

# Mixed reaction from textile industry

## Limiting benefits for status holders disappoints CITI

Special Correspondent

**NEW DELHI:** The foreign trade policy announced on Thursday evoked mixed reaction from the textile industry.

While the Confederation of Indian Textile Industry (CITI) and the Apparel Export Promotion Council (AEPCC) complained that the policy fell far short of what was required in the context of the current global economic meltdown, the Synthetic and Rayon Textiles Export Promotion Council (SRTEPC) hailed it as positive and growth-oriented.

### Focus product scheme

CITI Chairman R. K. Dalmia said that even while inclusion of 17 technical textile products in the focus product scheme was a welcome step, limiting benefits such as one per cent additional duty scrips for status holders and zero duty for imports under the EPCG scheme to units that were not taking benefit from the Technology Upgradation Fund Scheme (TUFS) was disappointing, as most textile units were covered under the scheme and they would be denied the benefits.

Likewise, he said, addition of more countries under the

• **'Nil duty under EPCG scheme will not benefit small exporters'**

• **'Right direction,' say synthetic and rayon textile units**

market-linked focus product scheme would be of no use as the list of products eligible for incentives under the scheme covered only garments, made-ups, knitted fabrics and synthetic textile fabrics.

"Countries like Cambodia and Vietnam, which have been covered by this facility, are among major exporters of garments. [On the other hand], they import substantial quantities of yarn and woven fabrics. However, these products have not been extended the benefits, except synthetic textile fabrics," Mr. Dalmia said.

AEPCC Chairman Rakesh Vaid, in turn, was disappointed that neither the rate of the duty-free scrips had been increased to five per cent, nor had it been extended to September as desired by the industry.

He was also unhappy that the zero duty under EPCG

scheme would not benefit small and medium exporters.

SRTEPC Chairman Ganesh Kumar Gupta, on the other hand, welcomed the policy as being in the 'right direction' and said that while the increase in the duty credit entitlement rate under the focus market scheme would encourage exporters to venture into Latin America, CIS countries and the African markets.

**Soundariya Preetha** writes from Coimbatore:

A. Sakthivel, President of the Tirupur Exporters' Association, has said that the Market Linked Focus Product Scheme (MLFPS) for ready-made garments expired on September 30 and there was no mention of extension of the scheme.

K. V. Srinivasan, Chairman of Southern India Mills' Association, and Mr. Sakthivel welcomed the introduction of zero duty EPCG scheme. Mr. Srinivasan also welcomed the enhancement of incentives for focus market and focus product schemes.

The industry sought refund of State levies and infrastructure costs ranging from four to six per cent while revising the duty drawback rates.