

**GOVERNMENT OF INDIA  
COMMERCE AND INDUSTRY  
LOK SABHA**

UNSTARRED QUESTION NO:3378  
ANSWERED ON:20.08.2004  
IMPORT OF COTTON AND LINEN  
Tirath Smt. Krishna

**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

- (a) whether the European Union (EU) has lately decided to impose anti-subsidy duties on imports of cotton and linen from India;
- (b) if so, the details of the duties so imposed, indicating the declared object and purpose of such duties; and
- (c) the Government's reaction thereto, indicating the likely impact thereof on India's linen exports?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY ( SHRI E.V.K.S. ELANGO VAN)

(a) & (b) : On 18 January 2004 the European Union (EU) has imposed countervailing duty in the range of 4.4% to 10.4% on imports of cotton-type bed linen from India. A countervailing duty is levied for the purpose of offsetting any subsidy bestowed directly or indirectly upon the manufacture, production or export of any merchandise. Countervailing duties are imposed pursuant to an investigation initiated and conducted in accordance with the Agreement on Subsidies and Countervailing Measures and provisions of General Agreement on Tariffs and Trade (GATT) 1994.

(c) : As imposition by European Union of countervailing duty on cotton -type bed linen is likely to adversely affect India's export of this product to the EU countries, the matter has been taken up bilaterally with the European Commission.