

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE**

LOK SABHA

STARRED QUESTION NO.*257

TO BE ANSWERED ON MONDAY THE 21ST MARCH, 2022
PHALGUNA 30, 1943 (SAKA)

IMPORT DUTY ON COTTON

***257. SHRI KANUMURU RAGHU RAMA KRISHNA RAJU:**

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has received any proposal explaining the need for removal of 10 per cent import duty on cotton to improve the Textiles and Clothing sector because of rising raw cotton and yarn prices;

(b) if so, the details thereof; and

(c) the measures being taken in this regard?

ANSWER

MINISTRY OF FINANCE
(MS. NIRMALA SITHARAMAN)

(a), (b) and (c): A statement is placed on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO THE LOK SABHA STARRED QUESTION NO.*257 RAISED BY SHRI KANUMURU RAGHU RAMA KRISHNA RAJU FOR 21ST MARCH, 2022 ON “IMPORT DUTY ON COTTON”

(a & b) Certain representations have been received requesting for removal of 5% Basic Customs Duty (BCD), 5% Agriculture Infrastructure and Development Cess (AIDC) and 1% Social Welfare Surcharge (SWS) [10% of (BCD+AIDC)] on Raw Cotton.

(c) The decision to impose 5% Basic Customs Duty, and, 5% Agriculture Infrastructure and Development Cess on imports of Raw Cotton in Union Budget 2021-22 has been taken to benefit domestic cotton farmers. Imports of cotton had surged significantly in last few years, even though India is the largest producer of cotton in the world. All varieties of cotton, including those which were produced in India were being imported in large quantities. This has impacted the Indian farmer adversely. Garment exporters would not be affected as exporters have the option of availing of benefit of schemes like advance authorization, duty drawback, EoU, SEZ etc. Further, RoSCTL scheme for garment and made-ups has also been extended till March 2024. Further incentives under various schemes are also being provided to Garment sector.
