

**PRESS NOTE NO.2**

**(1999 SERIES)**

Government of India  
Ministry of Industry  
Department of Industrial Policy & Promotion  
Udyog Bhawan,

SUBJECT : Export of cotton yarn by EOU/EPZ units.

The Export Oriented Units/EPZ units in the cotton yarn sector are allowed to manufacture and export cotton yarn subject to the condition of use of domestic cotton for counts 1-40s, as stipulated in Press Note No. 19(1997 Series) dated 26.12.97.

2. With a view to addressing the difficulties of the cotton yarn EOUs, Government had, vide Press Note No. 17 (1998 Series), notified on 13th November, 1998 certain flexibilities to the 100% EOUs to export cotton yarn without any restriction pertaining to count / sourcing of domestic cotton.

3. Taking into account all relevant factors , including domestic cotton availability and with a view to further encouraging the exports of cotton yarn, it has been decided to extend the relaxations upto 31st December, 1999. At the same time, the overall quantitative ceiling on cotton yarn exports of count 1-40s, has been raised to 200 Million Kgs for the calendar year 1999.

4. All the other provisions in the aforesaid Press Note dated 26.12.97 as modified by Press Note dated 13.11.98 would continue to operate.

5. All investors and entrepreneurs may please take note of the aforesaid revision in the policy.

Sd/-

(Aditi S. Ray)

DIRECTOR

New Delhi, the 18th January,1999.