnerships to equip youth with the skills required for “Make for India, Make for the World” manufacturing. The partnerships will cover curriculum design, training of trainers, a skills certification framework, and periodic reviews.