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Contact: T. Cotton Nelson cnelson@cotton.org or Marjory Walker mwalker@cotton.org 901-494-1520

Peru Determines No CVD on U.S. Cotton

MEMPHIS, TN --- The National Cotton Council (NCC) welcomes the decision by the Peruvian commission on competition and intellectual property (INDECOPI) not to impose a countervailing duty (CVD) on imports of U.S. cotton. Following an 18-month investigation, the commission found no causal link between the imports of U.S. cotton fiber and the economic situation of Peru's cotton farmers. The decision, which must go through a 15-day waiting period to allow an appeal, will mean that U.S. cotton will continue to be available to Peru's textile industry free of import duties, as agreed to in the U.S.-Peru Free Trade Agreement.

Based on recent market dynamics and drastically reduced cotton program spending, the Peruvian commission arrived at the correct decision. Trade in cotton and textile products between the United States and Peru may again proceed without the threat of a CVD.

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