

Exports of Cotton textiles to Africa badly hit -TEXPROCIL

The new Foreign Trade Policy 2015-20 has removed all benefits on exports to African countries. This has had a serious impact on exports of value added products like cotton dyed & printed fabrics and made-ups to African countries, said Shri R.K.Dalmia, Chairman, The Cotton Textiles Export Promotion Council (TEXPROCIL).

The newly introduced MEIS (Merchandise Exports from India Scheme) has allowed a duty credit scrip of 2%, 3% and 5% to exports of notified products to certain specified countries. However, the scheme does not include exports of value added and labour intensive products like cotton dyed and printed fabrics and made-ups to different African Countries like Mauritania, Mali, Dar Es Salaam, Burkina Faso, Guinea Bissau, Niger, Benin, Angola, Senegal, Togo, Ghana, Kenya and Tanzania which is a major blow to the exporters to the African region according to Shri Dalmia.

In the erstwhile Foreign Trade Policy 2009-14, exports of cotton fabrics and made ups to many African Countries were granted duty credit scrips @ 4% of the FOB value of exports in general and in some cases 7%. The overnight withdrawal of these benefits on exports of Cotton fabrics and made ups to African countries has put the exporters into a huge dilemma. Shri Dalmia pointed out that the Foreign Trade Policy Statement mentioned that "The West Asia & North Africa Region is a dynamically growing region with high capacity for exports and deserves greater focus", but this statement does not get reflected in the new Foreign Trade Policy. Further , the products being exported includes khangas , khatangas etc which are used as traditional dresses in Africa and are predominantly manufactured by units located in the Small & Medium Enterprises (SME) sector.

The Chairman, TEXPROCIL pointed out that currently the share of textiles exports to African region is less than 5% and there is huge potential to increase this share if adequate export benefits are extended.

Shri Dalmia urged the Government to include exports of value added products like cotton dyed and printed fabrics and made-ups to African countries under the MEIS scheme as otherwise exports to Africa will be seriously affected.