

# Textile min for duty-free synthetic fibre

**Praveen Kumar Singh**

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The textiles ministry has demanded that synthetic fibre should be made duty free. Synthetic fibre is the key ingredient for technical textile, which is pegged to have a \$12 billion market by 2012.

In addition to this, the ministry has also asked for increase in duty drawback for the entire textiles industry and refund of state level taxes. The demands are part of the list that the ministry has sent for the upcoming budget and the government's first 100 days programme.

"We want a fibre neutral policy to bring synthetic fibre at par with cotton, on which no duty is imposed. This would help the technical textiles, which is the next big focus area for us. At pre-

sent, we are weak in synthetic fibre," textiles joint secretary J N Singh said.

Technical textiles are used in different sectors like automotive, medical, personal hygiene, etc. The technical textiles industry is projected to grow 24.57% till the end of 2011-12 and its market is likely to value \$12 billion at that time.

The government imposes 6% customs duty in addition to various anti-dumping duties on synthetic fibre. Last year, it had also reduced duty drawback rates for synthetic fibre and other raw materials for the textiles industry.

In order to give more cushion to the industry, the ministry also wants that state-level taxes should be refunded. "Duty drawback takes care of taxes that are collected at the Centre but

the state-level taxes gets added up to the cost of the final product. So we want that state-level taxes should also be refunded," Singh said.

"We are studying the possibilities and would take the proposal to the revenue department once our report is ready," textiles secretary Rita Menon said.

On Technology Upgradation Fund Scheme, Menon said the ministry has asked for allocation of more money. "We have money to clear the application till July 2008 or in some cases September 2008. We need Rs 500-600 crore every quarter for this flagship scheme of ours to bring it up-to-date," she said.

The ministry has taken up the issue of shortage of power for the power-loom industry. "We have sought

cheaper furnace oil from the ministry of petroleum and natural gas. This is expected to help power-looms in states like Tamil Nadu, which have acute shortage of power. The cheap furnace oil would be available for captive power use," Menon said.

The ministry has also planned to approach the cabinet to increase the time period for revival of National Textile Corporation (NTC) till March 2011, Menon said. As per the revival plan approved by the government, NTC was given time till March 31, 2009 to complete its modernise itself.

NTC has 119 mills, out of which 65 are closed. The corporation had to modernise 22 mills on its own, while 16 were to be taken up through joint ventures.