TEXPROCIL
THE COTTON TEXTILES EXPORT PROMOTION COUNCIL
NEWSLETTER
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Indian Cottons, Global Reach!

A Fortnightly Publication of THE COTTON TEXTILES EXPORT PROMOTION COUNCIL OF INDIA

Interactive Meeting of Textiles Industry Stakeholders with Hon'ble Minister of Textiles, Shri Giriraj Singh in Mumbai on 12th July 2024

Shri. Sunil Patwari, Chairman presenting bouquet to Shri. Giriraj Singh, Hon'ble Minister of Textiles

The Hon'ble Union Textile Minister of India, Shri Giriraj Singh, convened a meeting with various textile associations from across the country to address the pressing issue of enhancing employment opportunities in the textile sector.

Emphasis was on the need to support small and MSME entrepreneurs for the implementation of schemes such as capital subsidy for their development and upgradation.

Additionally, proposals were made to revise existing schemes like the Production-Linked Incentive (PLI) to accommodate industrialists with lower investment thresholds, aiming to promote inclusivity and bolster the industry's workforce further.

Suggestions were put forward for the introduction of specialised PLI schemes for unique yarn varieties not locally manufactured to stimulate domestic production. Furthermore, it was recommended to restrict fabric imports to bolster India's textile and apparel sector, in addition to providing subsidies for environmentally sustainable practices like CETP and ZLD for water jet weaving machines.

Looking ahead, ambitious targets were set for the textile industry's growth trajectory, aiming to elevate India's global market share substantially by 2047. Projections were made indicating a significant surge in GST revenues from textiles in the coming years, with a call for substantial financial allocation to support the sector's expansion and transformation to realise its full potential.

TEXPROCIL made a detailed Presentation on Operationalization of Kasturi Cotton Brand during the event.

HIGHLIGHTS OF THIS ISSUE

THINK COTTON, THINK INDIA!

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MINISTRY OF TEXTILES
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TRULY GLOBAL.
PROUDLY INDIAN.
Looking for superior cotton that meets global quality standards? Why look elswhere when it is all here in India - Kasturi Cotton. Its the finest cotton that is tested and certified for seven key parameters that define superior cotton.
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Complete Traceability
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KASTURI COTTON BHARAT
THE SPIRITUAL FIBRE
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Kasturi Cotton Standard:

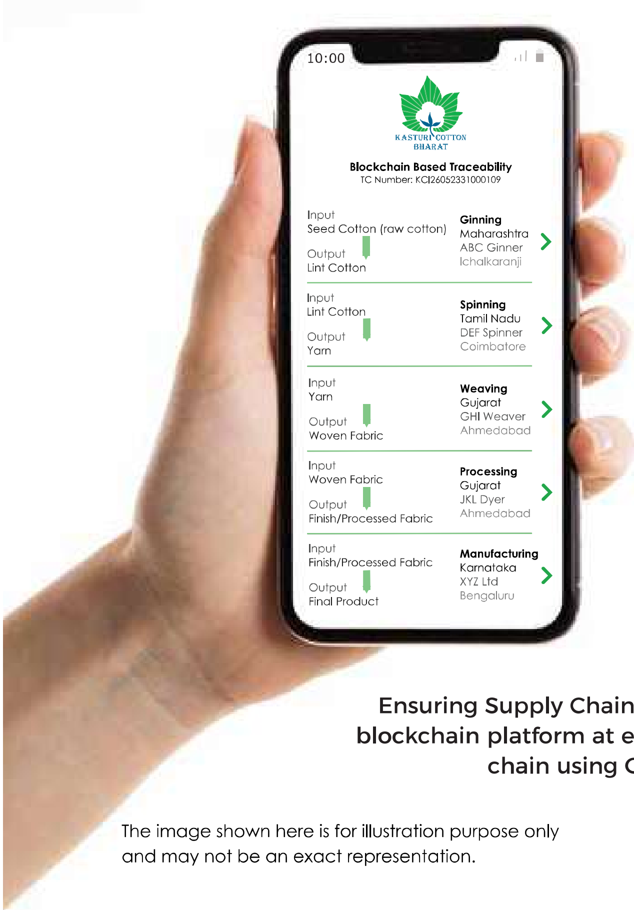
Parameter	Criteria	
Staple length/UHML	30 mm+	29 mm+
Micronaire value	3.7 to 4.5	3.7 to 4.5
RD value	76+	76+
Fibre strength	30.5 (±1.5) g/tex	29.5 (±1.5) g/tex
Uniformity index	84% or more	83% or more
Trash	2% or below	2% or below
Moisture content	8% or below	8% or below

Kasturi Cotton Standards will be implemented with the following processes:

» Audit & Inspection » Sampling & Testing » Certification » Branding

Kasturi Cotton is an initiative of the Ministry of Textiles, Government of India, Trade Bodies and Industry. The branding, traceability and certification of Kasturi Cotton is implemented The Cotton Textiles Export Promotion Council (TEXPROCIL), in association with the Cotton Corporation of India (CCI).

Kasturi Cotton Traceability with Blockchain Technology



Ensuring Supply Chain traceability using blockchain platform at every stage of supply chain using QR code.

The image shown here is for illustration purpose only and may not be an exact representation.

Editorial

Dr. Siddhartha Rajagopal
Executive Director
TEXPROCIL

Dear Reader,

With the new government firmly in place, signalling continuity in fiscal and trade policy, has revived business confidence in India. This was followed by the Union Budget 2024-25 being presented by Hon'ble Finance Minister Nirmala Sitharaman on July 23, 2024.

As everyone seeks to find "what the Budget holds for them," at the heart of the annual economic exercise we can see an effort to accelerate the national consumption engine, broadbase the industrial pyramid and deepen India's position as a global provider of products and services.

Also, the reported growth of 5.8 % in the country's merchandise exports in the first quarter of fiscal 2025 shows that India has managed to keep its exports resilient inspite of the ongoing logistic and geostrategic challenges.

On its part, the Council continued its wide ambit of activities, with a view to promote growth of Indian textile sector both domestically and globally.

The 'Trade Promotion' column of this Newsletter presents a report on the Index Dubai Show 2024 held at the Dubai World Trade Centre from 4-6 June 2024. At the fair, the Council participated in the "Hotel Show" segment which included a total of 52 Indian companies participating through EPCH, SRTEPC and Texprocil.

Overall, the participants were happy over the enquiries generated at the fair and the prospects for further business negotiation with contacts made in the meetings participated during the fair.

Further, to promote 'Kasturi Cotton Bharat' amongst textile industry stakeholders, the Council participated at the 14th edition of SIMA TEXFAIR organised by the Southern India Mills' Association (SIMA) during June 21-24, 2024 at CODISSIA Trade Fair Complex, Coimbatore.

This was one of the biggest exhibitions of textiles in the country, featuring 260 stalls with 240 exhibitors, 75 of them from abroad including Egyptian Giza. A report on the fair is enclosed elsewhere in this issue of newsletter.

The 'Policy Talks' section of this Newsletter presents the recent changes in policy and procedures announced by the government and various provisions of the Foreign Trade Policy, incentive schemes, and issues of taxation.

We do hope that you find reading this edition of the E-Newsletter worthwhile.

We welcome your valuable feedback on the present edition and also invite contributions in the form of short articles on matters relevant to trade and industry.

TEXPROCIL E-Newsletter values your comments and contributions and looks forward to receiving continuous support for the various activities of the Council.

:: TEXPROCIL ::

For representing Procedural / Policy issues with various Govt. Authorities and Redressal of Complaints / Trade Disputes against Buyers/ Suppliers with Indian Missions Abroad/ Foreign Missions in India, you may kindly write to us at sybil@texprocil.org and annie@texprocil.org

Chairman's Page

Sunil Patwari
Chairman
TEXPROCIL

Dear Friends,

India's economic landscape has shown remarkable resilience in the first half of 2024, with real GDP growth for the final quarter of the fiscal year 2023-2024 recorded at 7.8%. This has led to an overall annual growth rate of 8.2%, surpassing the previous official estimate of 7.6% and marking a significant increase from the 7% growth in FY 2022-2023.

The first half of 2024 is behind us, the uncertainties that continue to affect businesses are slowly receding, thanks to a robust domestic economy and manageable inflation levels. The recent general elections, which saw the incumbent government re-elected, have further bolstered business confidence. This political stability is anticipated to foster ongoing policy consistency and a renewed emphasis on growth-oriented reforms, enhancing optimism within the business community.

Budget 2024-25

On July 23, 2024, Finance Minister Nirmala Sitharaman presented the India Budget for 2024-25, which elicited mixed reactions from the textile industry. While certain provisions are viewed positively for their potential to stimulate business and create jobs, there are concerns regarding the absence of comprehensive support for the sector. This reflects the ongoing challenges faced by the industry amidst a generally favourable economic backdrop.

At the Council, we welcome the Union Budget 2024-2025 for being well balanced and growth oriented addressing the requirements of increasing employment, skill sets and industrial output by focusing on MSMEs, E-Commerce and the manufacturing ecosystem.

The Government needs to be commended for proposing a comprehensive review of the agriculture research setup to bring the focus on raising productivity and developing climate resilient varieties. This is expected to improve productivity and boost production of raw cotton in India. Further, the Schemes for job creation, participation of women in the workforce and skilling will go a long way in enhancing the economy of India.

MSME Focus

At the Council we have been advocating the speedy implementation of various schemes and timely reimbursements of dues to benefit the MSME sector. The government must also ensure that the PM MITRA Parks are fully operational to support integrated textile value chains.

The Union Budget 2024-2025 has given a boost to the MSME sector by assuring credit support during stress period as well as giving a credit guarantee by facilitating term loans for purchase of machinery and equipment without collateral. Also, the development of investment-ready "plug and play" industrial parks with complete infrastructure, in partnership with the states and private sector will also encourage investments.

E-Commerce & Energy

The Council has been continuously representing the capabilities and potential of E-Commerce Trade in growing our textile exports. In this regard, I am very happy that the Government is taking step towards creation of E-Commerce Export Hubs in public-private-partnership (PPP) mode enabling MSMEs and traditional artisans to sell their products in international markets. These hubs, under a seamless regulatory and logistic framework, will facilitate trade and export related services under one roof.

The reduction in duty on components that go into the manufacture of Solar Panels will aid the industry's preparedness in employing solar energy for a more sustainable and green future.

TAG Meeting on Cotton

The ninth meeting of the Textile Advisory Group (TAG) on Cotton was held on 12th July, 2024 at Mumbai under the Chairmanship of Hon'ble Minister of Textiles Shri Giriraj Singh along with the Members of TAG on Cotton.

The meeting agenda covered some of the vital issues including operationalization of 'Kasturi cotton' brand, strengthening of testing of cotton value chain, development of genetic markers for cotton testing, Master Plan for development of cotton economy, status note on new varieties/hybrids of cotton, mechanization of cotton picking and strengthening cotton statistics across the value chain.

Senior Officials from the Ministry of Textiles led the discussions and briefed the Hon'ble Minister of Textiles on the current situation prevailing in the country's cotton sector. The whole of the cotton value chain was represented in the consultations through lead associations and experts in the meeting.

The industry and textile value chain stakeholders expressed their sincere gratitude for the prompt and pragmatic approach of the Minister to address their issues through consultative mode.

Bharat Tex 2025

The first edition of "Bharat Tex 2024", held in February 2024, has received wide appreciation as the world's largest textiles event. The initiative marks India's dedication to becoming a global textile powerhouse, combining innovation, collaboration, and the "Make in India" spirit.

Riding on the success of the first edition, the consortium of Textile EPCs and trade bodies have begun consultations for holding the next edition of "Bharat Tex 2025". In this regard, a meeting of the Steering Committee was held in Mumbai on 13th July, 2024.

During the meeting it was decided by all present that a new Section 8 Company would be formed to oversee the operations and other allied activities of "Bharat Tex 2025". The meeting also concluded a few important decisions including finalising the show dates from 14-17 February, 2025 and holding the event at two proposed venues viz. India Exposition Mart Ltd. (IEML), Greater Noida and Bharat Mandapam, New Delhi.

"Bharat Tex 2025" will continue to showcase India's commitment to reshaping the global textile landscape, showcasing its multifaceted strengths, sustainable practices, and unparalleled creativity.

Way Forward

Friends, the textile industry is seeing a glimmer of hope for revival due to rising domestic demand and reported increase in cotton yarn exports driven by lower domestic prices. Slight improvements in demand from the US and European markets have also contributed to this recovery.

Several measures have been taken by the Government of India to enhance the infrastructure sector and ease of doing business. The industry, however, remains concerned over rising production costs, global inflation, and muted consumer confidence impacting the industry's outlook.

Experts have opined that China+1 policy and changing consumer behaviour may help the industry's recovery to a certain level. However, the short order cycle reflects a lack of confidence in global economic growth. The recovery, therefore, is going to be fragile and requires further policy support.

Given the unpredictable situation, the industry can only wait and watch for the market conditions to improve and focus on consolidating the existing operations before planning any major new expansion.

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Trade Promotion

Report on the Council's participation at The Hotel Show Dubai, 4-6 June 2024

Shri K Kalimuthu, Consul from Indian Consulate, Dubai inaugurated the India pavilion at the Index Dubai Show on 4th June 2024

The Council participated in the Hotel Show segment of the Index Dubai Show 2024 held at the Dubai World Trade Centre from 4-6 June 2024. A total of 52 Indian companies participated in the Show through EPCH, SRTEPC and Texprocil. The India-UAE Comprehensive Economic Partnership Agreement (CEPA) which came into force from May 1, 2022 has helped the Indian businesses to be competitive and gain better access to the UAE market.

About The Hotel Show:

The Hotel Show is part of the Index Dubai Show which has been connecting the GCC buyers with global suppliers. The event attracts thousands of serious buyers each year, providing an unrivalled opportunity for hospitality professionals to network, discover and do business in the HoReCa segment.

India Pavilion:

The Indian exhibitors showcased bed linen, towel and kitchen linen beside handicrafts. A separate India pavilion was created in the Hall for the Indian exhibitors. The India pavilion was inaugurated by the Consul, Shri K Kalimuthu, from the Consulate General of India, Dubai Office on the first day of the exhibition. After inaugurating the India Pavilion he interacted with all the participants. The CGI office also suggested to the exhibitors to visit the site of the Bharat Mart in Jabel Ali which has been earmarked for Indian suppliers to showcase their products on a show room basis all-round the year.

Visitors at the exhibition:

A large number of buyers from the UAE as well as from other countries like Jordan, Oman, Saudi, Qatar etc. visited the exhibition. The buyers' profiles were mainly Procurement and Purchase Managers from hotels, small resort owners, traders / wholesalers / distributors among others.

In keeping with the sustainability sourcing of textiles, distributors and wholesalers mentioned that they are now asked to take old linen from the hotels and then get them recycled and converted into other goods like laundry bags, slippers, etc. which are supplied back to the hotels.

Some of the key observations based on feedback received from the participating companies and also from the visitors was that there is good demand in the UAE market for Bed sheets, Towels, Pillows, Duvets and Curtains due to rising projects in Residential homes, Hotels and Hospitals. Most of the hotels do their sourcing through wholesalers and traders as MoQs are small. Some of the wholesalers were looking to source 'All in One' hotel goods from suppliers.

Trade

UAE imports approx. US$ 2.5 billion worth of T&C of which textiles is about 40% and clothing about 60%. The earlier pattern was textiles (20-25%) and clothing (75-80%). UAE mainly imports finished goods i.e. apparel and home textiles. Cotton textile imports are approx. 25% of the total textiles imported

Report on the Council's participation at The Hotel Show Dubai, 4-6 June 2024

and over the past 3 years the import of cotton made-ups has remained around the US$ 95-110 million mark

Feedback from the exhibitors:

All the companies expressed satisfaction with their participation in the exhibition and the leads that they got during the three days of the event. The Show generated interest for the exhibitors in terms of the varied cross section of regional buyers attending the exhibition and all the exhibitors have expressed interest to participate in the 2025 edition of the Show.

Way Forward:

With its ongoing realty and hotel projects in full swing, the UAE will continue to be a good market for textiles as well as all types of bags. However, the potential and opportunity to export has increased after the signing of the India – UAE CEPA as Cotton textile products exported from India enjoy the benefit of zero duty in the UAE. The UAE market holds good potential for small and medium companies who are ready to export in small lots.

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Shri K Kalimuthu, Consul from Indian Consulate, Dubai interacted with the TEXPROCIL participants at the Index Dubai Show being held from 4-6 June at the World Trade Centre.

Trade Promotion

SIMA TEXFAIR 2024

Kasturi Cotton at the SIMA TEXFAIR 2024

The 14th edition of SIMA TEXFAIR was organised by the Southern India Mills' Association (SIMA) during June 21-24, 2024 at CODISSIA Trade Fair Complex, Coimbatore. It was one of the biggest exhibitions of textile machinery, accessories and spares in the country. The event featured 260 stalls with 240 exhibitors, 75 of them from abroad including Egyptian Giza.

Kasturi Cotton Bharat

Kasturi Cotton Bharat participated in TEXFAIR 2024 show with a 12 sq. mtr. stall. This show presented Kasturi Cotton with the opportunity to interact directly with spinners who were present. The key advantages of Kasturi Cotton were communicated to the spinners. These include:

- Increased operational efficiencies
- Reduced turnaround time
- Better yarn realization
- Superior product output
- Tested & Certified
- 100% Traceability with own blockchain portal
- Confirmation of Indian origin

SIMA TEXFAIR 2024

The stall also displayed products made of Kasturi Cotton, namely T-shirts, hand towels, bath towels and yarn cones. Brand videos were played in the stall and promotional literature were distributed to visitors to the stall. Spinners who had already registered with the program were encouraged to start using Kasturi Cotton as the advantages that they would benefit from would be over and above the premium that they would have paid for Kasturi Cotton. It will be a win-win scenario as it would immediately help spinners reap the benefits and would go a long way in establishing Kasturi Cotton as the finest cottons from India.

Among these visitors were spinners who had not yet registered for the program. They wanted a better understanding of the program and the Kasturi Cotton team was able to explain the features and advantages of the Kasturi Cotton program. These spinners expressed their interest in the program and the feedback was very convincing as some of them had decided to register with the program at the earliest.

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Meetings

DPIIT organised Workshop on EODB- B Ready which focussed on International Trade on 16.7.2024

The workshop was chaired by Ms. Himani Pande, Additional Secretary, DPIIT. It may be informed that the World Bank has formulated a framework named as B-Ready to assess the business and investment climate of economies. DPIIT as the nodal Ministry for EODB is carrying out this exercise.

Webinar on FEMA Import and Export Regulations: Hits and Misses organised by Lakshmikumaran & Sridharan Attorneys on 15 July 2024

This webinar comprised a detailed discussion covering the following issues:

(a) Declaration for export of goods, services and software in a master form – Form EDF, (b) Revision in payment guidelines and timelines for import and export transactions, (c) Liberalisation of the set-off process and revamp of write-off provisions: Surrender of export incentives?, (d) Simplification of Merchanting Trade Transactions (MTT), (e) Compounding to the rescue – Pravaah's role in facilitating regulatory synergy.

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Regenagri's Report Reveals a Regenerative Agriculture Rush

The transition to regenerative agriculture is accelerating across the global farming landscape, certification body Regenagri found.

The group, which supports farms and organizations in transitioning to holistic farming practices, recently launched its inaugural impact report.

The data revealed that regenerative farming practices continued to gain momentum during 2023, bolstered by international producers' "widespread recognition" of its economic and environmental benefits. This translated into a fivefold increase in the number of farms and supply chain operators applying the program's standards, with an additional 640 supply chain companies coming on board.

"As extreme weather events become more frequent and the urgency of climate action intensifies, Regenagri's work in promoting regenerative agriculture is more critical than ever," said Franco Costantini, the company's CEO. "2023 was a year of remarkable progress for Regenagri, with the area of land under its certification tripling from 487,000 hectares in 2022 to over 1.46 million hectares in 2023."

The program now supports more than 230,000 farms and 855 supply chain operators globally, per Costantini.

"Regenagri's standards are fast becoming the industry benchmark, especially within the textiles and food sectors," he continued. "We've continued to see growth in the textiles sector with brands such as J.Crew Group, Gap [and] PVH."

In 2021, J. Crew Group began investing in and piloting regenerative agriculture programs with growers and strategic partners globally, choosing Regenagri to support the firm's goals to reduce the environmental impact of the cotton used in its garments. J. Crew works directly with farms in Texas and Louisiana to improve their farming practices, with the aim of achieving Regenagri certification. The supported regenerative practices include no-till or minimum till, cover cropping and diverse crop rotations, as well as integrating livestock when possible.

These practices resulted in increased soil biodiversity and overall species biodiversity on the farm as well.

2021 also marked the beginning of the partnership between Regenagri and J. Crew Group supplier Arvind Ltd. to support farmers in India transitioning to regenerative practices. Through the partnership, the retailer invested in converting 2,400 acres across hundreds of smallholder farms in India to regenerative farming practices, all certified to the Regenagri standard, the report said. Within a year, the Madewell parent was ready to launch its first Regenagri-certified cotton collection.

"We are excited by Regenagri's program and are exploring ways to expand it to more farmers and more fabrics in the future," said Doug Forster, chief sourcing officer at J.Crew Group. "Regenerative agriculture is a priority for us at J.Crew Group, and sourcing fibers that may actively mitigate the effects of climate change is especially exciting."

The report breaks down the environmental and economic benefits of implementing the UK-based community interest company's framework as well. "Regenagri certified farms have achieved a remarkable positive impact," Costantini said. "Representative examples are the annual greenhouse gas reduction of 4.44 tons of CO_2 equivalent per hectare for cotton farms and 5.34 for coffee farms."

The increase of soil carbon sequestration (about 5 million tons of carbon) and the reduction in water use are other notable achievements. "Certified farms in Brazil have also made significant strides in resource efficiency, reducing water use by 95,410 liters per hectare," Costantini said. Looking ahead, the international program aims to double its impact in 2024 by expanding its program to cover 2 million hectares of land, supporting 500,000 farms globally.

"As the Regenagri initiative grows, we keep learning; from understanding the needs of farms and supply chains to technologies and systems that support the integrity and scalability of the program," Costantini said. "I'm excited about how much more we can achieve in the coming years. We have ambitious goals to keep moving at a pace toward our vision of a world in which regenerative farming is the norm."

Source: sourcingjournal.com

Yarn import jumps 13% as local production chokes amid gas crisis

Bangladesh's textile and spinning mills are struggling to produce yarn due to a lingering gas crisis which has led to a jump in yarn imports of about 13% as fabric and apparel makers look elsewhere to meet the demand.

According to data from the Bangladesh Bank, the apparel industry imported yarn worth $2.64 billion in the July-April period of the just-concluded fiscal year, compared to products worth $2.34 billion during the same period in FY23.

Apparel exporters said the garment industry is facing a double whammy. Local textile mills and garment makers have been forced to increase imports despite the prevailing dollar crisis. Recent cuts to government incentives may further encourage imports. This reliance on foreign yarn could hurt the value addition of the RMG sector.

Gas supply crisis has also become a critical component in this situation. Typically, garments and textile mills require around

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8-10 pounds per square inch (PSI) of gas pressure to run at full capacity.

However, gas pressure drops to 1-2 PSI during the daytime, significantly impacting production which continues even into the night in the major industrial zones, according to the Bangladesh Textile Mills Association (BTMA).

Low gas pressure has crippled production forcing 70-80% of mills to operate at around 40% of their capacity, industry owners say.

“We have been grappling with gas shortages over the past year, and our production has gradually declined. However, production has now plummeted below 40% of our capacity as the crisis intensified over the last month,” said Rajib Haider, managing director of Outpace Spinning Mills Ltd, located in Mawna, Sreepur, while speaking to TBS.

“Despite having orders, spinning mill owners are concerned about meeting supply deadlines,” If spinners fail to supply yarn on time, garment owners may be forced to import yarns, he added.

The entrepreneur also noted that reduced production has raised costs and reduced cash flow, making it challenging to pay workers’ salaries and allowances on time.

Mohammad Ali Khokon, president of BTMA, told TBS that the gas crisis is especially severe in areas such as Tongi, Joydebpur, Sreepur, Bhaluka, Araihazar in Narayanganj, Palash, Madhabdi, Madanpur, Savar, and Ashulia.

Apparel exporters have also recognised the challenges faced by textile and spinning mills. They noted that disruptions in gas and electricity supply have significantly impacted operations at RMG factories as well.

Mohammad Hatem, executive president of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), “In the Narayanganj area, gas pressure was at zero before Eid-ul-Adha, but it has now increased to 3-4 PSI. Nevertheless, this pressure is insufficient to operate all machines, which affects their lead times. As a result, most dyeing factories are operating at 50% of their capacity.”

Cash incentive cuts fuel yarn import

According to a central bank circular issued on 30 June, the cash incentive for local export-oriented textile mills has been reduced from 3% to 1.5%. Approximately six months ago, the incentive rate was 4%.

Mohammad Hatem said the effective rate of this cash incentive would be 1.2%, as it is calculated at 80% of the FoB (Free on Board) price.

He explained, “Spinners receive the incentives through garment exporters. When we (garment manufacturers) purchase local yarn, spinners account for the cash incentives during payment, but apparel exporters only receive their incentives a year to a year and a half later.”

Additionally, getting these incentives involves various hurdles, meaning garment exporters will now likely opt for imported yarn over the less-incentivised local yarn, he said.

Hatem added that the RMG industry may become an “import-dependent export industry” if government policies are not revised to enhance the competitiveness of local industries.

Speaking with TBS, Giant Group Director SM Majedur Rahim stated, “We typically import the finest yarn, which costs 40-42 cents less per kilogram than local yarn. However, moving forward, we will import yarn even if the cost difference with local yarn narrows to 20-25 cents.”

“The price of a 30/1 count yarn, commonly used for making knitwear, was $3.70 per kg a month ago, but it has now dropped to $3.20 to $3.25. Meanwhile, Indian spinners are offering the same yarn even cheaper at $2.90 to $2.95,” he said, adding that apparel exporters will definitely go for yarn imports considering the cost benefits.

However, BTMA officials said the prices of locally-made yarn are lower when considering the production costs and cotton import costs.

BTMA for old gas prices as supply issues continue

Last month, the BTMA sent a letter to Petrobangla Chairman Zanendra Nath Sarker, highlighting that the gas crisis has severely impacted factory production with supply line pressure in some member mills dropping to near zero. This has caused significant machinery damage and halted operations.

The letter also noted that the price of gas per cubic metre had increased from Tk16 to Tk31.5 in January 2023. Despite this price hike and government assurances of an uninterrupted gas supply, the expected gas supply never materialised.

At a press conference in January this year, the BTMA also called for a return to the previous gas price for textile industries until the ongoing crisis is resolved.

Source: tbsnews.net

How Traceability Takes Cotton Supply Chains from Opaque to Transparent

Cotton supply chains have traditionally been highly opaque, but this is changing as companies adapt to a growing demand for transparency.

The historic lack of visibility stems from the cotton supply chain’s complexity, as the fiber changes hands multiple times from field to final product.

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Add the incentive to chase lower costs and the pressure of quick manufacturing turnarounds, and it creates a ripe environment for substitutions to occur as companies either accidentally or knowingly try to pass off one type of cotton for another, explained executives from Oritain and Supima during Sourcing Journal's "Is Your Cotton Safe? Pinpointing Supply Chain Risks" webinar.

"Cotton is a commodity market, and so that means that inevitably, there's a drive to source cotton at the lowest cost," said Kate Jones, senior science advisor at Oritain. "That means it's vulnerable to potentially unethical practices, and that's both on the cultivation side and also in the processing side."

But now, the industry is starting to "peel back the onion" on transparency as the repercussions of getting sourcing wrong rise, said Jason Thompson, vice president of brand development at Supima.

For one, legislation on forced labor and due diligence—including the Uyghur Forced Labor Prevention Act (UFLPA)—requires companies to have a better grasp on where their goods come from. Consumers are also asking more questions and becoming more skeptical of claims, requiring proof that products are legitimate.

Providing authentication of product provenance, Oritain uses forensic testing to identify environmental markers specific to where plants or animals were grown or raised. Everything from the climate to the soil leaves behind trace elements, creating a unique profile that Oritain calls an Origin Fingerprint.

Oritain has taken samples from farms worldwide covering about 90 percent of all cotton growing regions, allowing it to compare cotton in fiber, yarn or textile forms to this reference database of Origin Fingerprints to determine if it is a match. Unlike DNA testing that is focused on verifying that a product is a certain type—such as Pima instead of Upland cotton—Oritain's tests tell where something is grown.

Ideally, testing happens throughout the supply chain to weed out issues before a product is finalized, preventing companies from losing sales on fully manufactured goods. Although Oritain's verification alone is not a "silver bullet" in contesting a detention from Customs and Border Protection (CBP) since it does not provide insight into labor practices and how goods were manufactured, it is a "critical piece of compliance" in proving provenance, explained Jones.

Supima, the brand for American-grown Pima cotton, has had a longstanding partnership with Oritain to verify that products licensing its trademark are actually made with materials that originated in the U.S. Per Thompson, the benefit of Oritain is that the testing is based on the fiber's inherent qualities does not rely on additives like markers. Together, they have been able to build farm- or state-specific sourcing and verification programs, allowing brands and retailers to have a direct relationship with cotton growers.

Last year, Supima introduced the AQRe Project (which stands for Authenticity, Quality and Responsibility), combining Oritain's authentication with Textile Genesis' transactional traceability. Both panelists noted that while there is a place for chain of custody tracking, there is a need for physical authentication to validate the data entered in these systems. Otherwise, Jones noted, it could lead to a "garbage in, garbage out system."

"[Textile Genesis is] so much more elevated than a paper-based system transactionally," said Thompson. "But again, it's only as good as the information that is being fed."

Having a clear picture of a product's origin enables companies to more confidently talk about sourcing and sustainability claims without having to worry about greenwashing accusations. Some of Oritain's customers are deploying consumer-facing communications like QR codes that tell the story of how something was made. "It's not just about compliance and regulation; it is about trying to have a more sustainable sourcing and supply chain and actually telling that story [to] consumers as a point of difference," said Jones. "Customers are really engaging in that story, with both their purchase and also their brand loyalty."

Aside from supporting compliance and product claims, transparency also adds value to products, which has an upstream impact—all the way to the farmers that grow the cotton. "If we can shift the discussion towards value and away from cost, then we can see a benefit throughout the entire supply chain," said Thompson.

Source: sourcingjournal.com

Thailand, Bangladesh to start FTA talks in Aug last week:

Thai envoy Thailand and Bangladesh will begin talks for a free trade agreement (FTA) next month to raise bilateral trade to $2 billion, the former's ambassador to the latter Makawadee Sumitmor recently said.

A high-level Thai trade delegation will visit Bangladesh in August last week to hold talks and explore business potential and investment environment, the envoy told a press conference announcing a four-day Thai food festival this month in Dhaka.

Thai investment in Bangladesh will help reduce the bilateral trade gap, she was cited as saying by Bangladesh media reports.

Prime Minister Sheikh Hasina had visited Thailand from April 24 to 29 this year and held discussions with her Thai counterpart. She had also attended the 80th Session of the United Nations Economic and Social Commission for Asia and the Pacific.

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Bangladesh's exports to Thailand stood at $61 million during the July-May period of fiscal 2023-24, according to data from the Export Promotion Bureau of Bangladesh. Annual bilateral trade stands at $1.2 billion.

Source: fibre2fashion.com

Vietnam's southeastern region sees impressive export growth in Jan-May

Vietnam's southeastern region, which includes Dong Nai province and Binh Duong province—the gateway to Ho Chi Minh City, has maintained its role as the country's economic engine with impressive economic indicators, especially in exports, recorded in all regional localities so far this year.

In the first five months this year, Binh Duong earned nearly $13.8 billion from exports—up by 13 per cent year on year (YoY), official statistics show.

In the same period, companies based in Dong Nai province exported goods worth nearly $9.3 billion and imported products worth $6.45 billion, resulting in a trade surplus of more than $2.8 billion.

Many firms based in Ho Chi Minh City have received orders for the third quarter, a news agency reported. The city reported an import-export value of $55.3 billion last year and the figure continued to expand in the first five months this year despite fluctuations in the world market.

HCM City aims for a YoY growth of 6.5 per cent in industrial production index this year, and a 10-per cent rise in export turnover.

The provincial government in Binh Duong will assist local firms to make full use of free trade agreements and strengthen investment and trade promotion activities, while speeding up administrative reforms and supporting exporters in customs clearance.

Source: fibre2fashion.com

China's textile and apparel exports show strong growth in May

Mixed growth trends were evident across emerging markets in June, with India again leading the four BRIC economies by a wide margin, according to S&P Global Market Intelligence. India's growth re-accelerated from an election-related dip in May to one of the strongest seen over the past 14 years. Faster growth was recorded for both goods and services.

Growth also ticked higher in Brazil, sustaining the strong expansion seen over the year to date. Manufacturing there recovered from the near-stalled picture witnessed in May.

In contrast, Russia reported a marginal contraction of output, suffering its first decline in 17 months, as a steepening fall in services activity offset a sustained robust gain in manufacturing, S&P Global Market Intelligence said in a note.

Growth also slowed in China in June, albeit merely paying back some of the strong gains seen in May to still register one of the strongest expansions seen over the past year. Manufacturing output rose at the sharpest rate for two years, helping counter a marked slowing in services activity.

Global economic growth slowed in June, but remained the second strongest seen for just over a year, according to purchasing managers' index (PMI) data, pointing to a further robust expansion in the second quarter (Q2) this year after the slowdown seen in late 2023.

June saw a further slight acceleration of growth in the United States, bucking a broader developed world slowdown.

Global growth, meanwhile, became more broad-based, with all 25 subsectors covered by the PMI reporting stable or rising output in June for the first time in three years.

Business expectations for the year ahead fell to the lowest for seven months, in part linked to political uncertainty surrounding elections in India, the United Kingdom and France, as well as upcoming presidential election in the United States.

S&P Global Market Intelligence's PMI surveys indicated that the global economy expanded for an eighth consecutive month in June. The rate of growth slowed slightly compared to May but remained the second-highest seen over the past 13 months.

The headline JPMorgan PMI, covering manufacturing and services in over 40 economies, fell from 53.7 in May to 52.9.

Output fell in Canada, having risen briefly in May for the first time in a year. Japan also slipped back into decline. Although only marginal, the downturn was the first recorded for seven months.

Growth slowed in Europe. While output rose in the eurozone for a fourth month, the rate of increase slowed sharply amid declining output in France and near-stalled output in Germany.

The United Kingdom reported an eighth successive monthly expansion, though growth slowed in both manufacturing and services to result in the weakest upturn so far this year, albeit partly blamed on a pause in spending ahead of the upcoming election, the note said.

Looking ahead, near-term global prospects darkened in June. Business expectations about the year ahead fell to a seven-month low, waning in both manufacturing and services.

Sentiment deteriorated, especially sharply in India following the

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elections, but also slumped in Europe. A small dip in confidence was also seen in the United States.

Source: fibre2fashion.com

Sri Lankan apparel sector to benefit from UK DCTS and EU GSP+ schemes

Many local apparel sector based SMEs have faced severe disruptions due to the COVID pandemic and economic crisis and are calling for structured assistance and access to working and investment capital is essential for upgrading facilities in ensuring a stable and sustainable path for SMEs.

"The government is doing their best to assist this segment," said State Minister for Investment Promotion, Dilum Amunugama at the launching of the GTEX Project Sri Lanka at Kingsbury Colombo yesterday.

He said in addition despite its strengths, the industry faces challenges such as the adoption of new technologies like automation and data analytics, shifting consumer needs towards just-in-time production and competition for labor with other sectors.

"Mobility issues and changing career aspirations of the younger generation also pose challenges. High compliance costs for new standards, conversion to solar electricity and utility costs are additional hurdles."

Market access, particularly for SMEs, and the slow growth of the fabric base are other concerns. However, there are also new emerging opportunities which include benefiting from the UK DCTS and EU GSP+ schemes if fabrics are manufactured in Sri Lanka leveraging the sustainability narrative and capitalizing on de-risking from China.

"The industry's strengths in design and development can also enhance its global offerings." Meanwhile, Consultant International Trade Centre Matthias Keappe said Sri Lanka Apparel export companies should gear up for future challenges and compulsory requirements that will be introduced soon. Keappe said that every exported apparel from Asia and elsewhere should have a 'Bar code' giving the entire history of the apparel starting from the source of fabric and other manufacturing details. "This will be a must for UK, EU, and US exports in around three years."

"Larger apparel companies may know about this but authorities must inform the SME sector about this development."

Sri Lanka's Textile & Apparel Industry is the largest export sector, generating over USD 4.8 billion in 2023, accounting for 42% of total merchandise exports. The sector contributes 7% to the Gross Domestic Product (GDP), making it the largest single sector contributor. itsmain export markets: USA, UK, and EU.

Sri Lanka has pioneered sustainable manufacturing, with impressive changes in processes, sourcing strategies, and product innovation.

Chairman and CEO, Export Board Development Board said that GTEX2 will support SME companies in textile and clothing industry to improve their operational capacities, including on social norms and environmental sustainability, add value to existing products and services and expand exports into traditional and new markets. (ss)

The programme was organized by Switzerland's State Secretariat for Economic Affairs (SECO) and the Swedish International Development Cooperation Agency (SIDCA) together with the technical assistance from International Trade Center (ITC)

The Swiss Government funds this programme and the International Trade Center (ITC) will provide the technical assistance for this programme.

"I am confident that this programme will provide the industry with the motivation and guidance to realize the country's potential and drive the nation towards achieving its set targets."

Source: dailynews.lk

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Global Trade on Textiles & Clothing

India's Textile & Apparel Export Declined 3% To US$ 34.4 Billion in FY 2023-24

India's textile export declined further in FY 2023-24 to US$ 34.4 billion. This is a consecutive decline year on year after the boom immediately after Covid. Geo-political issues across the major markets and higher interest rate to regulate inflation are cited as the prime reasons for the decline.

Indian Textile & Apparel export dwindled approx. 3% from last year's value of US$ 35.5 billion while if compared to US$ 41 billion of FY 2021-22, the fall in export is whopping 16%. Readymade garments which constitute around 42% of the export basket, declined 10% in 2023-24 to US$ 14.5 billion.

Among the export markets, North America topped with US$ 11 billion, followed by Europe at US$10 billion while West Asia and North Africa contributed US$ 4 billion.

The only silver lining is that export of Cotton Yarn, Fabrics, Made-ups and Handloom products witnessed a significant increase of US$ 740 billion in FY 2023-24 over the previous fiscal. Also, apparel export is expected to perform better in current financial year from the dismal performance of last year.

Apart from the geopolitical unrest and high interest rate, escalated logistic costs due to Red Sea crisis have also played a spoilsport affecting textile exports.

Source: Textile excellence

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Govt may revive technology mission on cotton, allocate ₹500 cr to roll out 5-year scheme

Finance Minister likely to announce funding for revamped scheme.

The Centre is likely to announce a revamped cotton technology mission in Budget, aiming to bring in latest technologies to help farmers get better yield. Details are currently being worked out jointly by the Textile Ministry and Indian Council of Agricultural Research (ICAR), sources said.

Source: The Hindu Businessline

New forex norms empower banks, to ease exports via e-commerce

The circular issued by the RBI to banks authorised to deal in foreign exchange which will give them powers to reduce the value of exports by more than 25% on request by exporters.

The draft of the new export-import regulations released by the Reserve Bank India is "extremely positive for exporters" as it seeks to address the everyday problems faced by them on sourcing and shipment of goods by providing greater flexibility to banks in dealing with the issue of payments, traders said.

The draft of Foreign Exchange Management (Export and Import of Goods and Services) Regulations 2024 and the circular to banks authorised to deal in foreign exchange also brings in administrative simplicity by superseding 61 export-related and 62 import-related notifications, director general and chief executive officer of Federation of Indian Export Organisations (FIEO) Ajay Sahai said.

The proposed regulation also consolidates import and export regulations into a single unified code, partner at Nangia Andersen Sandeep Jhunjhunwala said. At present, there are separate regulations for exports and imports. "Under the proposed rule, not just software but other services exports like "consulting" will be part of the export and import regulations," Jhunjhunwala said.

The circular issued by the RBI to banks authorised to deal in foreign exchange which will give them powers to reduce the value of exports by more than 25% on request by exporters. A lot of powers that RBI held in the area of foreign trade have been transferred to banks, Sahai said.

Exporters have to declare the value of the goods they have shipped to authorised dealer banks and have to ensure that full payment for the shipments are received and updated in the records.

At present, exporters are allowed by banks to reduce the value of export by only up to 25% if their realisations from exported goods fall.

It will greatly help commodity and e-commerce exporters, Sahai said. In e-commerce exports selling prices fluctuate very fast either way and the same is true for commodities. With this flexibility the exporters will be able to avoid "caution listing". Exporters can be caution listed if they fail to repatriate the full payment for a shipment within 24 months. After "caution listing" exporters can only sell abroad against receipt of advance payment in full or an irrevocable letter of credit.

The RBI circular also gives relief to exporters involved merchanting trade. Merchanting trade, also known as intermediary trade, is a trading model that involves an Indian company purchasing goods from a foreign supplier and then selling them to a foreign buyer without the goods entering or leaving India. This is used by exporters involved in agriculture and other commodities trade to hold on to the markets they have developed when restrictions on exports by the Indian government bars shipments or makes them more expensive. At present merchanting exporters get 125 days to make a payment for goods bought overseas and receive payments for those products sold in third countries. It is proposed to increase this time period to 180 days.

The RBI has also directed banks to duly inform the exporter before being flagged as "caution listed" and be given an opportunity to be heard.

Prior to 2020 the caution listing was done by RBI if payments for exports got delayed beyond 24 months and was done automatically by the computer system if the payment was not reflected against the shipped goods. This job was later given to the Authorised Dealers as sometimes banks failed to update the receipt of payment on time and the system at RBI would automatically "caution list" them.

Source: Financial Express

Piyush Goyal meets exporters; reviews trade scenario, non-tariff barriers

Commerce and Industry Minister Piyush Goyal held meetings with export promotion councils as well as industry associations to discuss strategies to enhance global market outreach, further boost India's exports by focusing on key sectors, and addressing trade barriers.

Exporters asked the government to firm up a strategy to deal with the issue of non-tariff barriers imposed by trade partners that ultimately hurts India's exports.

Federation of Indian Export Organisations (FIEO), the apex

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body for exporters, urged the government to set up a separate division in the department of commerce to deal with such trade barriers, amid rising non-trade issues. This would help in dealing with challenges faced by the industry in flagging the issues at the bilateral or regional level.

Another person who attended the meeting said that some exporters requested the government to take a look into the non-tariff barrier-related challenges to ensure smooth working, especially for the small businesses.

This is the first review meeting since Goyal took over as the commerce and industry minister earlier this month.

"The shortage of MAI (Market Access Initiative) funds is affecting showcasing of our exports. The fund of Rs 200 crores is grossly inadequate to support exports of $500 billion or more. We require a corpus of Rs 500 crore annually for the scheme as the participation cost has significantly increased. Moreover, we request early approval to the MAI calendar so that the participants get adequate time for their visa and book their tickets much in advance as international fairs are skyrocketing," according to FIEO.

Exporters also called for an extension of the interest equalisation scheme for five years. The scheme is valid till June 30. Under the scheme, banks provide loans to exporters at a lower interest rate, and the lenders are thereafter compensated by the government.

Amid a rise in interest rates consequent to increase in repo rate from 4.4 per cent to 6.5 per cent in the last two years, exporters said that the subvention rates need to be increased from 3 per cent to 5 per cent.

Exporters also called for the need to bring in a national shipping company to break the monopoly of foreign shipping companies.

Source: Business Standard

Record-Breaking Cotton Consumption: Textile Industry Booms Amid Challenges

Cotton consumption in the 2023-2024 marketing season is set to be the second highest in the past decade, with an estimated demand of 307 lakh bales. Despite higher production costs, Indian textile mills are operating at 75%-80% capacity, with cotton yarn exports showing significant recovery. Cotton production is expected to reach 325.22 lakh bales, with imports and exports at 12 and 28 lakh bales respectively. However, Indian cotton prices remain higher than international rates, posing challenges for mill owners.

Highlights

High Cotton Consumption: The current marketing season (October 2023 to September 2024) sees one of the highest cotton consumption rates in the past decade, according to the Ministry of Textiles. The Textile Commissioner, Roop Rashi, estimates a demand of 307 lakh bales, including 103 lakh bales from MSME textile units.

Cotton Production and Trade: This season's cotton production is projected at 325.22 lakh bales. The industry expects imports of 12 lakh bales and exports of 28 lakh bales. The closing stock at the end of the season is anticipated to be 47.38 lakh bales.

Pricing and Market Dynamics: Indian cotton prices are currently higher than international prices but are not expected to rise further. Textile mills are operating at 75%-80% capacity. If this capacity utilization increases, the cotton requirement will rise accordingly.

Cotton Yarn Exports: Cotton yarn exports have revived, now reaching 95-105 million kg per month. This marks a significant recovery compared to April-December 2022, when exports dropped to 50 million kg or less per month.

Challenges for Mill Owners: Despite the increase in production and exports, mill owners are facing challenges in achieving better profit margins due to high production costs. This indicates a need for strategies to manage and reduce these costs to improve profitability.

Conclusion

The Indian textile industry is experiencing a notable increase in cotton consumption, reflecting robust demand and a potential for growth. With mills operating at significant capacity and cotton yarn exports rebounding, the sector shows resilience. However, the challenge of high production costs continues to impact profitability for mill owners. As the season progresses, strategies to optimize costs and improve margins will be crucial. Maintaining a balance between production, pricing, and exports will determine the industry's success in leveraging this consumption boom.

Source: Investing.com

Centre plans to bring t-shirts, innerwear under PLI scheme for textiles

The Centre may bring more product lines, such as t-shirts and innerwear, under the coverage of nearly ₹11,000-crore production linked incentive (PLI) scheme for the textile sector, according to two people close to the development.

The government will also extend the time provided to an applicant to set up the facility from two years to over three years, the people added.

The Centre plans to tweak the scheme, approved in September 2021, to increase its effectiveness as it has failed to boost India's textile exports, with them declining 11.69% from $16.24 billion in 2018 to $14.34 billion in 2023.

Mint reported in April that the central government is planning a periodic review of the performance of its marquee manufacturing incentive scheme across sectors and make necessary adjustments.

The government is considering restructuring the PLI scheme in sectors with slow progress, and even scrap it in sectors where investor interest is dim and not much progress has been made, the report said.

Industry demand

According to industry stakeholders the scheme would do better by reducing the minimum entry level so that smaller players could also benefit from it.

"If the government is keen to have the garment sector also take advantage of the PLI Scheme, they will have to treat the minimum entry levels differently from the rest of the sector, as the capital required to set up a mega garment unit is substantially lower than that of a textile unit," said Rahul Mehta, chief mentor at the Clothing Manufacturers Association of India.

"Textile industry is composed of textile and apparel industries. The current PLI scheme structure with large capital layout is more suited to setting up large textile mills but not apparel factories," said Pawan Gupta, chief executive and co-founder of Fashinza, a business-to-business global fashion supply chain startup.

"We need a PLI scheme with a lower initial capital requirement for the apparel industry, which is a significant employer compared to mills that are increasingly automated. A substantial base of apparel factories would also act as demand centres for large mills, which might otherwise struggle to sell their products," Gupta added.

Based on industry suggestions, the government plans to implement "corrective measures to support the textiles industry in achieving a positive growth trajectory", said one of the persons cited above.

Source: livemint.com

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Export Statistics (April – June 2024)

India's Export Statistics of Cotton Textiles

Commodity	April - June Million US $ 2023-24	April - June Million US $ 2024-25	% Growth 2024-25 / 2023-24
Cotton Madeups	979.79	1081.97	10.43%
Cotton Fabrics	575.43	557.38	-3.14%
Cotton Yarn	873.86	909.71	4.10%
Cotton Textiles	**2,429.08**	**2,549.06**	**4.94%**
Raw Cotton	230.31	275.45	19.60%
Cotton Textiles + Raw Cotton	**2,659.39**	**2,824.51**	**6.21%**

In Quantity Commodity	April - June Million Kilograms 2023-24	April - June Million Kilograms 2024-25	% Growth 2024-25 / 2023-24
Cotton Yarn	266.57	285.18	6.98%
Raw Cotton	109.00	138.75	27.29%

Source of Data: DGCIS, Ministry of Commerce

Market wise: Cotton Textiles (Madeups / Fabrics / Yarns)

India Export Statistics of Cotton Textiles (Madeups / Fabrics / Yarns)

Rank	Partner	Value: Million US $ April - June 2023-24	April - June 2024-25	% Share 2023-24	% Share 2024-25	% Growth 2024-25 / 2023-24
	World	**2,429.08**	**2,549.06**	**100.00**	**100.00**	**4.94**
1	USA	583.16	659.94	24.01	25.89	13.17
2	Bangladesh	322.53	512.18	13.28	20.09	58.80
3	Sri Lanka	93.55	113.19	3.85	4.44	20.99
4	Vietnam	41.99	57.68	1.73	2.26	37.38
5	UK	55.69	57.02	2.29	2.24	2.38
6	China	176.68	56.78	7.27	2.23	-67.86
7	UAE	58.71	56.33	2.42	2.21	-4.06
8	Germany	55.41	55.07	2.28	2.16	-0.61
9	Egypt	61.33	49.74	2.52	1.95	-18.89
10	Portugal	45.46	49.12	1.87	1.93	8.04
Total of Top 10		**1494.50**	**1667.04**	**61.53**	**65.40**	**11.54**

Source of Data: DGCIS, Ministry of Commerce

India Export Statistics of Cotton Yarn

Rank	Partner	Value: Million US $ April - June 2023-24	April - June 2024-25	% Share 2023-24	% Share 2024-25	% Growth 2024-25 /2023-24
	World	**873.86**	**909.71**	**100.00**	**100.00**	**4.10**
1	Bangladesh	231.50	398.81	26.49	43.84	72.27
2	China	171.71	53.08	19.65	5.83	-69.09
3	Vietnam	33.65	47.10	3.85	5.18	39.96
4	Portugal	42.35	44.65	4.85	4.91	5.44
5	Egypt	57.59	44.14	6.59	4.85	-23.36
6	Peru	30.08	31.27	3.44	3.44	3.97
7	Sri Lanka	24.30	28.82	2.78	3.17	18.62
8	Colombia	13.15	25.88	1.50	2.85	96.90
9	Turkey	63.73	25.70	7.29	2.82	-59.68
10	S Korea	18.78	23.63	2.15	2.60	25.80
Total of Top 10		**686.85**	**723.10**	**78.60**	**79.49**	**5.28**

Source of Data: DGCIS, Ministry of Commerce

India Export Statistics of Cotton Yarn

Rank	Partner	Quantity: Million Kilograms April - June 2023-24	April - June 2024-25	% Share 2023-24	% Share 2024-25	% Growth 2024-25 / 2023-24
	World	**266.57**	**285.18**	**100.00**	**100.00**	**6.98**
1	Bangladesh	67.62	126.67	25.36	44.42	87.34
2	China	60.11	20.28	22.55	7.11	-66.26
3	Vietnam	10.90	15.07	4.09	5.28	38.23
4	Egypt	18.34	14.36	6.88	5.04	-21.68
5	Portugal	12.63	13.44	4.74	4.71	6.41
6	Peru	9.83	10.18	3.69	3.57	3.57
7	Colombia	4.40	9.42	1.65	3.30	113.97
8	Sri Lanka	5.55	7.29	2.08	2.55	31.18
9	S Korea	5.61	7.16	2.10	2.51	27.67
10	Turkey	19.19	7.13	7.20	2.50	-62.85
Total of Top 10		**214.16**	**230.99**	**80.34**	**81.00**	**7.86**

Source of Data: DGCIS, Ministry of Commerce

Export Statistics (April – June 2024)

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India Export Statistics of Cotton Madeups/ Cotton Fabrics						
Value: Million US $						% Growth 2024-25 / 2023-24
Rank	Partner	April - June		% Share		
		2023-24	2024-25	2023-24	2024-25	
	World	**1,555.23**	**1,639.35**	**100.00**	**100.00**	**5.41**
1	USA	580.28	655.32	37.31	39.97	12.93
2	Bangladesh	91.03	113.37	5.85	6.92	24.54
3	Sri Lanka	69.25	84.37	4.45	5.15	21.82
4	UK	55.31	56.38	3.56	3.44	1.93
5	UAE	57.10	52.07	3.67	3.18	-8.80
6	Germany	43.57	44.37	2.80	2.71	1.82
7	Australia	26.62	39.86	1.71	2.43	49.73
8	Canada	25.54	35.28	1.64	2.15	38.11
9	France	30.25	33.81	1.94	2.06	11.77
10	Netherland	23.74	25.51	1.53	1.56	7.43
Total of Top 10		**1002.70**	**1140.32**	**64.47**	**69.56**	**13.73**

Source of Data: DGCIS, Ministry of Commerce

India Export Statistics of Raw Cotton (Incl waste..)						
Value: Million US $						% Growth 2024-25 / 2023-24
Rank	Partner	April - June		% Share		
		2023-24	2024-25	2023-24	2024-25	
	World	**230.31**	**275.45**	**100.00**	**100.00**	**19.60**
1	Bangladesh	124.76	204.28	54.17	74.16	63.74
2	Vietnam	22.08	33.38	9.59	12.12	51.15
3	UAE	7.83	11.58	3.40	4.20	48.00
4	Indonesia	4.99	6.56	2.17	2.38	31.46
5	Taiwan	7.92	6.19	3.44	2.25	-21.81
6	China	44.01	5.43	19.11	1.97	-87.66
7	Germany	4.64	2.29	2.02	0.83	-50.58
8	Thailand	1.71	1.73	0.74	0.63	1.21
9	Nepal	1.12	0.77	0.49	0.28	-31.13
10	Belgium	7.02	0.72	3.05	0.26	-89.79
Total of Top 10		**226.08**	**272.93**	**98.16**	**99.09**	**20.72**

Source of Data: DGCIS, Ministry of Commerce

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QUICK ESTIMATES FOR TEXILES & CLOTHING (APRIL – JUNE) 2024

India Export Statistics of Raw Cotton (Incl waste..)						
Quantity: Million Kilograms						% Growth 2024-25 / 2023-24
Rank	Partner	April - June		% Share		
		2023-24	2024-25	2023-24	2024-25	
	World	**109.00**	**138.75**	**100.00**	**100.00**	**27.29**
1	Bangladesh	55.07	94.37	50.52	68.01	71.36
2	Vietnam	14.56	21.93	13.36	15.80	50.60
3	UAE	3.62	5.80	3.32	4.18	60.16
4	Taiwan	4.78	4.54	4.38	3.27	-5.04
5	Indonesia	2.32	3.98	2.12	2.87	71.79
6	China	18.16	3.10	16.66	2.23	-82.95
7	Germany	2.54	1.57	2.33	1.13	-38.31
8	Thailand	0.96	1.17	0.88	0.84	21.37
9	Nepal	0.99	0.69	0.91	0.50	-30.47
10	Belgium	3.91	0.37	3.59	0.27	-90.55
Total of Top 10		**106.92**	**137.50**	**98.08**	**99.10**	**28.61**

Source of Data: DGCIS, Ministry of Commerce

QUICK ESTIMATES FOR TEXTILES & CLOTHING (APRIL – JUNE) 2024						
Exports (Million USD)	**JUN'23**	**JUN'24**	**% Change**	**APR'23-JUN'23**	**APR'24-JUN'24**	**% Change**
Cotton Yarn/Fabs/made-ups, Handloom Products etc	951	960	0.92%	2,759	2,916	5.71%
Man-made Yarn/ Fabs/ made-ups etc.	373	383	2.79%	1,161	1,165	0.37%
RMG of all Textiles	1,248	1,294	3.68%	3,695	3,850	4.20%
Jute Mfg. Floor Covering	31	27	-11.08%	95	83	-11.95%
Carpet	110	121	10.64%	326	363	11.41%
Handicrafts excl. handmade carpet	160	134	-16.56%	406	408	0.42%
Textiles	1,625	1,625	0.05%	4,746	4,936	3.99%
Apparel	1,248	1,294	3.68%	3,695	3,850	4.20%
Textiles & Apparel	2,873	2,919	1.63%	8,441	8,785	4.08%
All Commodities	34,324	35,199	2.55%	103,895	109,963	5.84%
% Share of T&C in Total Exports	8.37%	8.29%		8.12%	7.99%	
Imports (Million USD)	**JUN'23**	**JUN'24**	**% Change**	**APR'23-JUN'23**	**APR'24-JUN'24**	**% Change**
Cotton Raw & Waste	95	70	-26.16%	198	152	-23.42%
Textile yarn Fabric, made-up articles	169	209	23.83%	518	557	7.47%

Source: DGCIS/MOC

- According to the quick estimates data released by the Ministry of Commerce & Industry, exports of cotton yarn/ fabrics/made-ups, handloom products etc from India grew by 0.92% in June 2024 over June 2023.
- During Apr-June'24, Indian cotton yarn/fabrics/made-ups, handloom products registered a growth of 5.71%.
- During June'24, Indian Textiles Exports registered a growth of 0.05% over the previous year while Apparel Exports registered a growth of 3.68% during the same time period.
- Cumulative Exports of Textiles and Apparel during June'24 have registered a growth of 1.63% over June'23
- During Apr-June'24, Indian Textiles Exports registered a positive growth of 3.99% over the previous year while Apparel Exports registered a growth of 4.20% during the same time period. Overall T&A registered a growth of 4.08% during Apr-June'24.

Economic Outlook for the Chinese Economy 2024

Special Feature

As we navigate through the second half of 2024 and approach early 2025, **the Chinese economy stands at a pivotal juncture. Following the disruptions of the pandemic, China is poised for moderate growth, driven by a combination of robust domestic consumption, strategic government policies, and resilient industrial output.** However, the path forward is not without its challenges, including geopolitical tensions, high debt levels, and demographic shifts. The Chinese economy is experiencing a tug-of-war between negative and positive forces. Here's a breakdown of the factors at play:

The International Monetary Fund **(IMF) has projected a growth rate of approximately 5.2% for China in 2024. This figure reflects a steady recovery, underscoring the resilience of the Chinese economy despite global uncertainties.** The growth trajectory is expected to continue into early 2025, supported by several key factors.

Positive key Factors Influencing Growth

Domestic Consumption

Domestic consumption is a significant driver of China's economic growth. As pandemic-related restrictions have eased, consumer spending is showing strong recovery. **Retail sales in the first half of 2024 grew by 9.1% year-on-year, indicating a robust rebound. Additionally, the urban population is projected to reach 65% by 2025**, further driving demand for goods and services.

Government Policies

The Chinese government is implementing a range of fiscal and **monetary stimulus measures to bolster the economy. In 2024, infrastructure investment is expected to increase by 7%, with tax cuts worth 2 trillion yuan introduced to support small and medium enterprises.** These measures are complemented by structural reforms aimed at reducing financial risks, improving the business environment, and promoting innovation.

Trade and External Demand

China's export sector is benefiting from the recovery of global demand. **In the first half of 2024, exports grew by 8.5%,** demonstrating resilience despite global trade uncertainties. The Belt and Road Initiative (BRI) continues to enhance trade and economic ties with participating countries, **with trade with BRI countries accounting for 30% of China's total trade in the first half of 2024.**

China's Industrial and Real Estate Sectors

High-tech **manufacturing grew by 12.3% year-on-year in H1 2024, driven by domestic and international demand.** Efforts to diversify supply chains and reduce foreign tech dependency are strengthening China's industrial resilience. **The real estate market is stabilizing with government measures curbing speculative bubbles, and real estate investment grew by 4.5%, supported by infrastructure projects.** Urbanization and infrastructure development are expected to boost the construction sector, with infrastructure spending projected to rise by 6.5% in H2 2024. **Investments in digital infrastructure, AI, and emerging technologies are accelerating, positioning China as a tech innovation leader. The digital economy is expected to contribute 38% to GDP by 2025**.

Challenges and Risks

Geopolitical Tensions

Geopolitical tensions, particularly with the United States, pose a significant risk to China's economic outlook. **Trade and diplomatic conflicts could impact trade flows and foreign investments.** Currently, tariffs and trade restrictions affect approximately 20% of China's exports to the US.

Debt Levels

High levels of corporate and local government debt are a concern. **China's total debt-to-GDP ratio stood at 273% in the first quarter of 2024.** The government's efforts to deleverage and mitigate financial risks will be crucial to maintaining economic stability.

Demographic Changes

An aging population and declining birth rates could impact long-term economic growth. **The working-age population is projected to decrease by 0.5% annually, necessitating policies to address these demographic challenges.** Improving healthcare and encouraging higher birth rates will be essential for sustaining economic growth.

Impact on Yuan-

Special Feature

Economic Outlook for the Chinese Economy 2024

In the depicted chart, **the Chinese yuan has shown a depreciation of 3.16% from January 2024 to July 10. This decline can be attributed to several factors: sluggish economic growth, a stronger US dollar, and consistent outflows of foreign institutional investment (FII).** Despite these challenges, including high debt levels and geopolitical tensions, China's proactive economic policies and robust fundamentals are expected to maintain a stable yuan outlook, barring unexpected global economic disruptions. Furthermore, **sustained strength in the yuan could potentially hinder overall exports and foreign investments into the economy, prompting possible intervention from the People's Bank of China (PBOC). Additionally, the PBOC's efforts to cap yuan depreciation through stronger yuan fixings will limit further declines. Given the current positive economic outlook and continued dollar weakness, the yuan's depreciation is expected to be capped at a strong resistance level of 7.30-7.35.**

Now, you might wonder, what if the yuan's fate takes another turn and it depreciates further? Will the Indian rupee feel the repercussions?

Though the external factors creating pressure it is only a matter of time before the Reserve Bank of India loosens its tight grip on the rupee, allowing it to appreciate. With strong fundamentals such as a **good growth rate, stable inflation, a reduced fiscal deficit, record-high RBI FX reserves, and robust inflows, the Indian Rupee is poised to gain strength. Given these factors, rupee is anticipated to remain stable and gradually move towards the lower end of the range of 83.10-83.70. The range of 83.20 – 83.10 is seen as a buying zone, while 83.50 – 83.70 is considered a selling zone.**

Special Feature

Country Report CHINA

Textile Industry of China

China's textile & garment exports jump 14.3% in 2024

Recent data from the General Administration of Customs reveals a significant surge in China's textile and garment exports in 2023, outpacing the growth rate of total goods trade. China's textile and apparel exports reached 45.1 billion US dollars in the first two months of 2024, up by 14.3% year over year. The growth rate increased by 32.8% over the same period in 2023, outpacing the export growth rate of the total goods trade by 7.2%, according to recent data from the General Administration of Customs.

Among them, apparel exports totaled 23.38 billion US dollars, growing 13.1% year over year, and textile exports totaled 21.71 billion US dollars, growing 15.5% year over year.

There were slight escalations in textile raw material prices have contributed to the surge in export value and market recovery signals noted by companies at the start of the year have bolstered export activities.

Notably, there are some reasons behind this incredible growth of China's textiles and garments:

- Most textile raw material prices have slightly increased compared to the same period last year, contributing to the increase in export value to some extent.
- Market orders have shown signs of recovery since the beginning of the year, as reported by some companies.
- The export data of textiles and apparel in the first two months of each year are greatly influenced by factors such as seasons and holidays, leading to significant fluctuations.

However, the textile industry's foreign trade is still under pressure, as insufficient export orders continue to be the primary difficulty faced by textile enterprises.

Amidst the commendable export growth in China's textiles and garments sector, the industry must navigate challenges and seize opportunities for advancement. By proactively adapting to market dynamics, optimizing trade strategies, and exploring new avenues for growth, textile enterprises can propel high-quality development in foreign trade, reinforcing China's position as a key player in the global textile market.

China's Apparel Industry In 2023: A Statistical Backdrop and Future Outlook

China's apparel industry faced numerous challenges in 2023. A slowdown in global economy, decreasing demand, trade wars put pressure on the clothing sector. And even in 2024 the challenges remain.

Statistical overview

As per Global Data, China's apparel market size is CNY 2.89 trillion projected to grow at a CAGR of over 9 per cent from 2023-27. National Bureau of Statistics reveals apparel production of enterprises above designated size declined by 8.69 per cent year-on-year in 2023. At the same time, Domestic retail sales of apparel above designated size grew by 15.4 per cent year-on-year in.

As per China Customs, apparel exports were $159.14 billion, down 7.8 per cent year-on-year. The National Bureau of Statistics reveal investment in fixed assets decreased by 2.2 per cent compared to 2022. Total profit of apparel enterprises above designated size was CNY 61.38 billion, down 3.39 per cent year-on-year.

Challenges in moving ahead

One major challenge was weakening global demand due to a slowdown in major markets and rising competition from Southeast Asia threatening exports. Geopolitical tension was another hitch as trade protectionism and global instability create

Country Report CHINA

Special Feature

uncertainty. Also, high inflation and interest rates in developed economies limited consumer spending.

Domestic market a big opportunity

Economic stabilization and consumption recovery presented a strong domestic market. Government policies too promoted consumption and rising domestic incomes presented good opportunities to explore second-tier cities and emerging consumer groups.

Then the focus shifted to emerging markets which have the potential for faster growth in apparel demand also cross-border ecommerce was another lure. Growth in sportswear, Chinese fashion, and sustainability trends too offered new opportunities. This was also the time to move towards high-end, smart, and sustainable clothing. This was also the right time for digital transformation which involved upgrading manufacturing with intelligent equipment and supply chain optimization.

What 2024 beholds

In the international market there is potential for stable exports due to rising inventory demand in developed countries, growth in emerging markets, and cross-border e-commerce. However, challenges remain with trade protectionism and geopolitical risks; lagged effects of tightening monetary policy in major economies; increased competition from Southeast Asia and South Asia; potential appreciation of the RMB.

However, the domestic market is expected to continue recovering due to favourable government policies promoting consumption; stable employment and rising incomes; new urbanization and rural revitalization strategies; rise of new consumer groups and trends.

Moving ahead apparel enterprises need to adapt to the evolving landscape by focusing on innovation, developing high-end, smart, and sustainable products. Building brand and channel strength. Expanding brand marketing and exploring new sales channels like e-commerce. Optimizing supply chains by improving efficiency and agility to meet changing demands. Targeting new markets and capitalizing on opportunities in emerging markets and catering to new consumer trends.

Source: textalks.com/fashionatingworld.com

Kasturi Cotton Branding of Indian Cotton

Special Feature

Kasturi Cotton Bharat programme of Ministry of Textiles is a first of its kind branding, traceability and certification exercise carried out jointly by the Government of India, Trade Bodies and Industry to promote Indian Cotton. Stakeholders across the supply chain including farmers, Ginning Units, Spinning Mills, Processing Houses, Weaving Units, Garmenting Units, Home Textile manufacturers and even Retailers and Brands will be involved in a collaborative effort to promote and enhance the value of Indian Cotton across the domestic and overseas markets.

To encourage the Trade and Industry to work on the principle of self-regulation by owning complete responsibility of Traceability, Certification and Branding of Kasturi Cotton Bharat, MoU has been signed between CCI on behalf of Govt. of India, Ministry of Textiles and TEXPROCIL.

The Ministry of Textiles is driving this initiative in a mission-oriented approach, allocating budgetary support matching with the contribution of Rs.15 crores from Trade & Industry Bodies. Spanning three years from 2022-23 to 2024-25, this collaborative effort anticipates a positive impact on the entire Indian Textile Industry, fostering an elevated global perception and value for Indian Cotton.

This initiative will help in reduction in import dependency due to availability of quality cotton within India. Authentic quality of cotton will enhance quality of finished product i.e. yarn, fabric, suiting, shirting, garments, sarees, etc and will help the industry in capturing more export opportunities for foreign exchange earnings. This will also motivate the cotton farmers to adopt best farm practices and fetching better price for their quality cotton.

Milestones achieved in this initiative are as under:

- Certification protocol has been finalized for standardization of quality for 29 mm and 30 mm cotton, which is under long staple cotton category. The sampling and testing are being carried out through authorized National Accreditation Board for Certification Bodies and NABL-accredited agencies/labs.
- All the ginners in the country have been empowered to produce Kasturi Cotton Bharat brand as per stipulated protocol. Leading companies and associated Ginning units are being registered for participating Kasturi Cotton initiative and 379 units on-boarded including 328 Ginners & 51 supply chain members.
- To provide complete traceability of Kasturi Cotton Bharat across the supply chain, QR based certification technology are being used at each stage of the processing and a blockchain based software platform will provide end to end traceability and transaction certificate. In this regard, Microsite with QR code verification and Block Chain technology has been developed.
- Kasturi Cotton Bharat website has been launched and provide a digital platform for necessary information and updates on these initiatives. It also highlights the registration process for ginners to produce Kasturi Cotton Bharat Brand and its processes that make the branded Indian cotton unique.

Special Feature

UNION BUDGET 2024-25

The Council is pleased to inform you that the Hon'ble Union Minister of Finance and Corporate Affairs, Smt. Nirmala Sitharaman has announced the Union Budget for 2024-25 on 23rd July, 2024.

The Budget focusses mainly on Employment, Skilling, Manufacturing, Support for MSMEs, Urban Development, Energy Security, Infrastructure, Innovation, Research & Development and Next Generation Reform. The Budget also includes several initiatives aimed at boosting various sectors and supporting the Indian economy.

You may view the following details by clicking the link: https://www.indiabudget.gov.in

1) Budget Speech
2) Key features of Union Budget 2024-25

Please make a note of the Relevant Customs Notifications –

- Notification 29/2024-Customs dated 23rd July, 2024 - CBIC amends Notification No.154/94-Customs dated 13th July, 1994 which provides for duty free import of commercial samples.
- Notification 30/2024-Customs dated 23rd July, 2024– CBIC further amends Notification No. 50/2017-Customs dated 30th June, 2017, so as to notify BCD related changes.
- Notification 51/2024-Customs dated 23rd July, 2024 – CBIC amends Customs Tariff (Identification, Assessment and Collection Countervailing Duty on Subsidized Articles and for Determination of Injury) Rules, 1995 to provide for New Shippers Review.

Link of the Council's circular: (https://tinyurl.com/4t5scur3)

HIGHLIGHTS OF THE UNION BUDGET 2024-25

The Budget envisages on the following prioritises:

1) Productivity and resilience in Agriculture
2) Employment & Skilling
3) Manufacturing & Services
4) Urban Development
5) Energy Security
6) Infrastructure
7) Innovation, Research & Development and
8) Next Generation Reform

1. Productivity and resilience in Agriculture

a) Government will undertake a comprehensive review of the agriculture research setup to bring the focus on raising productivity and developing climate resilient varieties.

b) New 109 high-yielding and climate-resilient varieties of 32 field and horticulture crops will be released for cultivation by farmers. (more details awaited)

c) Government will facilitate the implementation of Digital Public Infrastructure (DPI) in agriculture for coverage of farmers and their lands in 3 years.

d) The issuance of Jan Samarth based Kisan Credit Cards will be enabled in 5 states.

2. Employment & Skilling

a) Employment Linked Incentive Schemes

The Government will implement following 3 schemes for 'Employment Linked Incentive', as part of the Prime Minister's package, based on enrolment in the EPFO, and focus on recognition of first-time employees, and support to employees and employers.

o **Scheme A: First Timers**

This scheme will provide one-month wage to all persons newly entering the workforce in all formal sectors. The direct benefit transfer of one-month salary in 3 instalments to first-time employees, as registered in the EPFO, will be up to Rs.15,000. The eligibility limit will be a salary of Rs.1 lakh per month. The scheme is expected to benefit 210 lakh youth.

o **Job Creation in manufacturing**

This scheme will incentivize additional employment in the manufacturing sector, linked to the employment of first-time employees. An incentive will be provided at specified scale directly both to the employee and the employer with respect to their EPFO contribution in the first 4 years of employment. The scheme is expected to benefit 30 lakh youth entering employment, and their employers.

o **Support to employers**

This employer-focussed scheme will cover additional employment in all sectors. All additional employment within a salary of Rs.1 lakh per month will be counted. The government will reimburse to employers up to Rs. 3,000 per month for 2 years towards their EPFO contribution for each additional employee. The scheme is expected to incentivize additional employment of 50 lakh persons.

b) Participation of women in the workforce

To facilitate higher participation of women in the workforce. Government will set up working women hostels in collaboration with industry, and establishing creches. In addition, the partnership will seek to organize women-specific skilling programmes, and promotion of market access for women SHG enterprises.

c) **Skilling programme**

20 lakh youth will be skilled over a 5-year period. 1,000 Industrial Training Institutes will be upgraded in hub and spoke arrangements with outcome orientation. Course content and design will be aligned to the skill needs of industry, and new courses will be introduced for emerging needs.

3. **Manufacturing & Services**

Following measures have been announced to support the MSME sector:

a) **Credit Guarantee Scheme for MSMEs in the Manufacturing Sector**

For facilitating term loans to MSMEs for purchase of machinery and equipment without collateral or third-party guarantee, a credit guarantee scheme will be introduced. The scheme will operate on pooling of credit risks of such MSMEs.

A separately constituted self-financing guarantee fund will provide, to each applicant, guarantee cover up to Rs.100 crore, while the loan amount may be larger. The borrower will have to provide an upfront guarantee fee and an annual guarantee fee on the reducing loan balance.

b) **New assessment model for MSME credit**

Public sector banks will build their in-house capability to assess MSMEs for credit, instead of relying on external assessment. They will also take a lead in developing or getting developed a new credit assessment model, based on the scoring of digital footprints of MSMEs in the economy. This is expected to be a significant improvement over the traditional assessment of credit eligibility based only on asset or turnover criteria. That will also cover MSMEs without a formal accounting system.

c) **Credit Support to MSMEs during Stress Period**

A new mechanism for facilitating continuation of bank credit to MSMEs during their stress period has been announced. While being in the 'special mention account' (SMA) stage for reasons beyond their control, MSMEs need credit to continue their business and to avoid getting into the NPA stage. Credit availability will be supported through a guarantee from a government promoted fund.

d) **Mudra Loans**

The limit of Mudra loans will be enhanced to Rs.20 lakh from the current Rs.10 lakh for those entrepreneurs who have availed and successfully repaid previous loans under the 'Tarun' category.

e) **Enhanced scope for mandatory onboarding in TReDS**

For facilitating MSMEs to unlock their working capital by converting their trade receivables into cash, It is proposed to reduce the turnover threshold of buyers for mandatory onboarding on the TReDS platform from Rs.500 crore to Rs.250 crore. This measure will bring 22 more CPSEs and 7000 more companies onto the platform. Medium enterprises will also be included in the scope of the suppliers.

f) **SIDBI branches in MSME clusters**

SIDBI will open new branches to expand its reach to serve all major MSME clusters within 3 years, and provide direct credit to them. With the opening of 24 such branches this year, the service coverage will expand to 168 out of 242 major clusters.

g) **E-Commerce Export Hubs**

To enable MSMEs and traditional artisans to sell their products in international markets, E-Commerce Export Hubs will be set up in public-private-partnership (PPP) mode. These hubs, under a seamless regulatory and logistic framework, will facilitate trade and export related services under one roof.

h) **Internship in Top Companies**

Government will launch a comprehensive scheme for providing internship opportunities in 500 top companies to 1 crore youth in 5 years.

i) **Industrial Parks**

Government will facilitate development of investment-ready "plug and play" industrial parks with complete infrastructure in or near 100 cities, in partnership with the states and private sector, by better using town planning schemes. 12 industrial parks under the National Industrial Corridor Development Programme also will be sanctioned.

j) **Rental housing**

Rental housing with dormitory type accommodation for industrial workers will be facilitated in PPP mode with VGF support and commitment from anchor industries.

k) **Integrated Technology Platform for IBC ecosystem**

Special Feature

UNION BUDGET 2024-25

An Integrated Technology Platform will be set up for improving the outcomes under the Insolvency and Bankruptcy Code (IBC) for achieving consistency, transparency, timely processing and better oversight for all stakeholders.

4. Urban Development

a) Cities as Growth Hubs

Government will facilitate development of 'Cities as Growth Hubs'. This will be achieved through economic and transit planning, and orderly development of peri-urban areas utilising town planning schemes.

b) Creative redevelopment of cities

Government will formulate a framework for enabling policies, market-based mechanisms and regulation.

c) Stamp Duty

Government will encourage states to continue to charge high stamp duty to moderate the rates for all, and also consider further lowering duties for properties purchased by women. This reform will be made an essential component of urban development schemes.

5. Energy Security

a) Government will bring out a policy document on appropriate energy transition pathways that balances the imperatives of employment, growth and environmental sustainability

b) A policy for promoting pumped storage projects will be brought out for electricity storage and facilitating smooth integration of the growing share of renewable energy with its variable & intermittent nature in the overall energy mix.

c) A roadmap for moving the 'hard to abate' industries from 'energy efficiency' targets to 'emission targets' will be formulated. Appropriate regulations for transition of these industries from the current 'Perform, Achieve and Trade' mode to 'Indian Carbon Market' mode will be put in place.

d) An investment-grade energy audit of traditional micro and small industries in 60 clusters, including brass and ceramic, will be facilitated. Financial support will be provided for shifting them to cleaner forms of energy and implementation of energy efficiency measures. The scheme will be replicated in another 100 clusters in the next phase.

6. Infrastructure

a) Central Government will provide Rs.11,11,111 crore for capital expenditure towards infra development.

b) Investment in infrastructure by private sector will be promoted through viability gap funding and enabling policies and regulations.

7. Innovation, Research & Development

a) Government will operationalize the Anusandhan National Research Fund for basic research and prototype development.

b) Government will also set up a mechanism for spurring private sector-driven research and innovation at commercial scale with a financing pool of Rs.1 lakh crore in line with the announcement in the interim budget.

8. Next Generation Reforms

a) Government will initiate and incentivize reforms for (1) improving productivity of factors of production, and (2) facilitating markets and sectors to become more efficient

b) Government will facilitate the provision of a wide array of services to labour, including those for employment and skilling. A comprehensive integration of e-shram portal with other portals will facilitate such one-stop solution.

c) Open architecture databases for the rapidly changing labour market, skill requirements and available job roles, and a mechanism to connect job-aspirants with potential employers and skill providers will be covered in these services.

d) Shram Suvidha and Samadhan portals will be revamped to enhance ease of compliance for industry and trade.

Indirect Taxes

a) For supporting energy transition, Government expanded the list of exempted capital goods for use in the manufacture of solar cells and panels in the country.

b) To enhance the competitiveness of exports in the leather and textile sectors, BCD on real down filling material from duck or goose has been reduced. Further the list of exempted goods for manufacture of leather and textile garments, footwear and other leather articles for export has also been extended.

c) To rectify inversion in duty, BCD on methylene diphenyl diisocyanate (MDI) for manufacture of spandex yarn from 7.5 to 5 %, subject to conditions.

Important Notifications on Policies & Procedures

Policy Updates

Kindly get in touch with TEXPROCIL Grievance Redressal Cell for any clarifications, if required, on the herein shared notifications issued recently by the Council. The Member companies are appealed by the Council to send their suggestions sought on the various issues.

(A) Directorate of Industries, Govt. of Maharashtra extends the last date for submission of applications for Best Export Award for the performance years 2022-23 & 2023-24) upto 31st July, 2024

In continuation to our earlier Circulars on the above subject, we would like to inform you that the Directorate of Industries, Government of Maharashtra has now further extended the last date for submission of these Application Forms **upto 31st July, 2024.**

In case of any queries/clarification, you may kindly contact Shri Dattu Pawade, Industries Officer, Government of Maharashtra (Mob No.9930746024) or send an email to the given Emails – diexport@maharashtra.gov.in; dicensus@maharashtra.gov.in.

We request our members to kindly avail the opportunity extended by the Government of Maharashtra for recognising your achievements in the field of exports.

Link of the Circular: (https://preview.mailerlite.com/f6h6q2x7g4/2527598643213501685/g9p4/)

(B) DGFT amends Para 4.49(b) of HBP, 2023 which relates to Regularisation of Bonafide Default

DGFT vide Public Notice No.14/2024-25 dated 16.7.2024 has amended provisions of Para 4.49(b) of HBP 2023 which relates to Regularisation of Bonafide Default.

As you are aware, that –

- If the Export Obligation is fulfilled in quantity but there is shortfall in value, no penalty shall be imposed if Authorisation holder has achieved minimum Value Addition prescribed.
- However, if Value Addition falls below the minimum Value Addition prescribed, Authorisation holder is required to deposit an amount equal to 3% of shortfall in FOB value in Indian Rupee, online through DGFT website.

In this connection, DGFT has now reduced the composition fee from 3% to 1% for ease of doing business and reducing compliances.

Link of the Circular: (https://preview.mailerlite.com/l3v2u7v4k6/2527538317772195785/i8q8/)

(C) CBIC permits transhipment of Bangladesh export cargo to third countries through Air Cargo Complex at Kempegowda International Airport, Bengaluru

CBIC Circular No.9/2024-Customs dated 9.7.2024, has been amended by inserting new Para 3B by allowing transhipment of goods by road from LCS Petrapole to Air Cargo Complex, Kempegowda International Airport, Bengaluru with effect from 15.7.2024 following the procedure prescribed in the aforesaid Circular, until further direction from the Board."

Link of the Circular: (https://tinyurl.com/2smsc4s5)

(D) DGFT clarifies on the extension of Interest Equalisation Scheme (IES) upto 31.8.2024

DGFT vide Trade Notice No.8/2024-25 dated 10.7.2024 has clarified on issues raised pertaining to Trade Notice No.7/2024-25 dated 28.6.2024 on Interest Equalisation Scheme (IES).

- IES will be capped at Rs.1.66 Cr. per IEC for the period from 1st July, 2024 to 31st August, 2024.
- IES extended vide Trade Notice No.7/2024-25 dated 28th June, 2024 is applicable only to MSME Manufacturer Exporters, who are eligible for IES benefit of 3%.
- Applicants would not be required to generate revised Unique Identification Number (UIN) for the extended period, if the applicants have already generated UIN for the FY 2024-25.

Link of the Circular: (https://tinyurl.com/4u9zp5sw)

(E) DGFT extends Interest Equalisation Scheme (IES) for MSME Exporters upto 31.08.2024

DGFT vide Trade Notice No.7/2024-25 dated 28.6.2024 has further extended the IES benefit to the MSME exporters for Pre & Post Shipment Rupee Export Credit to another two months i.e. 31.08.2024.

Link of the Circular: (https://texprocil.org/circular/1720169888-Eserve-105_of_2024.pdf)

(F) Launch of Exchange Rate Automation Module (ERAM)

Policy Updates

Important Notifications on Policies & Procedures

CBIC has issued Circular No.7/2024-Customs dtd. 25.6.2024 for the launch of Exchange Rate Automation Module (ERAM), effective from 4th July, 2024.

Link of the Circular: (https://tinyurl.com/3vvp7trj)

(G) Sea Cargo Manifest and Transhipment (Second Amendment) Regulations, 2024

CBIC has issued Notification No.47/2024-Customs (NT) dated 30.6.2024 to amend the Sea Cargo Manifest and Transhipment Regulations (SCMTR), 2028. These regulations may be called Sea Cargo Manifest and Transhipment (Second Amendment) Regulations, 2024. The transitional provisions of the SCMTR have been extended from 30th June, 2024 to 31st August, 2024.

Link of the Circular: (https://tinyurl.com/3vvp7trj)

(H) Implementation of the Sea Cargo Manifest and Transshipment Regulations (SCMTR)

CBIC has issued Circular No.8/2024-Customs dtd. 30.6.2024 regarding implementation of SCMTR. The SCMTR seeks to bring about transparency, predictability of movement, advance collection of information for expeditious Customs clearance and supersedes the earlier regulations viz. Import Manifest (Vessels) Regulations, 1971 and Export Manifest (Vessels) Regulation, 1976.

Link of the Circular: (https://tinyurl.com/3vvp7trj)

(I) Guidelines for verification under CAROTAR 2020 of the Country of Origin Certificates (COO) issued under various Preferential Trade Agreements (commonly also referred to as Free Trade Agreements-FTAs)

JNCH has issued Public Notice No. 55/2024 dtd. 24.6.2024 on the guidelines for verification under CAROTAR 2020 of the Country of Origin Certificates (CoO) issued under various Preferential Trade Agreements (also referred to as Free Trade Agreements-FTAs).

Link of the Circular: (https://tinyurl.com/bdhe5fbf)

(J) Tuticorin Customs has issued list of IGST Pending Errors

Tuticorin Customs has issued a list of S/Bills where they have identified errors in the pending IGST at Tuticorin Port (INTUT1).

Please note that –

(A) For IGST errors-SB002 & SB005 – Kindly get the errors corrected at Tuticorin Custom House.

(B) For IGST PFMS Errors – Kindly contact the ICEGATE Helpdesk.

Link of the Circular: (https://texprocil.org/circular/1720169521-Eserve-94_of_2024.pdf)

(K) DGFT revises Para 2 (b) of the Guidelines for Applicants under ANF-4F of HBP 2023

DGFT has revised Para 2(b) of the Guidelines for Applicants under ANF-4F of HBP 2023 vide Public Notice No.9/2024 dtd. 6.6.2024. The revision simplifies the procedure for Deemed Exports, requiring copies of system-generated GST e-invoices & corresponding e-way bills and easing the documentation process EODC applications.

Link of the Circular: (https://texprocil.org/circular/1720169388-Eserve-90_of_2024.pdf)

(L) Enabling provisions for import of inputs that are subjected to mandatory Quality Control Orders (QCOs) by Advance Authorisation holders, EOU and SEZ

DGFT has issued Public Notice No.10/2024-25 dtd. 06.06.2024 by adding/notifying ''Department of Chemicals & Petro-chemicals (DGPC)'' under Appendix 2Y. This will enable Textile manufacturers to take advantage of this QCO exemption for goods to be utilized/consumed in manufacture of the export product. The Council is grateful to the Government for considering our representations.

DGFT vide Notification No.16/2024-25 dtd. 06.06.2024 has revised Para 2.03 (A) (i) (g) by adding chemical products along with textiles. Hence, the Notified Ministries under the revised para will be Ministry of Textiles and DCPC.

Link of the Circular: (https://texprocil.org/circular/1720169418-Eserve-91_of_2024.pdf)

(M) Corrigendum to DGFT Notification No.16/2024.25 & Public Notice No.10/2024, both dtd. 6.6.2024

O/o DGFT has issued Corrigendum to Notification No.16/2024-25 and Public Notice No.10/2024-25, both dtd. 06.06.2024 on enabling provisions for import of inputs that are subjected to mandatory Quality Control Orders (QCOs) by Advance Authorisation holders, EOU and SEZ units.

Please note that -

- In the English version of Notification No.16/2024-25 dated 06.06.2024, the words '2.30(A)(i)(g)' in the fifth line of Paragraph 1 and in the table thereunder shall be read as '2.03 (A)(i)(g).
- The Para number of EO period for the products of Ministry of Textiles and DCPC stands corrected as 2.03 (A)(i)(g) in Public Notice No.10/2024-25 dated 06.06.2024.

Link of the Circular: (https://texprocil.org/circular/1720169563-Eserve-95_of_2024.pdf)

Important Notifications on Policies & Procedures

Policy Updates

(N) DGFT relaxes the provision of submission of "Bill of Export" as evidence of export obligation discharge for supplies made to SEZ units in case of Advance Authorisation

O/o DGFT has issued a Policy Circular No.4/2024 dated 3.6.2024 by relaxing the provision for submission of 'Bill of Export' as evidence of export obligation discharge for supplies made to SEZ units in case of AA.

DGFT has clarified that Bill of Export is no longer required for AA/DFIA exports to SEZ entities prior to 1.7.2017.

Exporters can submit following corroborative evidence in lieu of 'Bill of Export' to comply with the export obligation:

- ARE-1 (showing AA/DFIA File No.) duly attested by jurisdictional Central Excise/GST Authorities of AA holder/DFIA Exporter.
- Evidence of receipt of supplies by SEZ recipient.
- Evidence of payment made by SEZ unit to AA/DFIA exporter as per Para 4.21 of FTP.

Link of the Circular: (https://texprocil.org/circular/1717656972-Eserve-85_of_2024.pdf)

(O) DGFT clarifies on Para 4.17 of HBP 2023

DGFT has clarified on Para 4.17 of HBP 2023 vide Policy Circular No.3/2024 dated 30.5.2024 –

- In the interest of export promotion and to promote ease of doing business, in all cases where Norm's Committee decision was taken before 01.04.2023, the AA holder who wishes for a review, may file their review application till 31.12.2024.
- No such review will be entertained beyond 31.12.2024.
- In other cases, the timeline defined under Para 4.17 of HBP 2023 will prevail.

Link of the Circular: (https://texprocil.org/circular/1717656948-Eserve-84_of_2024.pdf)

(P) Disbursal of Drawback amounts into the exporters' accounts through PFMS w.e.f. 5th June, 2024

CBIC has issued Instruction No.15/2024-Customs dated 29.5.2024 on the disbursal of Drawback amounts into the exporters' accounts through PFMS w.e.f. 5th June, 2024

The following procedure shall be adopted w.e.f. 5th June, 2024;

i. Authorised officer at each Customs location shall process Duty Drawback scroll queue.

ii. Scrolls generated at different locations will be AUTOMATICALLY processed by CAS for onward transmission to the Central Nodal eDDO.

iii. Nominated central nodal eDDO shall forward the consolidated All India Duty Drawback scroll to the nodal ePAO.

iv. After approval from the nodal ePAO, duty drawback amount shall be credited into the exporters' bank accounts linked with PFMS.

Link of the Circular: (https://texprocil.org/circular/1717656922-Eserve-83_of_2024.pdf)

(Q) Regulation of Foreign Trade under Foreign Exchange Management Act (FEMA), 1999 – DRAFT REGULATIONS AND DIRECTIONS

RBI has been consistently making efforts to liberalise policies governing foreign exchange transactions. In continuation to these efforts, RBI has decided to rationalise regulations that cover export and import transactions for goods and services. A Press Release issued by RBI dated 2nd July, 2024 in this regard is attached herewith.

The proposed regulations are intended to promote ease of doing business, especially for small exporters and importers. It also intends to empower Authorised Dealer banks to provide quicker and more efficient service to their foreign exchange customers.

The Draft FEMA Regulations 2024 outlines the following –

- Procedures and requirements for declaring exports
- Manner of receiving payments for export of goods and services
- Managing advance payments for export of goods and services
- Period within which full export value to be realised
- Caution-listing of exporters who fail to realize export proceeds within the stipulated time.

Members may send their comments/feedback on the draft proposals (regulations as well as directions) to RBI at the following email - tradefeedback@rbi.org.in latest by September 01, 2024, with the subject line "Feedback on draft regulations and directions on export and import under FEMA". Kindly mark a copy to the Council at the following email ids sybil@texprocil.org / annie@texprocil.org.

Link of the Circular: (https://preview.mailerlite.com/n3j4a3f9o7/2525530970879166075/s7o1/)

Promote Your Merchanadise / Services Advertise with Us!

Trade Notification

Advertisement Package for promoting products and solutions in the Publications of TEXPROCIL

Dear Madam/Sir,

As a part of TEXPROCIL's knowledge sharing initiatives, the Council is coming up regularly with various E-publications. The circulation of these publications, averaging to over 3000 avid readers, includes the Council's strong database of 2,000 nos. membership comprising manufacturers, exporters, traders of Indian cotton fibre, yarn, fabrics and madeups range of products.

The readership database also includes the contacts of textiles trade associations, government representatives, foreign missions, etc. which are being updated from time to time.

The Council has planned to offer an **'Advertisement Package'** for the various Publications with a view to enhance the exposure of products and solutions being offered by various entities. We request you to kindly consider the advertisement opportunity as per details attached.

Publication details are as follows:

1. **Newsletter** - Published every fortnight
2. **IBTEX** - Published daily - Includes news clippings on articles of interest in T&C appearing in various publications.

Advertisement Package details are given below this column.

For further clarifications you may like to advise your office to kindly write to Mr. Rakesh Chinthal, IT Officer/ Mr. Rajesh Satam, Joint Director on email: rakesh@texprocil.org / rajesh@texprocil.org.

For queries related to advertisement booking kindly write to Mrs. Mrunal Sawant on email: mrunal@texprocil.org.

We look forward to receiving your enquiries / confirmation for availing the advertisement opportunity in publications of TEXPROCIL.

Regards,

Dr. Siddhartha Rajagopal
Executive Director
:: TEXPROCIL ::

ADVERTISEMENT PACKAGE (For Advertisement in TEXPROCIL E-PUBLICATIONS)

TEXPROCIL E-NEWSLETTER (FORTNIGHTLY)

Ad. Option	One IssueS	ix issues	Twelve Issues	Twenty Four Issues (BEST OFFER)
Double Spread	Rs. 12,000	Rs. 61,200	Rs. 1,15,200	Rs. 2,16,000
Quarter Page	Rs. 2,000	Rs. 10,200	Rs. 19,200	Rs. 36,000
Half Page	Rs. 3,000	Rs. 15,000	Rs. 28,500	Rs. 54,000
Full Page	Rs. 5,000	Rs. 25,500	Rs. 48,000	Rs. 90,000

IBTEX E-NEWS CLIPPINGS (DAILY)

Ad. Option	Three Months	Six Months	Twelve Months	Twenty Four Months (BEST OFFER)
Click-on-Logo	Rs. 15,000	Rs. 25,000	Rs. 50,000	Rs. 90,000

For more information please contact:

Rajesh Satam
Joint Director

The Cotton Textiles Export Promotion Council (TEXPROCIL)

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T. 91-22- 49444000
2363 2910 to 12
F. 91-22-23632914

Email
rajesh@texprocil.org

Website
www.texprocil.org

Trade Notification

Membership Renewal Subscription Fee for FY 2024-2025

Dear Member,

As you are aware, it is mandatory for all exporters to apply for registration/renewal/amendment of their RCMC through the e-RCMC module on the DGFT's portal www.dgft.gov.in

Accordingly, the 'Renewal of RCMC' process for 2024-2025 along with the payment of renewal subscription has to be made compulsorily at the DGFT portal only.

In this regard, please note that your Annual Renewal Subscription for the financial year 2024-2025 has become due for payment from 1st April 2024.

The Annual Renewal Subscription charges are as follows:

Type of Membership	Amount (Rs.)	GST @ 18%	Total Amount (Rs.)
Registered Textile Exporter	Rs. 8,000/-	Rs.1440/-	Rs.9440/-
Member Exporter (with voting rights)	Rs. 14,000/-	Rs.2520/-	Rs.16520/-

You are requested to please renew your membership latest by 31.05.2024.

Please ignore this email, if you have already renewed your membership for the year 2024-2025.

Steps for Renewal of Membership (Renewal of e-RCMC):

- Go to DGFT Website - https://www.dgft.gov.in
- Click on the Login button and log in by using your username and password
- Go to - Services >> e-RCMC >> Renewal of RCMC and click on 'Start Fresh Application'
- Choose the RCMC allotted to you by TEXPROCIL and click on 'Renew'
- Complete the details in each tab and go ahead by pressing "Save and Next"
- After filling up all the details in all the tabs, the payment of the renewal subscription option 'Payment of RCMC' will appear where you need to do the online payment and click on 'Submit' to submit the application.

Please feel free to contact us for any clarification or any guidance required from us by calling on 91-22-49444000 or sending emails to info@texprocil.org, rukshana@texprocil.org or smita@texprocil.org

Kindly renew your membership and allow us to serve you at our best.

Regards,

Dr. Siddhartha Rajagopal
Executive Director
:: TEXPROCIL ::

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About Our Company

CR Forex is one of the fastest growing consultants providing complete treasury solutions, having a wide client base Pan India. CR Forex's mission is to empower India's every exporter and importer with knowledge and understanding of Forex Market and Forex Costs.

+91 98333 69290 | Email: info@crforex.in

From:

The Cotton Textiles Export Promotion Council,
Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai - 400004, India

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