Level playing field for domestic Polyester Spun Yarn (PSY) producers : Urges NITMA

President, Shri Sanjay Garg urges the textile ministry that the domestic Polyester Spun Yarn manufacturers be given level playing field as the PSY imports is @ zero duty under ASEAN FTA from Indonesia & Vietnam, whereas polyester staple fibre is not included in the FTA which is cleared at full duty rate of 5%.

Shri Garg, President NITMA along with a small delegation met with the Textile Secretary on 8th Nov 2021 and pleaded him to levy ADD on PSY at the rate of 5% due to the fact that Polyester staple fibre is not included in the FTA which is cleared at full duty rate of 5% whereas PSY imports are cleared at zero duty under ASEAN FTA from Indonesia and Vietnam and sought level playing field for the domestic industry.

He stated that in the presence of this anomaly, domestic mills have no chance to compete with the imported goods. Imports are doubling every year since 2015 from 486 Tons/month to 5,109 Tons per month in 2020/2021. Current market share of imports has reached 25% of the total domestic consumption. In a matter of 1-2 years, it will significantly & thereafter completely wipe out the domestic polyester spinning industry.

Shri Garg opined that alternatively, removal of basic custom duty on polyester staple fibre or its inclusion in the ASEAN FTA would also give a level playing field to the domestic industry. As both these options would take a long time to materialize, he appealed to the Textile Secretary that the anti-dumping be imposed till such time the FTA is modified to include polyester staple fibre or till such time that the basic custom duty on polyester staple fibre is removed.

It is worth mentioning here that the Directorate General of Trade Remedies , after 18 months of elaborate investigations , has already recommended the imposition of duty on the same.

Shri Garg advocated that domestic manufacturers do not require any undue protection or advantage over the imports but only thing that is needed is a level playing field. In order to protect the domestic industry and to create a level playing field , the rate of duty on input raw material and finished goods need to be the same ,which is currently not the case hence early imposition of the anti dumping duty is required. This move is necessary to not only revive the domestic spun yarn industry but also to save and protect the domestic industry thereby encouraging " Make In India " .