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Govt threatens EU with retaliatory action

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New Delhi, Oct 30 The government on Tuesday dismissed allegations of use of child labour against local suppliers of clothing retail major GAP as a motivated campaign on part of the rich nations and threatened Europe of possible retaliatory measures.

The local suppliers to GAP had denied all such allegations regarding of child labour and have informed the Centre that their plants have been subjected to vigorous inspections by the overseas buyers, commerce and industry minister Kamal Nath said adding that India would treat such motivated campaigns as non-tariff barriers resorted to by rich nations.

"The biggest suppliers have informed us that GAP officials have seen their plants and applauded their manufacturing practices," Nath said at the Fortune Global Forum here.

"We are seeing increasing efforts, particularly driven by European Union-based NGOs, to show India in bad light. I am seriously concerned over these motivated campaigns. There would be pressure on the Indian government to take retaliatory measures. I have written to the European Trade Commissioner about these and that we are treating this as a non-tariff barriers," he added.

Following allegations that its Indian suppliers employed children in their manufacturing facilities, GAP withdrew garments sourced from Indian from its stores in Europe and the US. According to the government's information, GAP has about 200 suppliers in India, out of its total 2,000 suppliers worldwide.

Recalling that he had brought up the issue with the trade ministers of the Netherlands and Finland, Nath said, "In the case of NGOs from Netherlands, it was later found that the evidence provided was computer simulated images. This is absolutely false. I seriously condemn this."

Confederation of Indian Textile Industry (CITI) secretary general D K Nair told FE that earlier there were efforts by NGOs based in the EU and the US, on behalf of their industries, to target even reputed exporters and curtail increasing exports from competitive countries like India and China.

He said the government along with CITI and the affected companies would take up the matter with the NGOs to find out if these were really a part of the social agenda or trade agenda. "If it is found that the reports are part of the trade agenda and that the study is backed by their industries, the affected Indian company can file a suit against the NGOs and the foreign industries claiming damages. If the action comes from the governmental level, then India can approach the WTO's dispute settlement panel by pointing out such non-tariff barriers. The battle will be fought by the government and the industry together," he explained.

"Over a decade ago, there were allegations from Germany about the Azodyes being used by the Indian textile industry. Then came the allegation by some NGOs in the US that Indian rayon skirts were a fire hazard," he said.