
NITMA applauds the assurance of a swift resolution to the issue of undervalued imports of knitted fabric from China

A meeting was convened on January 18, 2024, at the Udyog Bhawan in New Delhi, in the esteemed presence of the Honorable Minister of Commerce and Industry & Textiles, Shri Piyush Goyal Ji, the Honorable Minister of State for Textiles, Smt. Darshna Jardosh Ji, Secretary Textiles, Smt. Rachna Shah Ji, Textile Commissioner, Smt. Roop Rashi Ji, Trade Advisor, Smt. Shubhra Ji, Joint Secretary Amit Ji, and esteemed representatives from NITMA, PTA Users' Association, other trade bodies, and stakeholders.



Representatives of the various associations & trade bodies unequivocally raised a grave concern regarding the substantial influx of undervalued imports , to the tune of 1000 metric tons per day (approx.), of Chinese knitted fabric mixed with woven fabric, leading to the underutilization of the entire upstream textile industry in our country. As a consequence , following detrimental impact are being manifested by domestic industry:

- Crucial sectors such as dyeing, knitting, spinning, and fiber units are now teetering on the brink of closure.
- The implementation of the new expansions under the PLI and PM Mitra Park schemes has been temporarily halted by domestic entrepreneurs, including both seasoned veterans and promising newcomers.
- A huge loss of revenue , of both direct & indirect taxes , to the exchequer that could well be in the range of INR 6,000 -7,000 crores annually.

It is an intriguing fact that the finished knitted fabric is being imported at prices equal to those of Indian spun yarn.

The primary reason lies in the significant disparity between custom duties imposed on woven fabric and knitted fabric.

Entire Industry representatives & experts attending the meeting proposed ,to the Honorable Ministers and Secretary of Textiles, a straightforward and readily implementable solution of equalizing the custom duties on knitted fabrics with those imposed on woven fabrics.

This measure would effectively put an end to the importation of under-invoiced woven and knitted fabrics.

Currently, the customs duty on woven fabric is set at 20% or Rs 115/- to Rs 150/- per kg, whichever amount is higher. In contrast, the custom duty on knitted fabric is fixed at a rate of 20% with no capping.

Shri R K Vij, representing TAI & NITMA , recommended that in order to ensure fair trade practice, the prices of imported knitted fabric should be set at a minimum of USD 4.5 to 5.0 per kg. However, these knitted fabrics from China is currently being imported at an average price as low as USD 1.40 to 1.50 per kg.

The Honorable Minister of Commerce and Industry & Textiles, Shri Piyush Goyal Ji, the Honorable Minister of State for Textiles, Smt. Darshna Jardosh Ji, Secretary Textiles, Smt. Rachna Shah Ji, promptly identified the primary underlying issue and assured the stakeholders in attendance that this anomaly would be resolved within two months.

Shri Sanjay Garg , President NITMA ,in response to the proceedings of the aforementioned meeting, commented that NITMA has been actively pursuing the critical issue ,of under-priced imported knitted fabric from China, engaging with all the concerned ministries over the past year.

Furthermore, he conveyed that the comprehensive representations have been duly sent to the esteemed authorities, namely the Ministry of Textiles, Ministry of Commerce & Industry, and the Prime Minister's Office (PMO). These representations encompass meticulously compiled import data, as well as other pertinent figures of utmost relevance..

Also, detailed representation regarding the same was personally handed over to Shri Rohit Kansal Ji, Additional Secy , Ministry of Textiles , during his visit to Ludhiana, for BharatTex Roadshow in Dec 2023.

Expressing his deepest admiration, Shri Garg wholeheartedly applauds the assurance given by the Honorable Minister of Commerce and Industry & Textiles, Shri Piyush Goyal Ji, to promptly resolve the matter within a couple of months.