

THE COTTON TEXTILES EXPORT PROMOTION COUNCIL (Sponsored By Government of India)

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<u>Sub: Import of Cotton at 5.5% (Customs Duty) from Least Developed Countries (LDCs)</u>

Dear Member,

As you are aware, the Customs Duty currently payable on import of Cotton is 5% Basic Customs Duty (BCD), 5% Agriculture Infrastructure and Development Cess (AIDC) and 10% Social Welfare Surcharge (SWS), aggregating to 11%. Under the recently signed Economic Cooperation and Trade Agreement (ECTA) between India and Australia, Cotton from Australia can be imported without payment of duty. However, the permitted quota (51,000 MT for a calendar year) is inadequate to meet the demands of the industry.

In this regard, kindly note that Cotton can be imported by availing the benefit of "Duty Free Tariff Preference (DFTP) Scheme" for LDCs.

Accordingly, vide Notification No.96/2008-Customs dated 13.08.2008 (as amended), Cotton can also be imported from Least Developed Countries at 50% of the existing Customs Duty, i.e. 5.5%.

The details of the Comparative Duty Structure and the list of 34 LDCs notified as beneficiaries to the scheme are given in ANNEXURE A (enclosed). A copy of the relevant Customs Notification is enclosed for your reference.

You may kindly make a note of the above.

Regards,

Dr. Siddhartha Rajagopal Executive Director

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