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## Turkey withdraws safeguard duty on Indian cotton yarn

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4 January 2013: Turkey has done away with the safeguard duty imposed on India cotton yarn following an agreement between the two countries. The safeguard duty, effective for a 3-year period beginning 4 August 2011, was lifted on 31 December 2012.

India had, in March last year, held consultations with Turkey and impressed upon them the serious breach of safeguard provisions of GATT and WTO Agreement on Safeguard Measures by illegally extending the duties after the original period for which the safeguard measure was put in place had expired.

Manikam Ramaswami, chairman of Texprocil, complimented the government for its proactive efforts in ensuring that Turkey withdrew the unjustified measures well before their official expiry by August 2014.

It may be recalled that these measures were an extension of an earlier safeguard measure imposed by Turkey against the import of cotton yarn for a period of 3 years from 14 July 2008.

The withdrawal of the safeguard measures on imports of cotton yarn into Turkey augurs well for exports of cotton yarn from India, which had declined from \$198 million in 2007 (prior to imposition of safeguard measures) to \$94.57 million in 2011.

During January-October 2012 imports declined to \$20.77 million from \$85.30 million, a decline of 75 per cent. In quantitative terms, imports declined to 4.20 million kg from 14.85 million kg during this period. India also slipped to the fourth position in terms of supplier in 2012 from being the largest supplier in 2008.

Turkey being the gateway to Europe, removal of safeguard duties would enable India restore its exports to earlier levels and also increase its market share. Texprocil plans to participate in the Istanbul Yarn Fair in Turkey being organised from 29 May 2013 to 1 June 2013.

The Turkish government on 31 December 2012 decided to repeal the safeguard duty on Indian cotton yarn after India withdrew a case filed at the World Trade Organisation (WTO) against the "illegal" duties.

"India withdrew the case at the WTO after Turkey promised it would remove the safeguard duties by the year-end. We are happy that they have honoured the commitment," official sources said.

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