GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:1856
ANSWERED ON:01.08.2003
EXPORT QUOTA POLICY
LAXMAN GILUWA;SHIVAJI MANE

Will the Minister of TEXTILES be pleased to state:

(a) whether many exporters are complaining against existing quota policy;

(b) if so, the details thereof; and

(c) the steps taken to remove drawbacks in the policy ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI BASANAGOUDA R. PATIL (YATNAL)

(a) to (c) The Government had set up a Task Force to make recommendations on the long term quota (export entitlement) distribution policies for a period of five years with effect from 1.1.2000 to 31.12.2004. The Task Force invited responses from Export Promotion Councils (EPCs), leading trade associations and federations on various exporters and the associations concerned at New Delhi and Mumbai. Thus it may be seen that the Task Force considered the inputs from a wide range of sources before submitting the report. This report was taken into account while framing the New Quota Policy.

Suggestions are received from various associations of textile/garment exporters from time to time. These are duly considered and appropriate changes are made, whenever deemed necessary, to facilitate the smooth operation of the Quota System. Some of the changes affected in the Garment and Knitwears Export Entitlement (Quota) Policy (2000-2004) and Yarn, Fabrics & Made-ups Export Entitlement (Quota) Policy (2000-2004) Notifications due to these suggestions are listed below:-

i) Issue regarding third party shipments are not allowed in respect of non-transferable quotas has been clarified. This has been done because third party shipments are nothing but de-facto transfers and, therefore, the third party shipments against non-transferable quotas are violation of the provisions of policy and are liable for enforcement action.

ii) To allow the stand alone exporting units, directly engaged in value addition to garments and totally dedicated to garmenting activity, to claim New Investors Entitlement (NIE) quota.Besides, the Notification also provides the NIE quota holders to opt for not more than 50% of their eligible investment for entitlement in the next year. This provision has been introduced to facilitate continuity in export operations by the new investors.

iii) Carry over of Part-I quotas to Part-II period has been allowed in PPE/NQE system subject to the condition that quota of tha country/category which the exporter wants to carry over to the second part and even the second part quota in that particular country/category shall become non-transferable during the entire allotment year. The measure has been introduced to mitigate the difficulties in export of certain textile categories having seasonality in demand.

iv) Mutual Transfer System along-with ETS has been allowed and DG, AEPC empowered to review his speaking order in respect of pending appeal cases of first and second appellate authority.

v) Base period has been extended from 12 months to 20 months in respect of NIE quota entitlement. The amendment is intended to make the relaxations granted during 2001 valid for the remaining period of quota regime i.e. upto 2004.

vi) Relaxation has been given in performance level for purpose of forfeiture of EMD/BG/LUT/Post Dated Cheque for the year 2001.

vii) The last dates of realisation of exports from 31st August has been changed to 31st December in sub-para 5
(iii) and 7
(iv) of the Garment & Knitwear Export Entitlement (Quota) Policy 2002-2004.