

AEPC Circular No.-126

IMPORTANT

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AEPC/HO/SG/R&PA/2022
22.09.2022

Dear Members,

Sub: Rules of Execution (EU) 2022/1039 of the Commission of June 29, 2022. Apparel products of India are not in suspended tariff preferences.

1. Export to the European Union (EU) of Apparel products from India are subject to Preferential tariff for GSP countries – 9.6%. While the MFN duties (Applied) are - 12%.
2. Now, the European Union vide its Rules of Execution (EU) 2022/1039 of the Commission of June 29, 2022 (copy enclosed) with Regulation (EU) No 978/2012 of 25 October 2012, **has conveyed suspension of the following tariff preferences with regard to certain countries benefiting from the SPG for the year 2023** (These products will be subject to normal MFN duties (Applied) of 12% instead of GSP preferential tariff of 9.6%):

A	B	C
India	S-6A	Inorganic and organic chemicals
	S-7A	Plastics and works in these materials
	S-8B	Leather works; Pelleteries and furs
	S-11A	Textile materials
	S-13	Stones, plaster, cement, asbestos, mica or similar materials; ceramic products; Glass and glass structures
	S-14	Precious pearls and metals
	S-15A	Cast iron, iron and steel and cast iron, iron or steel works
	S-15B	Common metals (excluding melting, iron and steel), common metal works (excluding those in cast iron, iron or steel)

	S-16	Machines and devices; electrical equipment and their parts
	S-17A	Vehicles and equipment for railways or similar

3. AEPC received a large number of queries from members as to whether product '**Apparel**' will be covered under the suspension list of the European Union vide Rules of Execution (EU) 2022/1039 of the Commission of June 29, 2022 and whether Apparel products will be subjected to normal MFN duties (Applied) of 12%.

4. Accordingly, we hereby clarify the position as under in accordance with the Regulation (EU) No 978/2012 of the European Parliament and of the Council of 25th Oct, 2012 in comparison to the European Union's Rules of Execution (EU) 2022/1039 of the Commission of June 29, 2022 as under:

Name of the country	product description	Effect of the notification
India		
SPG Section	<u>S-11a</u>	
SPG Section (Article 2, point J) of the regulations relating to SPG As per The European Union vide Rules of Execution (EU) 2022/1039 of the Commission of June 29, 2022 (product description)	<u>Textiles materials (Chapter 50 to Chapter 60)</u> Chapter 50 – Silk Chapter 51 - Wool, fine or coarse animal hair, excluding the products under heading 5105; horsehair yarn and woven fabric Chapter 52 - Cotton Chapter 53 - Other vegetable textile fibres; paper yarn and woven fabrics of paper yarn Chapter 54 - Man-made filaments; strip and the like of man-made textile materials Chapter 55 Man-made staple fibres Chapter 56 Wadding, felt and non-wovens; special yarns; twine, cordage, ropes and cables and articles thereof Chapter 57 Carpets and other textile floor coverings Chapter 58 Special woven fabrics; tufted textile fabrics; lace; tapestries; trimmings; embroidery Chapter 59 Impregnated, coated, covered or laminated textile fabrics; textile articles of a kind suitable for industrial use Chapter 60 Knitted or crocheted fabrics	<u>Suspended</u>
SPG Section	<u>S-11b - Chapter 61, 62 & 63</u>	

SPG Section (Article 2, point J) of the regulations relating to SPG As per The Regulation (EU) No 978/2012 of the European Parliament and of the Council of 25 th Oct, 2012 (product description)	Chapter 61 – Articles of apparel and clothing accessories, knitted or crocheted Chapter 62 – Articles of apparel and clothing accessories, not knitted or crocheted Chapter 63 – Other made-up textile articles; sets; worn clothing and worn textile articles; rags	<u>No effect</u>
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5. From the table above, this is clear that there shall not be any effect of the issuance of the European Union’s Rules of Execution (EU) 2022/1039 of the Commission of June 29, 2022 on Chapter 61, 62 & 63 (S-11b) - Apparel products from India. Apparels will continue to get Preferential tariff for GSP countries – 9.6% as S11b products are not in suspended tariff preference list. Only Textile materials (S-11a) - Chapter 50 to Chapter 60 have been suspended as per the aforesaid regulation.

6. AEPC’s Circulars are available on AEPC’s Website www.aepcindia.com.

7. This is for your information please.

With regards

Yours sincerely

Dr. L. .B Singhal
Secretary General