

H K L Magu
Chairman

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Apparel Export Promotion Council

(Sponsored by Govt. of India, Ministry of Textiles)

AEPC:HO:R&PA:2018
9 July, 2018

Dear Sir,

This has reference to the Consultation Paper No. 08/2018-19 dated 29 June, 2018 "To Consider the Annual Tariff Proposal for Tariff Year 2 to Tariff Year 5 (01.04.2017-18 to 01.04.2020-21) of the second control period (01.04.2016-31.03.2021) of M/s Celebi Delhi Cargo Terminal Management India Pvt. Ltd. for providing Cargo Handling services at Cargo Terminal, IGI Airport, New Delhi".

In the Para 10(ii) of Consultancy Paper:

"The Authority proposes 25% increase in existing tariff for 2018-19 (excluding the effect of return on security deposit) and further 10% increase year on year for 2019-20 and 2020-21 to meet the revenue requirement of M/s Celebi Delhi Cargo"

This proposed increase of 25% in services being used by the apparel industry directly, as also the services being indirectly used, will together add up to the costs significantly.

I would like to inform you that the garment industry works on very low margin and is facing very stiff competition from China, Bangladesh & Vietnam over price. Price difference of even cents can take away the order to other countries.

Currently, Indian garment industry is passing through a very difficult time as garment export and production is showing a negative growth since last 9 months on account of GST compliance, reduced drawback & ROSL. Any increase in production cost at this time will put the industry will be regressive.

In view of above, I request that AERA does not increase tariff of M/s Celebi Delhi Cargo and continue with the tariffs existing as on 31.03.2017. Any change in the tariffs may be done in consultation with the user groups, specially apparel industry.

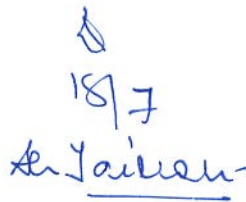
Apparel Export Promotion Council (AEPC), being the largest body, representing apparel exporters and contributing significant portion of the air cargo, it is for your consideration that Chairman of AEPC may be on the Board during any stakeholder discussion on tariff finalization

Look forward for your favorable consideration.

Warm Regards,

Yours sincerely,


(H K L Magu,)


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36/2100E (R2)
17/7/2018

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