

## Change in Certification Procedures for Textile Products Hamper Exports

The Director General of Foreign Trade (DGFT) has issued a Public Notice dated November 18, 2014 as amended by Public Notice dated December 1, 2014 making it mandatory for any product exported as an "organic product" to be certified under the National Program for Organic Production (NPOP) by the 18<sup>th</sup> December, 2014.

While NPOP certification was already required for raw cotton in the past, it will now also cover finished organic textile products like yarn, fabrics, Made ups and Garments.

“While we welcome a National Standard for organic cotton , the manner in which it is being implemented will create havoc in the organic textile industry and will lead to loss of export business”, said Shri R.K. Dalmia, Chairman, The Cotton Textiles Export Promotion Council (TEXPROCIL).

Shri Dalmia urged the Government to extend the implementation deadline for the compulsory requirement of certification under NPOP **at least by one year** to allow the Indian export industry to adapt to the new legal requirements in a realistic timeframe so that current exports are not hampered. He also pointed out that the implementing body, Agricultural and Processed Food Products Export Development Authority (APEDA) is yet to give accreditations to the certifying bodies.

Moreover, Shri Dalmia also stated that at present the buyers are insisting on certificates issued under GOTS. This is also specified in the L/Cs and contracts. In view of this, not only the exporter but also the importer (buyers) need to understand and accept the changes in certification procedures. This would also require additional time.

At a time when exports of textiles are sluggish and there is a widening trade deficit as reported by the trade data April to November 2014, released yesterday, there is a need to ensure that adequate time is given to exporters and importers to adjust and adopt the new procedural requirements.

Making abrupt changes in procedures will adversely affect exports and will go against the idea of “Ease of Doing Business” as envisaged by the Government, according to the Chairman, TEXPROCIL.

Shri Dalmia appealed to the Authorities to extend the deadline of 18<sup>th</sup> December 2014 so that it gives adequate time for the certifiers to get accredited and also to the exporters to convince their buyers regarding the new requirement as per ISOT, said Shri Dalmia. The Chairman also urged the Government to have extensive consultations with all the stake holders before a decision is taken in the matter.