

PRESS RELEASE

FTP announcements aimed at improving performance of labour-intensive sectors: AEPC

New Delhi, Aug 23 -- Shri Premal Udani complimented Sh. Anand Sharma, Hon'ble Union Minister of Commerce & Industry for enriching the Annual Supplement of 2010-11 of Foreign Trade Policy 2009-14, which aims at improving the export performance of labor intensive sectors.

The additional benefit of 2% bonus as a higher support for market and production diversification over & above the existing benefit [as mentioned at para 1 on highlight of the Annual Supplement of 2010-11]; annual advance licensing scheme; zero duty EPCG Scheme extension upto 31st March, 2012 and extension of DEPB scheme upto 30th June, 2011 are welcome steps to boost exports & sustain employment.

Sh. Udani, however said that the readymade garment industry, which has a distinction of providing direct and indirect employment to over 60 lacs countrymen has not been extended the additional benefit of 2% bonus. The 2% bonus as available to sectors like silk carpets ; toy & sports goods; leather products; the engineering items, should also be extended to readymade garment sector, which is the largest employer after agriculture.

He further said that Market Focus Product Scheme of 2% is available for exports of garments to USA and European Union upto 30th September, 2010. The announcement made by Government that exports to EU-27 would qualify for this benefit upto March, 2011 is welcome.

This benefit needs to be extended to USA market, which is the largest single trading partner of India. Exports of garments to USA in the year 2009-10 have recorded a negative growth of 2.17%. Thus, 2% benefit may be extended to USA market also.

Sh. Udani requested that under Focus Market Scheme, 1% scrip is available to status holder exporters. This should also be made available to those exporters, who are using TUF Scheme.

Sh. Udani welcomed the initiatives taken by Hon'ble Union Minister of Commerce & Industry to boost country's exports especially to the labor intensive sector and hoped that the readymade garment sector would be further rewarded by the benefits as extended to other labor intensive sectors.