

'India's cotton import duty favourable to competitors'

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The Indian government should end "artificial controls" on the textile industry and allow the market to decide under the current tough market conditions, William Bettendorf, Regional Director for Cotton Council International, a non-profit trade association representing US growers, has said.

"The US cotton industry appreciates the Indian textile industry, and we want to continue to work together. But with these artificial controls, it's not possible or it's hindered quite a bit," Bettendorf, who is in India currently with a delegation from the US, told *businessline* in an online interaction.

"We would just ask to let the market decide and let's get back to business, and hopefully soon consumer demand will return and everyone will



Mark Lewkowitz, President and CEO of Supima

be much happier because it's very tough market conditions now," he said.

INDIAN MILLS UNHAPPY

Mark Lewkowitz, President and CEO of Supima, who was with Bettendorf, said Indian mills, particularly in the south, were unhappy with the duty.

"It is an advantage for your competition. It is an advantage for the other textile-producing nations because they can out-compete Indian mills now for an arbitrary duty that doesn't help or rectify anything. Espe-



William Bettendorf, Regional Director for Cotton Council International

cially for ELS (extra-long staple) cotton, when you are importing American Pima, for example, there isn't really anything that's being protected," he said.

The Indian government imposed an 11 per cent import duty on cotton in February 2021 as part of its efforts to ensure remunerative prices to domestic growers. However, with prices in 2022 and 2023 surging, the Centre has been under pressure to scrap the duty.

Last season (October 2021-

September 2022), the Centre allowed imports of cotton at zero duty after domestic cotton prices soared to ₹1 lakh per candy (356 kg). The domestic textile industry is of the view that the duty hinders the import of ELS cotton, which is primarily shipped in for re-exports.

ISSUE TAKEN UP

Lewkowitz said: "It actually does a disservice to them (the industry) because it makes it an advantage for the competitive competing nations to out-compete them at a 20 per cent advantage." Bettendorf said the US delegation, which took part in the International Cotton Advisory Council meeting in Mumbai last week, included three exporters.

"We have brought with us three exporters to meet with the Indian textile industry to discuss the market and exchange information and views. We launched the US Cotton Trust Protocol three years ago

(in India) and have more than 120 Indian mills manufacturers who have joined that programme. So that's more of an evidence of how favoured US cotton is," he said.

Peush Narang, Program Representative, India & Sri Lanka, said the US Protocol is a sustainability programme for the US cotton which also has sustainable, traceability portions inbuilt into the programme.

"And the mills who are registered for the programme get support from a technical team as it is different to run US cotton and Indian cotton (in a mill) because of the way they are being picked. The US cotton is all machine picked and harvested. It's unique bale numbers and classification done," he said.

The technical team helps increase the performance of the mills through its different modules and these services are offered free of charge, Narang said.