

### **Industry seeks ease of doing business to support cotton textile exports**

India's overall merchandise exports declined 36% during April-June 2020, while the exports of cotton textile products declined 47% to USD 1.29 billion compared to USD 2.42 billion in the year ago period. India's shipments to major markets suffered drastically because of the pandemic during this period. Exports to UK fell 64%, while shipments to USA and Germany declined 46% and 38% respectively.

The contraction was severe in case of exports to China, with a fall of 74% to USD 90 million, data from TEXPROCIL shows. China was a major market for Indian cotton textile as it accounted for 14% of India's overall exports in April-June 2019. However, in April-June 2020, China's share declined to 6.9%. India's major textile exports to China include raw cotton and cotton yarn.

The major reason cited for the fall in exports is the lockdown from the COVID pandemic and the ensuing delay in documentation especially Certificates of Origin in countries such as China, Vietnam, Thailand and Malaysia.

While exports may recover in the months depending on the evolving situation of the COVID pandemic, the government needs to support the industry by ensuring ease of doing business.

In order to promote export of cotton textile, the export promotion council TEXPROCIL has made a few suggestions to the government. One of the suggestions is to remove the complex protocols involved in claiming funds under the Technology Upgradation Fund (TUF), under which the government provides capital subsidy for investment in new technology.

According to the council, the government should remove the cumbersome protocols being followed by the Joint Inspection Teams (JITs) under this scheme. Also, the council has suggested speedy disbursement of pending claims under the scheme.

Specifically, TEXPROCIL has suggested dispensing with the requirements of putting a serial number on the machinery and the invoices, getting attestation of documentation by Indian Embassies / Consulates overseas, insisting on registration of the names of the suppliers in the approved list of suppliers etc.

Also, the council made other recommendations to promote exports of textiles and garments. These recommendations are: inclusion of textile and clothing as priority sector under the forthcoming RODTEP scheme, inclusion of the entire value chain of textiles i.e. Yarn, Fabrics, Madeups and Garments under the RODTEP scheme. The council has recommended the tax department to allow error correction if discrepancies are found during GST filing or in the EDI

shipping bills. It has also sought an early introduction of online Export Obligation Discharge Certificate (EODC) and Duty Free Import Authorization (DFIA).

## Notifications

### Press Information Bureau, Government of India

Daily Bulletin on COVID 19

<https://pib.gov.in/PressReleaseDetail.aspx?PRID=1647018>

### DGFT

Extension of Deferred Payment of Import Duty to Authorised Public Undertaking

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt78-2020.pdf>

Omissions of Rule 4 of the Deferred Payment of Import Duty Rules, 2016

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt79-2020.pdf>