

## **TEXPROCIL welcomes changes in Duty Drawback Scheme**

The Government has notified certain changes in the All Industry Rates of Duty Drawback vide Circular No. 06/2016-Customs dated 9.2.2016. These changes are effective from 11.2.2016. New entries in the Drawback Schedule have been created for Cotton Yarns mixed with MMF – both grey and dyed. “I am glad the Government has accepted our proposal for a separate entry for Cotton Yarn mixed with MMF”, said Shri R.K.Dalmia, Chairman of The Cotton Textiles Export Promotion Council (TEXPROCIL).

The Govt has also increased the Drawback caps in the case of certain MMF fabrics.

Shri Dalmia appreciated the Government for considering the feedbacks on the Drawback rates and anomalies that have arisen under the Drawback Schedule and addressing them.

However, Shri Dalmia pointed out that in the product coverage there are some clarifications needed with regard to the classification of some high valued items like “Boiler Suits” and “Protective wear made of blend containing cotton and manmade fibres” which are technical textiles products for which the market is growing.

On the 3% Interest Equalization Scheme , Shri Dalmia complimented the Govt for initiating necessary steps to implement the scheme smoothly as the problems faced initially by some of the exporters in getting the benefit from their banks have been largely resolved.

With regard to exports of Cotton textiles , Shri Dalmia pointed out that even though Indian Cotton textiles products were competitive in the world markets ,preferential access being given to some of our competing nations like , Bangladesh, Cambodia, Pakistan ,South Korea , Turkey and Vietnam by major importing countries like the EU besides discriminatory import duties on Indian textiles in important markets like China , Turkey and Canada are severely affecting exports .

To provide a level playing field, Shri Dalmia urged the Government to fast track the conclusion of FTAs with EU, Australia and Canada to remove trade barriers and gain market access to these leading countries. The Chairman, TEXPROCIL also urged the Govt to initiate dialogue with China and Turkey for reduction in the import duties imposed by these countries on Indian textiles.