

TEXPROCIL

TEXPROCIL Welcomes Mid Term Review of FTP 2015-20

The Government has announced the Mid Term Review of Foreign Trade Policy 2015-20 on 5.12.2017. Shri Ujwal Lahoti, Chairman of The Cotton Textiles Export Promotion Council (TEXPROCIL) said, “The Mid Term Review of Foreign Trade is progressive, growth oriented and I am glad the Government has recognized the urgent need to address the challenges being faced by the exporters on account of the roll out of the GST regime by focusing on reducing procedural burden”.

The revised FTP has increased MEIS rates across the board by 2% for labour intensive sectors. Earlier the MEIS rates for Garments and Made ups were increased from 2% to 4%. The enhanced MEIS rates will provide the much needed relief to exporters and will certainly have a positive impact on the overall exports especially of textile products, according to Shri Lahoti. He also said the increase in the validity of duty credit scrips issued under the MEIS from 18 months to 24 months will increase the utility of such scrips.

With regard to export strategy, the Chairman, TEXPROCIL said it is reassuring that the revised FTP identifies markets in Africa and Latin America to be its new focus areas as part of the Government ‘s goal of exploring new markets .

The revised FTP has introduced a new scheme known as Self Ratification Scheme under which Advance Authorizations will be issued in those cases where there are no SION/valid Adhoc Norms for an export product and where SION has been notified but exporter intends to use additional inputs in the manufacturing process on the basis of self declaration.

The textiles sector especially technical textiles sector will benefit immensely from this scheme, according to the Chairman, TEXPROCIL. The scheme also allows domestic procurements which will promote “Make in India”, said shri Lahoti.

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TEXPROCIL has been representing for enhanced benefits for Cotton Shopping bags covered under Chapter 42 of the ITC (HS) Classification. Shri Lahoti welcomed the increase in MEIS rate for Cotton shopping Bags from 3% to 5%.

While the Mid Term Review of FTP 2015-20 has addressed many of the issues faced by the exporters, there are still some areas that need to be addressed immediately to promote exports of textiles, according to Shri Lahoti. He pointed out that Cotton Yarn continues to be denied any benefit under the FTP.

Shri Lahoti urged the Government to include Cotton Yarn under MEIS and 3% Interest Equalization Scheme, extend the benefit of 3% Interest Equalization Scheme to merchant exporters, cover Fabrics under RoSL, increase MEIS rates for fabrics and to allow domestic procurements against EPCG Authorizations and Advance Authorizations without payment of GST for export production.