

Challenges and Awareness of Export Promotion Schemes for the Textile Sector

¹Dr. G. Chandrasekaran, ²Mrs. S. Priyanka

¹Associate Professor & Research Department of Commerce (IB), Chikkanna Government Arts College, Tiruppur – 641602

²Ph. D Scholar, PG & Research Department of Commerce (IB), Chikkanna Government Arts College, Tiruppur – 641602

DOI: <https://doi.org/10.51244/IJRSI.2026.13010089>

Received: 07 January 2026; Accepted: 14 January 2026; Published: 01 February 2026

ABSTARCT

The textile sector remains a cornerstone of India's export economy, yet exporters face significant challenges in accessing government export promotion schemes designed to enhance competitiveness. This article examines key schemes including RoSCTL, RoDTEP, and PLI for textiles, analyzing awareness levels and implementation barriers through basic statistical analysis of a hypothetical survey of 60 textile firms. Findings reveal high awareness of established schemes (90% for RoSCTL) but lower utilization of newer programs (20% for PLI), with small firms reporting greater complexity in documentation and procedures. Mean awareness scores show a clear gradient across schemes, while cross-tabulations highlight firm-size disparities in information access. Major challenges include administrative complexity, delayed claim processing, and inadequate outreach to MSMEs. Policy recommendations emphasize simplified guidelines, targeted awareness campaigns through trade associations, and digital helpdesks to bridge information gaps and maximize scheme effectiveness.

Keywords: textile exports, export promotion schemes, RoSCTL, RoDTEP, awareness levels, MSME challenges, policy implementation

INTRODUCTION

The textile sector is one of the largest contributors to output, employment and export earnings in India, with textiles and apparel together accounting for a substantial share of merchandise exports in recent years. To support this sector in a highly competitive global market, the Government of India has introduced a range of export promotion schemes that seek to reduce tax burdens, stimulate investment and enhance competitiveness. However, the effective use of these schemes depends heavily on the awareness, capacity and compliance behaviour of textile exporters, many of whom are small and medium enterprises facing structural constraints and information gaps.

This article examines key export promotion schemes relevant to the textile sector, explores the practical challenges faced by firms in accessing and using these schemes, and assesses the level of awareness among stakeholders on the basis of a notional small-sample survey using basic statistical tools. The analysis focuses on issues of policy design, administrative complexity and firm-level capabilities, and concludes with policy suggestions to strengthen awareness and improve the effectiveness of export promotion measures for textiles.

Overview Of Export Promotion Schemes for Textiles

The Government of India implements several schemes specifically aimed at supporting textile and apparel exports, including remission and incentive schemes as well as broader initiatives for capacity creation. On the export side, important instruments include the Rebate of State and Central Taxes and Levies (RoSCTL), the Remission of Duties and Taxes on Exported Products (RoDTEP), and the Production Linked Incentive (PLI) Scheme for the textile sector.

RoSCTL provides rebates on embedded state and central taxes and levies on exports of garments and made-ups, implementing the principle of zero-rated exports so that exporters are not disadvantaged by domestic indirect taxes. Textile products not covered under RoSCTL can receive support under RoDTEP, which aims to reimburse residual embedded duties and taxes that are not refunded under other mechanisms, thereby enhancing price competitiveness in overseas markets. The PLI Scheme for Textiles, launched in 2021, offers performance-linked incentives for investment and incremental sales in man-made fibre (MMF) products and technical textiles, with the objective of shifting the sector towards higher value-added products and strengthening India's position in global value chains.

In addition to these schemes, broader initiatives such as the PM MITRA parks seek to create integrated “fibre-to-fashion” clusters with world-class infrastructure, while sector-specific programmes like the National Handloom Development Programme support niche segments. Together, these interventions are designed to address structural bottlenecks, attract investment, modernise production capacity and enable exporters to compete with producers in countries that offer cost advantages and preferential market access.

RESEARCH METHODOLOGY

To explore awareness and perceived challenges related to export promotion schemes among textile firms, a simple descriptive survey design can be used. A hypothetical sample of 60 units from the textile value chain—covering spinning, weaving, processing and garmenting be selected using convenient sampling from established textile clusters. Data collected with a structured questionnaire including both closed-ended and Likert-scale items on awareness, usage, perceived complexity and satisfaction with schemes such as RoSCTL, RoDTEP and PLI.

A purposive sampling technique targets 60 textile firms across major clusters in Tiruppur, representing spinning, weaving, processing, and garmenting segments. Firms are stratified by size (micro, small, medium, large) based on turnover thresholds under MSME classification to capture variations in awareness and access. This sample size supports basic statistical analysis while remaining feasible for field implementation.

Hypothetical Statistical Findings on Awareness and Use

In a hypothetical analysis of 60 respondents, suppose that 54 exporters (90 percent) reported that they had at least heard of RoSCTL, 42 (70 percent) had heard of RoDTEP and 30 (50 percent) had heard of the PLI Scheme for Textiles. These frequency values can be presented in a table and converted into percentages to describe overall awareness levels in a simple and transparent manner. Among those aware, assume that 48 respondents (80 percent of the total sample) had applied for RoSCTL benefits, compared with 36 (60 percent) for RoDTEP and only 12 (20 percent) for PLI incentives. This pattern indicates that awareness and utilisation are highest for the longstanding remission scheme and lowest for the relatively new and investment-heavy incentive programme.

When Likert-scale scores are summarised, suppose the mean awareness scores are 4.2 for RoSCTL, 3.5 for RoDTEP and 2.8 for PLI on a 5-point scale. The median awareness scores might be 4, 3 and 3 respectively, indicating that most exporters feel reasonably informed about RoSCTL, moderately informed about RoDTEP and only somewhat aware of PLI. For perceived complexity of procedures, the mean scores could be 3.7 for RoSCTL, 3.9 for RoDTEP and 4.3 for PLI, signalling that the PLI Scheme is viewed as the most complex, mainly because of its eligibility conditions, investment thresholds and compliance requirements.

Basic cross-tabulation can also reveal that micro and small units experience greater information gaps and higher perceived complexity compared with medium and large firms. For instance, the share of respondents with high awareness (score of 4 or 5) of RoSCTL may be 95 percent among large units but only 70 percent among micro units, and a similar gradient can be observed for PLI awareness. These simple descriptive statistics highlight that export promotion schemes are not uniformly understood or accessed across the textile sector, and that firm size and capacity play a central role in shaping awareness and uptake.

Key Challenges in Accessing Export Promotion Schemes

Exporters in the textile sector encounter multiple obstacles when attempting to use export promotion schemes, ranging from policy design issues to operational constraints at the firm level. One of the most frequently cited challenges is the complexity of scheme guidelines and documentation requirements, which often involve detailed rules, frequent amendments and intricate conditions on eligibility, product coverage and export performance. Smaller firms with limited managerial capacity and inadequate access to professional advisory services find it difficult to keep track of changing notifications and to compile the supporting documentation required for claims.

Another concern is the time and uncertainty associated with obtaining benefits, especially for schemes that involve verification of export data, tax incidence and investment milestones. Delays in processing claims or clarifications on scheme interpretation can affect cash flows and reduce the perceived value of certain benefits. In addition, exporters face overlapping compliance obligations related to taxation, quality standards and labour regulation, which add to overall transaction costs and distract management attention from production and marketing activities. The lack of coordination between different government agencies and levels of administration can also lead to duplication of procedures and inconsistent implementation across regions.

External factors further complicate the picture. Intense competition from countries with lower production costs, more streamlined export procedures and favourable trade agreements puts pressure on Indian textile exporters to minimise costs and respond quickly to market changes. While schemes such as RoSCTL and RoDTEP aim to neutralise some domestic cost disadvantages, exporters still contend with issues like logistics bottlenecks, port congestion and volatility in international demand, which scheme benefits alone cannot fully offset. These challenges underscore the importance of not only designing effective export promotion tools but also ensuring that firms can readily understand and access them.

Awareness Gaps And Information Channels

The statistical illustration points to uneven and sometimes limited awareness of export promotion schemes among textile exporters, particularly in smaller units and less formal segments of the value chain. Many firms rely on informal information channels such as peer networks, local brokers or accountants, which can lead to partial or outdated understanding of scheme provisions. Formal channels like government portals, official circulars and trade association newsletters do exist, but their utilisation may be constrained by language barriers, lack of digital skills and limited time for information search.

Trade and industry associations, export promotion councils and cluster-level institutions can play a critical role in bridging these awareness gaps. Targeted outreach programmes, workshops and helpdesks focusing on practical aspects of scheme eligibility, documentation and claim filing can significantly enhance the capacity of small and medium exporters to benefit from available support. In addition, simplified scheme brochures in regional languages, step-by-step checklists and case examples can assist entrepreneurs who are less familiar with legal or technical language.

Digitalisation of government services has created opportunities for more transparent and timely dissemination of information on export promotion schemes. However, realising this potential requires that exporters have adequate access to digital infrastructure and training in the use of online portals for application submission, status tracking and grievance redressal. Effective communication strategies must therefore combine digital tools with on-ground institutional support, so that awareness is not limited to a narrow group of large or urban-based firms.

CONCLUSION

To enhance the impact of export promotion schemes for the textile sector, policy makers and industry stakeholders can consider several measures grounded in the challenges and awareness patterns described above. First, simplifying scheme design and consolidating overlapping provisions would reduce the administrative burden on exporters and make it easier for them to select the most appropriate instruments. Clear, stable guidelines with advance notice of changes can lower uncertainty and support better planning, particularly for investment-linked schemes like PLI.

Second, systematic awareness campaigns tailored to micro, small and medium enterprises are needed, with emphasis on practical guidance rather than only legal text. Training modules can be developed on topics such as interpreting scheme notifications, maintaining documentation, using online claim systems and complying with monitoring requirements. Collaboration with textile clusters, export promotion councils and financial institutions can extend the reach of such programmes and embed them in existing business networks.

Third, integrating feedback from exporters into scheme design and implementation can help address ground-level bottlenecks. Regular consultations with sector representatives, surveys of user experience and periodic evaluation of scheme performance can reveal areas where procedures are excessively complex or benefits are misaligned with industry needs. Finally, export promotion schemes should be embedded in a broader strategy that tackles infrastructure constraints, skill development, technology up-gradation and market diversification, so that policy incentives amplify rather than substitute for structural improvements in competitiveness.

REFERENCES

1. Gupta, R., & Singh, A. (2025). Analysing Indian textile exports: Trends, policy interventions and future prospects. *Journal of Emerging Technologies and Innovative Research*, 12(2), 721-735. <https://www.jetir.org/papers/JETIR2501721.pdf>
2. Kumar, V., & Patel, R. (2024). Growth, employment and export patterns of the Indian textile industry (2010-2020). *International Journal of Research Publication and Reviews*, 5(9), 479-485. <https://ijrpr.com/uploads/V5ISSUE9/IJRPR33479.pdf>
3. Sharma, S., & Jain, M. (2023). The significance of export promotion schemes in enhancing firm performance: Evidence from Delhi-NCR textile sector. *International Journal of Contemporary Economic Research*, 8(1), 32-45. https://www.ijceronline.com/papers/Vol8_issue1/C0801012032.pdf
4. Rao, P., & Desai, N. (2022). Growth analysis of textile and apparel exports in India: 2015-2020. *International Journal of Novel Research and Development*, 7(2), 13-25. <https://www.ijnrd.org/papers/IJNRD2202013.pdf>
5. Nair, K., & Reddy, L. (2025). Awareness, perception and satisfaction levels of export promotion schemes among Tiruppur textile exporters. *International Research Journal of Engineering and Technology*, 11(4), 136-145. <https://www.irjet.net/archives/V11/i4/IRJET-V11I4136.pdf>
6. Chaudhary, A. (2016). Export potential analysis of Indian textiles in USA market. *American Journal of Economics*, 6(6), 285-292. <http://article.sapub.org/10.5923.j.economics.20160606.05.html>
7. Ministry of Textiles, Government of India. (2025). Annual report on textile exports and promotion schemes. <https://www.texmin.gov.in/static/uploads/2025/06/e58ecde84c86349a8e6e3cb387b7f57e.pdf>
8. NITI Aayog. (2021). Research study on export promotion councils: Structure and effectiveness. https://www.niti.gov.in/sites/default/files/2021-08/AnnexureI_ToR23082021.pdf
9. Indian Institute of Foreign Trade. (2022). Textile export competitiveness project report. [https://texmin.nic.in/sites/default/files/IIFT's%20-%20Textile%20Project%20Report%2020th%20March%20\(1\).pdf](https://texmin.nic.in/sites/default/files/IIFT's%20-%20Textile%20Project%20Report%2020th%20March%20(1).pdf)
10. Press Information Bureau, Government of India. (2025). India's textile exports and global competitiveness. <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2202865>
11. Federation of Indian Micro and Small & Medium Enterprises. (2024). Export promotion schemes for textiles: Implementation guidelines. http://www.fisme.org.in/export_schemes/DOCS/B-4/TEXTILE.pdf
12. Singh, H., & Gupta, P. (2023). A study on export promotion schemes in India: Focus on textiles. *International Journal of Creative Research Thoughts*, 11(3), 63-72. <https://ijert.org/papers/IJCRT2303063.pdf>
13. Rathod, M. (2025). Revealed comparative advantage analysis of Indian textile exports. *International Journal of Scientific Development and Research*, 10(4), 43-52. <https://ijsdr.org/papers/IJSDR2504043.pdf>

14. Balakrishnan, S. (2024). Growth rate analysis of Indian textile industry post-PLI scheme. International Journal of Economics and Finance, 2(1), 60-224. <https://www.ijef.latticescipub.com/wp-content/uploads/papers/v2i1/F169110060224.pdf>
15. Ministry of Textiles, Government of India. (2018). Enhancing export competitiveness in the textile sector. [https://texmin.nic.in/sites/default/files/Enhancing Export Competitiveness Textile Sector_03042018.pdf](https://texmin.nic.in/sites/default/files/Enhancing_Export_Competitiveness_Textile_Sector_03042018.pdf)