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TEXPROCIL Delegation in South Korea



Shri Ujwal Lahoti, Chairman (6th from Left) & Dr. Siddhartha Rajagopal, Executive Director, TEXPROCIL (7th from Left) along with Indian Delegates on visit to the Arpeggio Company during the visit of Delegation to South Korea from June 11-15, 2018.

CHAIRMAN'S MESSAGE



Dear Friends,

In recent months there has been a buzz with regard to a trade war between U.S. and China which in a way became a reality on July 6, 2018 when the US imposed a tariff of 25%, on a broad range of Chinese goods, worth \$34 billion. China quickly responded in a 'tit-for-tat' manner by imposing 25 percent tariffs on \$34 billion worth of U.S. goods.

As the Hon'ble Commerce & Industry Minister, Shri Suresh Prabhu observed recently, "these are challenging times for global trade as countries are taking protectionist measures. Countries are trying to put sanctions for their benefit but it would not give positive results as economic sanctions essentially mean that – you are cut-off from rest of the world".

China commands a 35 percent market share in the world textile trade estimated at around \$850 billion. U.S. President Donald Trump has

given further indications to impose tariff on an additional \$16 billion worth of Chinese goods in coming two weeks. Further, depending on how China responds to these tariffs, he is considering hitting another \$500 billion worth of Chinese goods, including textiles, which equals the total goods imported from China last year into the U.S. Experts have observed that the textile companies from India could stand to benefit from the import tariffs imposed on Chinese goods by the USA.

While the trade disputes are being played out to the detriment of liberalisation & globalisation, India's textiles and apparel sector is showing signs of recovery owing to rupee depreciation, pick-up in domestic demand and progressive policies of the government.

As per the RBI Financial Stability Report (FSR) – June 2018, the stressed advance ratio of textile sub sector in India has also improved in March 2018 from the levels of September 2017.

During the second half of June,

the Council participated in various forums including the stakeholders meeting on 'Samarth Scheme' held on 19th June in Mumbai, participated in 'Technotex 2018' held on 28 & 29 June at Mumbai – a platform for showcasing development in the Indian Technical Textiles sector. The Council also met the DGFT, Shri Alok Vardhan Chaturvedi in Mumbai on June 29, 2018 and further in New Delhi on July 6, 2018 to appraise him on the challenges facing the export sector. Further, the Council organised a meeting of exporters in New Delhi on July 7, 2018 with WTO experts for developing the 'Alternate Export Promotion Schemes' for the textile sector.

SAMARTH Scheme

In order to meet the skill gap in the industry and also to supplement the efforts initiated through the Special Package for Garments and Made-ups, the Government has approved a new scheme titled "Scheme for Capacity Building in Textiles Sector" for the entire value chain of textiles for a period of

CHAIRMAN'S MESSAGE

CONTINUED FROM PAGE 1

three years from 2017-18 to 2019-20 with an outlay of Rs. 1300 crore. The Scheme for Capacity Building in Textile Sector known by the name "Samarth", targets to train 10 lakh persons (9 lakh in Organized Sector i.e. Apparel/ Garmenting, Processing, Knitwear, Composite Mills and 1 lakh in traditional sector).

Ministry of Textiles has assigned the work of Resource Support Agency (RSA) to the Textiles Committee under this newly launched 'Samarth Scheme'. Hence prior to embarking on the implementation of this ambitious Skill Development Plan of the Ministry of Textiles under the guidelines of SAMARTH Scheme, TEXPROCIL along with certain important and relevant stakeholders in the skilling arena were invited for a consultative meeting at the Textiles Committee, on 19th June 2018 in Mumbai. The key issue discussed was the need to identify specific job roles in newer areas requiring skill upgradation across sectors in the textile value chain.

Technotex 2018

Technical textiles is an important part of the textile industry and its potential is still largely untapped in India. Thriving on end user segment growth and domestic consumption, the Indian Technical Textiles market has reached INR 1, 16,000 crore by 2016-17 at a year-on-year growth rate of 12% p.a.

With the objective of making India a manufacturing hub in the area of Technical Textiles and attract Investments in the sector, the 7th edition of Technotex 2018 – a focused exhibition on Technical Textiles in India was held on June 28th & 29th, 2018 at Bombay Exhibition centre in Mumbai.

This platform created by Ministry of Textiles and FICCI has been an enabler for linkages, technology transfer, exchanges of innovative ideas, and joint ventures in the field of Technical

Textiles. The two day event, this year, led to identification of new business opportunities thereby creating an environment congenial for growth.

HGH India 2018

HGH India 2018, the annual trade show for Home Textiles, Home Décor, Gifts & Houseware in India held its 7th edition from July 3rd to 5th, 2018 at Bombay Exhibition Centre in Mumbai. The three day exposition was inaugurated by Dr. Kavita Gupta, IAS Textile Commissioner, Govt. of India.

HGH India is the country's largest trade show for integrated home products providing a unique opportunity for sourcing world-class merchandise from local vendors drawn from across the country. Over 550 brands and 100 exhibitors from 30 countries displayed an exquisite range of home linen & decor. Around 35,000 buyers registered as visitors for the show.

HGH India 2018, was well organised and has become an important event in the sourcing calendar for Textile and related goods predominantly targeted for the domestic market.

Meeting with the DGFT

FIEO organized an Interactive Meeting with the DGFT Shri Alok Vardhan Chaturvedi in Mumbai on June 29, 2018. In this meeting, the Council took up proposals to increase MEIS rates for Cotton fabrics, to cover Cotton Yarn under the MEIS and to extend 3% Interest Equalization Scheme to the Merchant exporters. We had also emphasised on the urgent need to put in place an alternate scheme before phasing out the MEIS.

Other proposals such as permitting domestic procurements against EPCG authorizations without payment of GST; removal of restrictions imposed under the MAI scheme with regard to the number of participations by exporters in a particular event; problems faced by the exporters in

filing applications for MEIS online for especially in the case of exports of Napkins; delays in the refund of IGST and ITC on exports were also taken up in this interactive meeting.

To further reiterate these demands, we met with DGFT again on July 6, 2018 in New Delhi. Our suggestions were well received and we expect an early resolution of the various issues raised with the department.

Issues under the Foreign Trade Policy

The Council has been receiving various representations from the exporters with regard to the difficulty on their pending applications, bond cancellation etc. apart from other issues related to the EPCG Scheme, Advance Authorization /DFIA Schemes, MEIS, TED Refunds under Deemed Exports etc. and other related provisions under the Foreign Trade Policy.

All these operational issues will be taken up at the next Meeting of the Grievance Redressal Committee which will be held at the Office of the Additional Director General of Foreign Trade, Mumbai on July 19. A representative from the Council will be attending this Meeting who will take up the problems/ issues faced by the members. The Council has already issued an E - Serve No. 72 of 2018, dated July 2, 2018 in this regard seeking inputs from the members on the subject. I appeal all our members to send in their response on the various operational issues faced by them which can be taken up in the above meeting.

Other related Issues

The Government is in the process of reviewing the ROSL rates for Made ups. The Council has submitted detailed proposal to the Drawback Department highlighting the embedded taxes – both State and Central – that need to be refunded through the scheme. Further, the Council had a meeting with the Drawback Committee on June 21, along with some leading exporters and

**For more information on Global Textile Markets,
Please contact us on Email : info@texprocil.org**

COVER STORY

TEXPROCIL Delegation Visits South Korea

TEXPROCIL Delegation in a meeting with H.E. Shri Vikram Doraiswami (7th from Right), Ambassador of India to South Korea



South Korea is a high income developed country with a developed market and ranking 12th in the world in terms of purchasing power parity (PPP). It is one of the fastest

growing and prosperous economy in the world and was one of the few developed countries that was able to avoid a recession during the global financial crisis.

Indian Textile Exports to S. Korea

Exports of textiles & clothing from India to South Korea in 2016-17 was to the tune of US\$ 364.29 million.

... (contd. on Pg. 4)

CHAIRMAN'S MESSAGE

CONTINUED FROM PAGE 2

made a presentation to justify the need to increase the ROSL rates for Cotton Made ups.

We are aware that, exporters of Cotton Made ups are facing problems while receiving ROSL amounts as they are unable to link the ROSL amounts received with the relevant Shipping Bills. The Council has taken up this issue with the Drawback department and we expect the matter to get resolved very soon.

Further, exporters have also represented that the Customs at various Gateway ports are insisting upon opening the Self sealed containers for examination. The Council will take up this issue with CBIC and we hope it will get resolved.

The Council continues to receive representations from the exporters regarding their pending GST claims on exports and also queries seeking clarifications on the different aspects of GST. All such cases are being taken

up with the department and are also being suitably addressed.

Alternate Export Promotion Schemes

With the US questioning India's export subsidies at the World Trade Organisation (WTO), the Government has embarked on identifying alternative ways to support exporters without facing challenges at the multilateral forum. An informal committee has been set up under the Director General of Foreign Trade (DGFT) to look into the existing export promotion schemes. The idea is to identify the non-compatible provisions and to look for alternative export promotion schemes.

In this connection the Council organised a meeting of Exporters in New Delhi on July 7, 2018 to deliberate on "Alternate Export Promotion Schemes". Experts from the advisory firm M/s Ikdhvaj Advisers LLP, New Delhi who specialise in WTO matters made a presentation to

all those present. The meeting was well attended by the leading industry representatives and efforts are being made to devise suitable schemes compatible with WTO Agreement on Subsidies & Countervailing Measures.

Summing Up

Friends, there exists an opportunity for India to attract textile manufacturers across the globe to invest in manufacturing in India to cater to both domestic market within the country and the export markets across the world. With the Government taking major steps to improve the general business environment, a lot depends on our ability to respond to the changing circumstances as a new "global trading order" emerges and the domestic market in India grows from strength to strength.

Ujwal R Lahoti
Chairman

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COVER STORY

TEXPROCIL Delegation Visits South Korea

India is the 3rd largest exporter of cotton yarn to South Korea next to China and Vietnam. Exports of cotton yarn in 2016-17 was US\$ 116.10 million. India is the 3rd largest exporter of cotton fabrics to South Korea next to China and Vietnam. Exports of cotton fabrics in 2016-17 was US\$ 82.98 million.

Export potential for textiles & clothing from India to South Korea

Presently, South Korea is sourcing Textiles & Clothing products mainly from China. Buyers in South Korea are looking at India as their alternate source of supply of Textiles & Clothing products. Indian exporters of Textiles & Clothing can capitalize on this development. In recent times, the awareness of the South Korean buyers about India Textiles & Clothing sector is increasing.

South Korea has got tremendous presence in apparels thereby providing good scope for the export of fabrics including Denim fabrics. The purchasing power of the people in the country is very high thereby providing good scope for export of home textiles.



Indian Delegation visits South Korea

The Council took a trade delegation of exporters of home textiles to South Korea from June 11-15, 2018. Shri Ujwal Lahoti, Chairman, TEXPROCIL and Dr. Siddhartha Rajagopal, Executive Director, TEXPROCIL had led the delegation. The objective of the delegation was to familiarize the Indian exporters of home textiles with the requirements of the buyers in South Korea.

Further, India and South Korea has signed CEPA (Comprehensive Economic Partnership Agreement) in 2010 under which home textiles products exported from India to South Korea enjoys zero duty. However, there is no substantial increase in the exports of home textiles from India to South Korea despite the zero duty.

The Council has been participating in Preview in Daegu, since the last 6 years. Preview in Daegu is a textiles exhibition being held in Daegu, South Korea every year. Feedbacks received from a number of buyers in South Korea during the exhibition and also from interactions with various trade associations had indicated that there is no awareness among the buyers in South Korea about the Indian home textiles industry. They are keen to know the designs, colours of home textiles products being manufactured in India. It was in this context that the Council had taken the delegation.

Meetings & Visits

The delegation visited the Indian Embassy on June 11, 2018. The Indian Ambassador, Shri Vikram Doraisami, in his address to the delegation advised them to focus on overall quality, including timely delivery, to succeed in the South Korean market.

The delegation visited Korean Companies like COZYNEST, ARPEGGIO and JDX in Seoul on June 11 and 12, 2018. In Daegu, the delegation visited the Daegu bedding Street and the Bedding Cooperative on June 13, 2018. The delegation also visited companies like BEAUMONDE, DDATTEUTHAN SESANG, MYUNGGA LIFE and Shinsega.

On June 14, 2018, there was a B2B meeting at the premises of Bedding Cooperative in which the delegates had interacted with some leading buyers in South Korea.

Way forward

The main observation of the delegation visit is that the South Korean buyers are keen to buy from India if the Indian suppliers can match their quality standards and requirements.

There is potential to export home textiles and fabrics for home textiles – both grey and dyed & printed to South Korea.

The Council will continue to participate in trade fairs in South Korea and also take delegations of exporters in future as part of its efforts to increase exports of Cotton textiles in this very important market.

:: TEXPROCIL ::



TEXPROCIL E-NEWSLETTER

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**PHOTO
FEATURE**

**TEXPROCIL Delegation in South Korea
(June 11-15, 2018, in Seoul & Daegu)**



Shri. Ujwal Lahoti, Chairman, TEXPROCIL and leader of Indian Delegation visiting South Korea is seen interacting with Korean importers at the meeting held in premises of Bedding Cooperative on June 14, 2018.

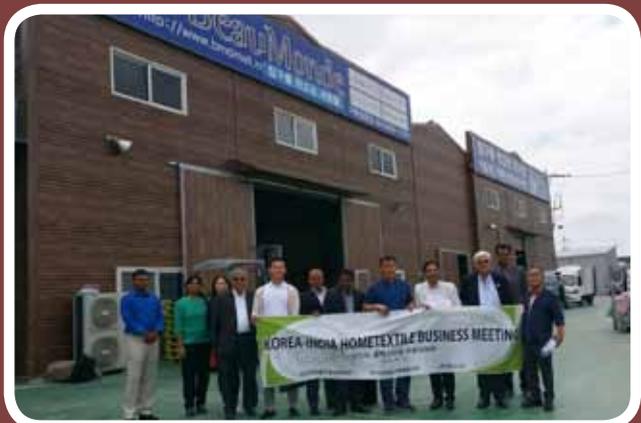
Indian Delegation at the B2B Meeting, held in premises of Bedding Cooperative on June 14, 2018, are seen interacting with Korean importers for future collaborations in Indian textile products.



B2B Meetings in South Korea, aroused the interest of exporters and importers from both Indian and Korean side creating a scope to collaborate closely in order to leverage each other's strength for mutual benefits.



Indian Delegation visited a few select factories and Trading Centres. Seen in pic. are the delegates on visit to - BEAUMONDE Company in Daegu, South Korea on June 13, 2018.



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**SPECIAL
FEATURE**

Developments in the Global Fibre / Fabric Market 2018

An analysis of developments in Fibre / Fabric market have shown remarkable changes during the period 2005 - 2018.

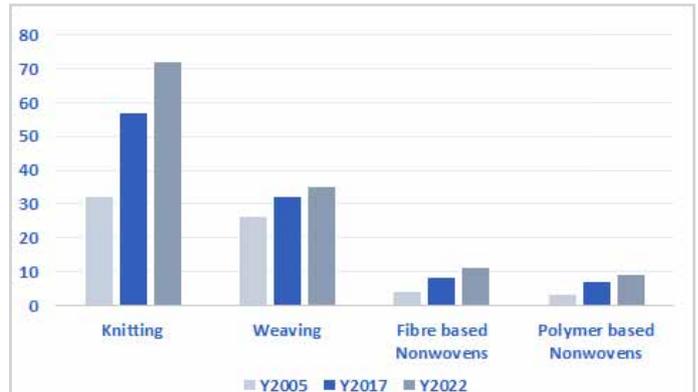
In 2005 the size of the world fibre market reached around 72 million tons of which synthetic fibres represented 51%, natural fibres 44% and cellulosic fibres 5%. These fibres were used eventually in different types of fabrics. 50% of the fibres ended up in knitted fabrics, 40% in woven fabrics and 9% in nonwovens.

Twelve years later, the size of the world fibre market increased by 43% to around 103 million tons. The share of synthetic fibres increased to 63%, the one of natural fibres to 31% and the one of cellulosic fibres to 6%. In fabric making the shares of knitted fabrics rose to 55% (+5 percentage points) and that of nonwovens to 14% (+5 percentage points) at the expense of woven fabrics, which dropped to 31% (-9 percentage points).

Nevertheless, it is important to note that, while the global share of woven fabrics dropped between 2005 and 2017, the volume of produced woven fabrics increased between 2005 and 2017 from around 27 million tons to 32 million tons. The volume of knitted fabrics jumped from around 32 million tons to around 57 million tons. The volume of nonwovens rose by more than 100% from around 6 million tons in 2005 to around 14 million tons in 2017. According to the publication this trend will continue also in the future (*see graph on right*).

By far the largest producer of knitted fabrics in 2005 was China with a global share of 45% followed by Turkey with 8%, India and Pakistan with 6% each and Bangladesh with 1%, while Others' represented 34%. Until 2017 this picture has only changed to a certain extent. China could even increase its share to 62%. India's share rose to 8% and that of Bangladesh to 5%, whereas Turkey's share fell to 6% and that of Pakistan to 2%. The share of Others' dropped to 17%.

Figure: World – Processing Volumes and Growth Dynamics by Technology (million tonnes)



As far as woven fabrics are concerned, China was also in this fabric technology by far the largest producer with a share of 53% in 2005 followed by India (21%), Pakistan (4%), Indonesia (3%), Vietnam (1%), and Others (18%). By 2017 China's share increased further to 57%, India's to 22%, Vietnam's to 3%, while that of Indonesia's remained unchanged at 3% and Others dropped to 10%.

In nonwovens, the third fabric formation technology, the USA were the largest producers in 2005 with a share of 52% followed by China (11%), Germany (5%), India (1%), and Turkey (1%). The share of Others' amounted to 30%. Twelve years later the picture has changed significantly. China has become the largest producer of nonwovens with a global share of 41%. The share of the USA dropped to 32%, whereas that of Germany remained stable at 5%. India and Turkey could increase their share to 3% each, while that of Others' dropped to 16%.

Source: ITMF Newsletter no. 33- June 2018

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Key developments in Fibre / Fabric Market

- (i) Increase in consumption of Synthetic Fibre.
- (ii) In fabric making, increase in share of Knitwear at the expense of Wovens.
- (iii) The emergence of Nonwovens as the 'fabric of the future'.



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TRADE NOTIFICATION

MEMBERSHIP SATISFACTION SURVEY

Dear Member,

Kindly fill in your complete information below and respond to the questions below by tick (✓) marking appropriate response in the space provided or with suggestions in brief wherever necessary. We value your association with us and prompt feedback.

COMPANY INFORMATION

Name of the Company	:	
Contact Person & Designation	:	
TEXPROCIL Membership (RCMC) No.	:	
Email Address & Website	:	

1) Kindly rate the following services offered by Texprocil on rating of 1 to 5. in order to serve you still better.*
 1= Excellent, 2=Good, 3 = Satisfactory, 4 = Needs Improvement, 5 = Not Availed (N.A.)

Membership	Rate Here	Trade Development	Rate Here	Trade Promotion	Rate Here	Trade Services	Rate Here	Trade Intelligence	Rate Here
Procedure for New Membership	<input type="checkbox"/>	Publication: E-Newsletter	<input type="checkbox"/>	Intl. Fairs & Events	<input type="checkbox"/>	Certificate of Origin	<input type="checkbox"/>	Interactive Website	<input type="checkbox"/>
Membership Renewal	<input type="checkbox"/>	E-serve	<input type="checkbox"/>	Seminars & Workshops	<input type="checkbox"/>	Grievance Redressal Services	<input type="checkbox"/>	E-News Clippings	<input type="checkbox"/>
RCMC Amendment	<input type="checkbox"/>	Circulation Trade Enquiries/ Award	<input type="checkbox"/>	MDA/MAI Schemes	<input type="checkbox"/>	Information on Exim policy/ Amendment DBK	<input type="checkbox"/>	Information Disseminated	<input type="checkbox"/>

2) a. Are you generally satisfied with the services actively availed by your company and marked above? Tick (✓)	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
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b. If you have replied 'no' above, please suggest how the Council can improve the services (use additional sheet if required)	Suggestions:
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3) How is your company benefitting from the Exhibitions / BSMS being organized by the Council? Tick (✓)	Accessing new Markets	<input type="checkbox"/>	Generating additional business	<input type="checkbox"/>
<i>Others (Pls. Specify):</i>	Making new Contacts (Trade Enquiries)	<input type="checkbox"/>	Any Others	<input type="checkbox"/>

4) How is your company benefitting from the Export Facilitation services being provided by the Council?	Information on Export Policy / Procedures	<input type="checkbox"/>	Responses to various EXIM queries	<input type="checkbox"/>
<i>Others (Pls. Specify):</i>	Redressal of Trade related grievances	<input type="checkbox"/>	Any Others	<input type="checkbox"/>

5) Have you recommended TEXPROCIL Membership to other companies? Tick (✓)	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
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6) Do you have any other suggestions to offer regarding TEXPROCIL Member Services? (use additional sheet if required)	Suggestions:
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*Kindly ignore this feedback form, if you have already responded.

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**TRADE
NOTIFICATION****TEXPROCIL MEMBERSHIP
ANNUAL RENEWAL SUBSCRIPTION**

The Annual Renewal Subscription for the financial year 2018-2019 for existing members has become due for payment from 1st April, 2018, as follows:

Type of Membership	Amount (Rs.)	GST @ 18%	Total Amount (Rs.)
Member (with Voting Right)	11000/-	1980/-	12980/-
Registered Textile Exporter	6000/-	1080/-	7080/-

Note: GST Invoice will be issued on receipt of payment.

For New Registration Fee Structure is as follows:-

Type of Membership	Amount (Rs.)	GST @ 18%	Total Amount (Rs.)
Member (with Voting Right) (including Rs.6000/- as Entrance Fee)	17000/-	3060/-	20060/-
Registered Textile Exporter (including Rs.3000/- as Entrance Fee)	9000/-	1620/-	10620/-

Note for Members:

Members are also requested to submit the CA Certificate as per the format given below certifying the Export Turnover for the financial years 2016-2017 & 2017-2018 i.e. the amount of actual FOB value of exports of Cotton Textiles excluding Readymade Garments and Handloom Textiles.

Members may note that the eligibility criterion of annual export turnover is minimum Rs. 2 Crore. Those not fulfilling the criteria will automatically be renewed as RTE i.e. Registered Textile Exporter.

RTEs are not required to submit the CA certificate.

Format of Chartered Accountant Certificate to be submitted by Members only:**CHARTERED ACCOUNTANT CERTIFICATE
(on C.A.'s Letter Head)****TO WHOMSOEVER IT MAY CONCERN**

This is to certify that M/s. _____ (Name and full address of the Member) having IE code No. _____ have exported Cotton / Cotton Yarn / Cotton Fabrics / Cotton Madeups (Excluding Handloom Items / Readymade Garments and Silks, etc.) during the financial year 2016-2017 & 2017-2018 as follows:

Sr. No.	Description	2017-2018 (Rs. FOB Value)	2016-2017 (Rs. FOB Value)
1	Cotton		
2	Cotton Yarn		
3	Cotton Fabrics		
4	Cotton Made-ups		
	TOTAL		

(Stamp & Signature of Chartered Accountant)

(Membership No. of Chartered Accountant)

(Firm Registration No. of Chartered Accountant)

PLACE:

DATE:

Note to Members & RTEs whose RCMC has expired on or before 31.03.2018:

Please apply immediately for renewal of RCMC with the following documents:

- [1] Copy of your Import-Exporter Code (IEC)
- [2] In case of Manufacturer Exporter, a copy of Manufacturing Licence
- [3] In case of changes in Partners, a copy of revised deed of partnership
- [4] In case of changes in Directors, a copy of Form 32 or DIR-12 or Board Resolution for those who have resigned and newly appointed.

(For any further queries please write to Mrs. Smita Dalvi on email : smita@texprocil.org)