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PRESS RELEASE

AEPC calls for calibrated cotton exports, unveils Common Compliance Code

New Delhi, Sep 1 – The Apparel Export Promotion Council (AEPC) today urged the government to ensure that exports of cotton / yarn are calibrated and do not cause supply disruption to producers of garments for export and domestic markets.

The prices of cotton / yarn have started sharply rising again due to two reasons: announcement by the Directorate General of Foreign Trade that cotton will be allowed for exports from October 1 and unexpected loss of cotton crops in Pakistan due to floods.

"Yarn mills have once again stopped deliveries and are talking about minimum Rs 10 per kg price increases for September delivery," said AEPC chairman Premal Udani while addressing a press conference here.

He was flanked by heads of various industry associations like the Garment Exporters Association, the Apparel Exporters and Manufacturers Association, the Tirupur Exporters Association, the Apparel and Handloom Manufacturers Association and the Garment Exporters Association of Rajasthan.

"Our country has a unique opportunity to maximise garment exports due to various problems in the neighboring countries. However, if raw materials are allowed to be freely exported and consequently there are hefty price increases as well as shortages in the domestic market, it will cripple our industry," said Mr Udani.

One kg of cotton yarn may fetch Rs 125 in international markets. But if a garment made by one kg of cotton yarn is exported, it will fetch Rs 750 and the value addition is six times more than cotton yarn exports, he said.

Mr Udani also spoke about AEPC's Common Compliance Code. "It is the first-of-its-kind, industry-driven and industry-owned compliance project which not only aims at developing an India-specific code of ethics but also offers training and ways to build capacities."

The code identifies all legal requirements and standards including those forbidding child labour, forced labour, harassment or abuse, non-discrimination, health and safety, environmental requirements, freedom of

association, collective bargaining, hours of work, wages and benefits as well as subcontracting. Details at www.aepcindia.com

Garments worth 11 billion dollars are exported from India annually. The AEPC represents 8,000 small, large and medium exporters across the country.