



THE COTTON TEXTILES EXPORT PROMOTION COUNCIL
(Sponsored By Government of INDIA)

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E Serve No. 65 of 2016

July 14, 2016

Sub: Earned Import Allowance Program under TPP

Dear Member,

As you are aware, the Trans Pacific Partnership (TPP) was signed in October 2015 and the agreement awaits ratification by the various signatories of the TPP. With reference to the text of the TPP, kindly note that a provision for fabric imports from third party countries by Vietnam has been included. This provision is titled 'Earned Import Allowance Program' and you can [click here](#) for details of the program.

Features of the program:

For each square metre equivalent of U.S. covered fabric imported into Viet Nam from the United States, the United States shall issue one U.S. fabric credit and one matching fabric credit. As a condition of providing duty-free treatment, the United States shall require the importer to demonstrate that the exporter or producer of the covered good has U.S. fabric credits equal to or greater than the total square metre equivalents of U.S. covered fabric in the covered good.

As a condition of providing duty-free treatment, the United States shall require the importer to demonstrate that the exporter or producer of the covered good has

- 1) matching fabric credits equal to or greater than 75 per cent of the total square metre equivalents of fabric in the covered good if it is classified in subheading

- a) 6204.62.20 - Women's or girls' bib and brace overalls, not knitted or crocheted, of cotton not containing 15% or more by weight
- b) 6204.62.40 - Women's or girls' trousers, breeches and shorts, not knitted or crocheted, of cotton

OR

2) 130 per cent of the total square metre equivalents of fabric in the covered good if it is classified in subheading

- a) 6203.42.20 - Men's or boys' bib and brace overalls, not knitted or crocheted, of cotton, not containing 10-15% or more by weight
- b) 6203.42.40 - Men's or boys' trousers and shorts, not bibs, not knitted or crocheted, of cotton, not containing 15% or more by weight

Once the TPP comes into force this provision will be operational and members are urged to link up with their Vietnamese importers / buyers to take advantage of this provision.

For any clarifications, kindly contact Shri Shailesh Martis at shailesh@texprocil.org

Regards,

Siddhartha Rajagopal
Executive Director
TEXPROCIL