



Established 1921

ISO 9001:2015

When replying please quote Reference

No. ....

Date :

# Cotton Association of India

## PRESS RELEASE

### CAI ADVOCATES FREE COTTON TRADE AND URGES THE GOVERNMENT TO REMOVE CUSTOMS DUTY OF 11% ON IMPORTS OF RAW COTTON

1. India's Textile Industry is a cornerstone of India's manufacturing economy, contributing significantly to exports, employment and rural livelihoods. However, health of Indian Textile Industry is critical. This second largest employment generating industry is passing through one of its worst times. Current market challenges driven by lower domestic productivity and high MSP have made Indian cotton costly compared to other competing international growths. **11% import duty levied on cotton imports in India not only distorts the prices but also compounds the misery of our textile industry.** The significant health issues now being faced by our Textile Industry also percolate to cotton traders and ginners immediately. The Indian cotton traders and ginners are the unsecured creditors of this industry.
2. The only solution to improve the Textile Industry is to make available sustainable and competitive supply of raw material. The farmers are already protected through MSP operations. Now is the time to protect the Textile Industry also by remedy of removal of 11% import duty. This will make availability of competitive raw material to the textile / spinning mills. Presently, our Textile Industry is suffering due to uncertainty of USA tariff and recessionary conditions in Europe. If Textile Industry is not supported presently, it may immediately lead to unemployment, defaults in the loans and increase in bad debts in the entire textile value chain.

Our Commerce Minister Shri Piyush Goyal under guidance of our respected Prime Minister Shri Narendra Modi is working very hard on finalising FTAs with many countries. We are also likely to reach a favourable USA tariff solution. These events will bring a good opportunity for our Textile Industry to export yarn and other textile products in good volumes and increase India's share in the world trade of textiles. These fruits can be reaped only and only if 11% duty on import of raw cotton into India is removed and thereby making available raw material at competitive rates.

3. Realistically, the mega trend of 'China Plus One' policy and potentially sourcing shifts away from Bangladesh due to unstable political situation and shortage of US dollars present a golden opportunity for the Indian Textile Industry to grow and increase exports provided competitive cotton is available to our Textile Industry through removal of 11% import duty.

Cotton Exchange Building, 2nd Floor, Opp. Cotton Green Rly. Station, Cotton Green, Mumbai-400 033.

Tel. No.: +91-22-20830685, +91 8657442944, +91 8657442945, +91 8657442946, +91 8657442947, +91 8657442948

E-mail: [cai@caionline.in](mailto:cai@caionline.in) • Website: [www.caionline.in](http://www.caionline.in)

CAI CIN: U91110MH1921NPL000940



# Cotton Association of India

Established 1921

ISO 9001:2015

When replying please quote Reference

No. ....

Date :

: 2 :

4. Also, the target of Textile Ministry to achieve US\$ 100 billion exports for textile products by 2030 will become feasible only if competitive raw material is available to the manufacturers.
5. 11% import duty was levied in special circumstances during Covid-19 pandemic. Before that India generally had no import duty on cotton and had no adverse impact on farmers.
6. Due to unseasonal rains during this season, there is big damage to the quality of Indian cotton. Therefore, our textile mills will be compelled to import cotton to meet the quality requirement of buyers. If 11% import duty is not removed, Indian textile goods will not be competitive and buyers will shift to Vietnam, Bangladesh, Pakistan and other markets. This can lead to long-term damage and loss of India's share in the world cotton textile market.

**We from Cotton Association of India strongly recommend to the Government to give a helping hand and remove the present 11% import duty on cotton for the survival of the entire cotton and textile value chain.**

(Vinay N. Kotak)  
President

Mumbai

Date: 9<sup>th</sup> December 2025