

C-2/ 41 / 20

22nd May 2020

Smt. Smriti Zubin Irani
Hon'ble Minister of Textiles,
Ministry of Textiles,
 Government of India,
 Udyog Bhavan,
 New Delhi - 110 011

Respected Madam,

You are aware that CMAI has for long been drawing the Government's attention to the dangers posed by the Duty-Free Imports of Garments from Bangladesh, and with it the back-door entry of Chinese fabrics into India - and its consequent impact on the MSME dominated Domestic Garment Industry.

The significant rate of growth of these imports are well documented, and needs no repetition, except to state that the surge continues unabated, as the following table would highlight:

Table 1: India's Import of Readymade Garments (RMG) from World

(Values in US\$ Million)

Apparel Imports	2016-17	2017-18	2018-19	2019 – 2020 (E)	% Growth 2016-17/ 2019-20
World	596	773	1,106	1207	102%
Bangladesh	140	201	365	409	192%
Bangladesh's Share in Total Imports of India	24%	26%	33%	34%	

Data Source: DGCI&S

The Government has in several of our discussions and interactions pointed out to the various treaties signed with Bangladesh and other SAFTA countries, and that it would be difficult, if not impossible, to dilute the agreements.

However, we would like to urge you to consider the dramatically changed circumstances prevailing today, in the aftermath of the COVID 19 disaster.

The Indian textile industry has been hit hard by COVID 19 that has impacted exports as well as sales of Apparel products in the Domestic market. Based on a recent study done by CMAI, it is estimated that will be more than 40% drop in domestic

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THE CLOTHING MANUFACTURERS ASSOCIATION OF INDIA

901, Naman Midtown, 'A' Wing, Behind Kamgar Kala Kendra, Senapati Bapat Marg, Prabhadevi (West),
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demand of Apparel due to the lockdown and the reduced demand as a result of COVID 19. The reduction in demand and revenue levels will lead to downsizing of operations, possible closure of units and job losses in Indian Textile & Apparel Industry. In this crisis situation, it is important to think of innovative ideas and policies to support the industry to survive in the immediate term.

Some Media reports have appeared suggesting that the Government is considering levying an additional COVID Import Duty on certain products.

We believe that this is an excellent move by the Government, and we urge Textiles Ministry to extend such an Import Duty on imports of Garments and Fabrics from all countries, INCLUDING THOSE WITH WHOM WE HAVE FTAs or Zero Duty Agreements.

This will have great positive impact on the Domestic Industry and will result in the quick recovery of hundreds of MSMEs who are today on the verge of collapse, and the possible savings of hundreds of thousands of jobs. Additionally this will enable the Government to collect approximately US\$ 100 – 150 Million for its fight against Covid 19 (depending on the quantum of Duty imposed).

CMAI suggests that such a measure may be undertaken only for a limited period of time of 12 months, after which we can go back to our current agreements in force.

Madam, we are sure with your aggressive support, the Ministry can persuade the concerned Authorities to take this short-term measure to protect the Domestic Garment Industry in this time of crisis.

We look forward to your favourable response.

With respectful regards,



Rakesh Biyani
President

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