

PRESS RELEASE

AEPC thanks govt for attempting early conclusion of FTAs with UK, UAE

- **Hon'ble Commerce and Textiles Minister holds meeting with textile EPCs**
- **AEPC Chairman hails Hon'ble Minister for his assurance to resolve issues**
- **AEPC identifies top 20 cotton garment items imported by US from China**

DELHI NCR, 3 Sep 2021: Apparel Export Promotion Council (AEPC) Chairman Dr A Sakthivel thanked **Hon'ble Minister of Commerce & Industry and Textiles Shri Piyush Goyal** for working towards an early conclusion of FTAs with the UK and the UAE, and for his assurance to resolve concerns of Indian apparel exporters.

"I specifically thank the Hon'ble Minister for an early conclusion of FTAs with the UK and the UAE. Indian apparels currently face duty disadvantages and FTAs will help increase exports from the country," **Dr Sakthivel** said in a meeting called by the **Hon'ble Union Minister** with textile related Export Promotion Councils (EPCs).

The **Chairman** also expressed his gratitude to the **Hon'ble Minister** for his assurance that the government will examine and try to resolve all the issues raised by the various stakeholders at the meeting organized by the Ministry of Textiles with the theme: 'Local Goes Global – Make in India for the World'.

"I thank the Hon'ble Minister for taking key initiatives like RoSCTL, RoDTEP, ECLGS, PLI and FTAs for protecting and promoting the textile and apparel sector," **Dr Sakthivel** said, adding that the US ban on import of cotton from China's Xinjiang region throws up opportunities for Indian cotton garments provided there is stability in raw material prices.

"AEPC has identified the top 20 cotton garment products exported by China to the USA. We have shared the list with our members for them to fill the vacuum created in the US market after the ban," he said. However, he expressed concern over the volatile prices of cotton and cotton yarn that is affecting the garment exports from India.

He requested the **Hon'ble Minister** for policy initiatives like incentivizing value-added exports and disincentivizing exports of raw materials. He also suggested that the CCI should make available 70% of the cotton to local manufacturers helping increase value-added exports, investment and employment.

Dr Sakthivel said that apparel lines should be included in the early harvest deals being negotiated with the EU and the UK. Compared to zero duty for apparels from Turkey, Bangladesh, Cambodia and Pakistan, Indian apparels face a duty disadvantage of 9.6% in these regions, he said and added that other FTAs need to be fast tracked as well.

The **Chairman** also raised the crucial issue of sky rocketing freight cost and sought the government's intervention in helping remove the major supply side constraint faced by

the Indian apparel exporters. He sought immediate resolution of the issue in view of the upcoming Christmas season.

“To achieve this, some steps might be taken such as import of one lakh containers to ease the supply of containers, fixation of floor price for stability and transparency in the freight cost, and provision of support mechanism to exporters to tide over the high cost. The Shipping Corporation of India or any other agency may also be advised to take big size containers on lease for use by exporters,” he said.

Dr Sakthivel further sought amendment in the proposed Production Linked Incentive (PLI) scheme to make it more effective and accessible. He wished that the Ministry of Textiles expand the current list of 40 MMF garment products under the PLI to include additional 23 high potential MMF items. He requested lowering the incremental growth target for brownfield projects to 25%, at par with Greenfield projects, from the proposed 40% for getting the PLI benefits. Besides, he also suggested consideration of growth in the MMF segment alone, and not the overall growth in turnover.
