Member Copy Complimentary

TEXPROCIL Enewsletter

A fortnightly publication of THE COTTON TEXTILES EXPORT PROMOTION COUNCIL OF INDIA

www.texprocil.org.in

ISO 9001:2008 CERTIFIED COMPANY

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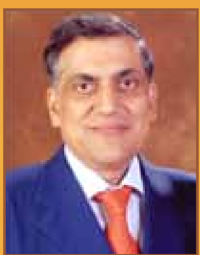
INSIDE THIS ISSUE

TEXPROCIL Interactive Meet with Secretary, MOT

Seen in pic. (Left to Right) Mr Rakesh Mehra, Past Chairman, SRTEPC, Mr Naishadh Parekh, Chairman CITI, Dr Kavita Gupta, Textile Commissioner, Ms. Rashmi Verma, Secretary, MOT, Mr R K Dalmia, Chairman, TEXPROCIL, Smt. Pushpa Subyamanyam, Addl. Secretary, MOT, Mr Ashok Rajani, Chairman, AEPC & Mr. Siddhartha Rajagopal, ED, TEXPROCIL at the Interactive Meet.

CHAIRMAN'S MESSAGE



Dear Friends,

The second fortnight of April opened on a low key note as exporters took stock of the fiscal year just gone by. The markets continued to look sluggish but there are reports of the cotton prices firming up and also that of yarns.

Market Outlook

Recent reports from China indicate that Indian FOB price of cotton yarn of OE Counts 21S increased by 3 cents to US$ 1.70 per kg and that of carded 21S increased by 4 cents to US$ 2.16. Price of combed 32s and 40s increased by 1-2%.

Stitches to Riches

An important development during the fortnight was the release of a World Bank report titled "Stitches to Riches", which gives an overview of the opportunities in the textile and clothing sector in South Asia.

The Report states that owing to duty disadvantage and higher costs, India has become uncompetitive. India has vacated the mass- market for garments (shirts, trousers) and is now largely present in the fashion segment for value-added garments, like embroidery or in garments which need a lot of handwork, or premium garments that cost upwards of US$ 15. The report also states that a 10% rise in apparel prices in China could help India create at least 1.2 million new jobs in the labour intensive garment sector.

The Report also calls for signing of a bilateral agreement with EU at the earliest which links foreign investment from EU to duty-free exports of garments from India can increase exports to the EU by 3 to 4 times.

Friends, the World Bank Report is echoing exactly what we have been saying all these years and hopefully the Government will expedite the process of negotiating a bilateral agreement or an FTA with the European Union (EU) at the earliest.

WTO Dispute Settlement @ 20

Another development was the release of a book titled "WTO Disputes @ 20" by the Centre of WTO studies set up at IIFT Delhi. The book chronicles India's experiences relating to the various disputes fought at the WTO during the last 20 years.

It may be recalled that our Council was at the forefront of various disputes relating to anti - dumping duties, subsidies, rules of origin, EU GSP program during the 90's and early part of the new millennium. The Bed - linen dispute in which Texprocil was directly involved has become a landmark case in WTO jurisprudence and has been cited the maximum number of

CHAIRMAN'S MESSAGE

CONTINUED FROM PAGE 1

times (232) in various other dispute settlement cases.

The Executive Director of the Council has contributed two articles in the book (one of them with our Brussels based lawyers) bringing out the details of all these disputes, thereby institutionalizing the memories. This book will serve as a good reference point for future generations of scholars, legal experts and industry bodies.

Meeting with Secretary (Textiles)

Friends, we also organized an interactive meeting with Ms Rashmi Verma, Secretary, Ministry of Textiles during her visit to Mumbai on 4 May. The other Councils like AEPC, SRTEPC and CITI also supported the event.

We raised various issues relating to extension of the 3% interest equalization scheme to the merchant exporters and relief for investments made during the 'Black- Out ' period under the A-TUFS Scheme and the need to expedite the signing of the Indo- EU FTA.

The Secretary assured all of us that the Government was fully committed to solving the various issues concerning the Textile sector and the exporters should not feel unduly pessimistic.

Removal of the requirement of the Landing Certificate for claiming MIES benefit

As we write this piece, we have also received the good news that the Government has done away with the requirement of the "Landing Certificate" for claiming benefits under the MEIS scheme. This is a very welcome move and a long standing demand of the trade and industry has been met.

Removal of restriction imposed under Incremental Incentivization Scheme

We are also happy to note that the Government has removing the restriction on the entitlement under the Incremental Export Incentivization Scheme (IEIS) for the last quarter of 2012 -2013. As you are aware the Government had earlier restricted the entitlement under the scheme to 25% growth or incremental growth of Rs 10 Crores, which ever was less. Many of the exporters were affected because of this restriction. This clarification has brought relief to the exporters

We compliment the Government for these reforms which will go a long way in "easing the doing of business" by reducing delays in receiving the export benefits and also for restoring the legitimate claims of the exporters, as per the original scheme.

Additional benefit for Made-Ups

Made- Ups exported under HS Chapter 63 to Australia and New-Zealand will also get the benefit under the MEIS Scheme. This was another of the Council's demands which has been met and we are grateful to the Government.

Anti- Subsidy action initiated by Pakistan on fine count yarns

We have also received information that Pakistan has initiated an Anti-Subsidy investigation on exports of Cotton Yarn of "Counts 55 above" and has sought to countervail over 30 export promotion schemes offered both by the Central and State Governments.

The Council has already issued a circular to trade on this matter and is taking necessary steps in close co-ordination with the Ministry of Commerce and Textiles to defend India's interests.

Unfinished Tasks

Friends, there are a few unfinished tasks which we will be taking up at a meeting convened on 13 May, at New Delhi by the Secretary, Ministry of Textiles to review export performance of our sector and fix targets for the fiscal year 2016-2017.

These unfinished tasks include extending MEIS and interest equalization benefit to cotton yarn, extension of the latter scheme to also cover merchant exporters and reducing costs of transaction, especially the terminal and handling charges at Ports, unwarranted charges & requirements levied while claiming MEIS benefits and high logistics costs.

We request all our members to give details of the actual incidence of these costs suffered along with what they consider to be the reasonable charge that should be levied for these services, so that we can take it up with the Government under the ' ease of doing business' initiative.

Friends, the Government has been pro- actively trying to solve the problems and simplify procedures. The process may appear to be slow but the steps being taken are in the right direction.

I urge all exporter friends to shed their grim outlook and instead look towards the future with renewed hope and vigour.

R K Dalmia
Chairman

:: TEXPROCIL ::

COVER STORY

TEXPROCIL organised Interactive Meet with Secretary, Ministry of Textiles

TEXPROCIL in association with SRTEPC, AEPC and CITI organized an interactive meeting with Ms. Rashmi Verma, Secretary (Textiles) at Trident Hotel, Nariman Point, Mumbai on 4.5.2016. Ms. Pushpa Subramanyam, Textiles Additional Secretary and Dr. Kavita Gupta, Textiles Commissioner were also present in this Interactive Meeting.

The objective of the meeting was to highlight some of key issues related to the exports of Textiles & Clothing before these senior officials.

Shri R. K. Dalmia, Chairman, TEXPROCIL in his welcome address, complimented the Government for enlarging the scope of the MEIS and for the announcement and implementation of the ATUF Scheme. He said these measures will give the necessary boost to exports of textiles & clothing. However, Chairman TEXPROCIL expressed his concern at the falling exports of Cotton textiles. He stated that the textiles sector need to be given priority and attention as the sector has created the highest employment in 2015 as compared to other sectors, according to a report of Labour Bureau published recently. Shri Dalmia brought to the notice of the Textiles Secretary the adverse impact created on textiles exports due to the preferential access being given by the EU to our competing countries like Bangladesh, Cambodia, Pakistan, South Korea, Turkey and Vietnam and high import duties imposed by countries like China and Pakistan on Indian fabrics. He expressed the concern of the textiles industry at the slow progress on the Indo –EU FTA. Shri Dalmia urged the Ministry of Textiles to impress upon the Government to revive the talks under the Indo- EU FTA and to conclude it at the earliest in the interest of overall exports from the country especially textiles.

Shri Dalmia also urged the Government to extend the 3% Interest Equalization Scheme to the merchant exporters and to cover the investments made during the blackout period under the TUF Scheme.

Dr. Kavita Gupta, Textile Commissioner, in her address, urged the exporters to avail of the benefits under the ATUF Scheme.

Shri Ashok Rajani, Chairman, AEPC emphasized on the need to amend the labour laws to suit the requirements of the textile industry. He also pointed out the difficulty faced by the exporters of Readymade Garments in getting the right type of fabrics for garment manufacturing and urged the Government to allow duty free imports of fabrics for export production. However, Shri Rakesh Mehra, Past Chairman SRTEPC said that there is enough production capacity in the country to manufacture all types of fabrics. He further stated that, duty free import of fabrics is even otherwise allowed under the Advance Authorization Scheme

TEXPROCIL E-NEWSLETTER

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COVER STORY
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TEXPROCIL organised Interactive Meet with Secretary, Ministry of Textiles

and the garment exporters can avail of this facility. Shri Rakesh Mehra also pointed out that many of the legitimate claims of the exporters under the TUF scheme have not been considered due to the fault of the banks.

During the interactive session, the participants raised various issues like mandatory excise duty on manmade made fibres, allocation of additional fund under the TUS scheme, lack of level playing ground for textile exports, fibre neutrality, incentives provided by the Chinese Government to textile exporters, high logistics costs and un-rebated local taxes and duties.

Shri Rashmi Verma, Textiles Secretary in her address said that the talks under the Indo-EU FTA will continue and may be concluded in another three years' time. She also emphasized on the need to diversify the export products and markets. Regarding participation in fairs and exhibitions, she suggested that an integrated approach should be adopted by all the EPCs while participating. The Secretary Textiles informed that the draft Textile Policy is under formulation and would be placed on the website of the Ministry of Textiles shortly for comments from the stakeholders. She also assured that the Ministry of Textiles is trying its best to get the investments made during the blackout period covered under the TUF scheme.

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PRESS RELEASE

TEXPROCIL Welcomes amendments in IEIS & MEIS

The Government has removed the restriction under the Incremental Exports Incentivization Scheme (IEIS) vide DGFT Trade Notice No. 4/2016 dated May 5, 2016 . Welcoming this, Shri R. K. Dalmia, Chairman, The Cotton Textiles Export Promotion Council (TEXPROCIL) said " The decision of the Government to issue duty credit scrips under the IEIS without any restriction will certainly improve the cash flow of the exporters".

Incremental Export Incentivization Scheme (IEIS) for the last quarter 2012-13 was introduced vide DGFT Notification No. 27 dated 28.12.2012. The scheme extended a duty credit scrip of 2% on the incremental growth in exports during the period from 1.1.2013 to 31.3.2013 as compared to the period from 1.1.2012 to 31.3.2012 on the fob value of exports to the US, EU & Asian Countries. Subsequently, DGFT issued a Notification in September 2013 restricting the entitlement under the scheme to 25% growth or Incremental growth of Rs.10 crores in value, whichever is less. Many of the exporters were affected because of this restriction which was not there in the original scheme, pointed out the Chairman, TEXPROCIL.

Shri R. K. Dalmia also complimented the Government for including exports of Made ups falling under chapter 63 to Group C countries under the Merchandise Exports from India Scheme (MEIS) vide Public Notice No. 06/ 2015-20 dated May 5, 2016. "This will promote exports of Made ups to countries like Australia and New Zealand which falls under group C of the MEIS, according to the Chairman, TEXPROCIL.

Further, as per the Public Notice, henceforth, landing certificates shall not be required under the MEIS. Shri Dalmia pointed out that exporters faced difficulty in getting landing certificates from the shipping companies besides incurring costs. The dispensation of the requirement to furnish landing certificates has come as a huge relief to the exporters and would certainly reduce the transaction costs for the exporters, according to the Chairman, TEXPROCIL.

Shri Dalmia extended his thanks to Smt Nirmala Sitaraman, Hon'ble Union Minister of State (Independent charge) for Ministry of Commerce & Industry, Shri Santosh Kumar Gangwar, Union Textile Minister and Shri Anup Wadhawan, DGFT for the above initiatives.

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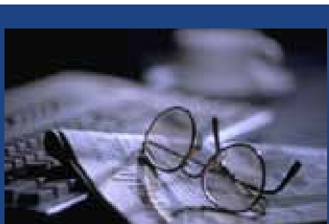

For more information on Global Textile Markets, Please contact us on Email : info@texprocil.org

Making in India for the world

SPECIAL FEATURE

Stitches to Riches

WORLD BANK GROUP REPORT

'Stitches to Riches' is motivated by South Asia's urgent need to create more and better jobs for a growing population. This book investigates the region's potential for expanding and improving jobs in the labor-intensive apparel sector. It estimates the effects of rising wages in China on apparel exports, employment, and wages in South Asia, and provides policy recommendations to leverage the sector for greater job creation.

Key Messages:

- As developing countries explore ways to boost living standards and reduce poverty, they are increasingly focusing on policy options to create jobs that are "good for development." For South Asia, this is a high priority, given that it must absorb close to one million individuals that will enter the workforce every month for the next three decades, and it continues to have a stubbornly low rate (30 percent) of female labor force participation.
- Export-oriented apparel production—long a key industry in South Asia—displays characteristics of good jobs for development. With relatively low skill requirements, apparel manufacturing presents the poor with job opportunities. It also has a unique ability to attract female workers, with women's share of total apparel employment being much higher than women's share in other industries in nearly every country in the region.
- Already Bangladesh, India, Pakistan, and Sri Lanka have made substantial investments in world apparel trade. In 2012, for example apparel represented 83 percent of Bangladeshi exports and 45 percent of Sri Lankan exports. The share of female employment in apparel in South Asia is higher than in other manufacturing industries, ranging from 5 percent in Pakistan to 71 percent in Sri Lanka.
- At this point, China dominates global apparel trade but that may change in the years ahead. In addition, rising prices in China are encouraging investors to seek out apparel firms in countries like Cambodia and Vietnam. The potential decrease in Chinese exports presents a huge opportunity for South Asian countries.
- Stitches to Riches: Apparel Employment, Trade, and Economic Development is aimed at better informing that debate by demystifying the global and South Asian apparel markets, estimating the potential gains in exports and jobs (including for women), and identifying policies that can unleash South Asia's export and job potential.

Findings:

- Southeast Asian countries (Cambodia, Indonesia, and Vietnam) are outperforming South Asian

For more information on STITCHES TO RICHES, Kindly avail of our Textile Intelligence Services email: rakesh@texprocil.org

SPECIAL FEATURE

Stitches to Riches

WORLD BANK GROUP REPORT

(SAR) countries (Bangladesh, India, Pakistan, and Sri Lanka) in terms of overall apparel export performance, product diversity, and non-cost related factors important to global buyers.

- The report suggest that a 10 percent increase in Chinese apparel prices will result in a 13–25 percent (depending on the country) rise in SAR countries' apparel exports to the United States (table), although this is below the 37-51 percent increase in the Southeast Asian countries.
- It shows that SAR countries exhibit significant employment generation potential for both males and females. For example, Bangladesh and Pakistan have the greatest potential to increase jobs (in percentage terms) for exports to the U.S. markets, and Sri Lanka is the big winner with respect to the EU markets.

Recommendations:

- The book offers timely and specific policy recommendations for stakeholders to better leverage the apparel manufacturing sector's potential. The focus is on identifying key bottlenecks and areas for improvement in the South Asian countries compared with those of their closest competitors in the South East Asia region (Vietnam, Cambodia, and Indonesia).
- ***These recommendations include:***

  (i) remove trade restrictions to allow easy access to manmade fibers as inputs;

  (ii) increase efficiency along the value chain such as integration between textile and apparel; and

  (iii) improve social and environmental compliance by introducing better human resource practices.

  At the country level, policy highlights include:

  (i) Bangladesh: improve performance on non-cost factors important to buyers;

  (ii) India: address constraints to firm growth (like integration of textile and apparel, and access to manmade fibers);

  (iii) Sri Lanka: position itself as regional hub and take advantage of emerging markets; and

  (iv) Pakistan: increase product diversity and reliability, and take advantage of new markets

Full report available at TEXPROCIL H.O. & can be requested on email to: rakesh@texprocil.org

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TRADE NOTICE **EServe No. 45 of 2016** **Dated: May 06, 2016** **To: The Members of TEXPROCIL**

Circular No.EPS/04/2016-17

Sub.: ***Clarification regarding benefit under Incremental Export Incentivization Scheme (IEIS) notified vide Notification No.27 dated 28th December 2012***

Dear Member,

As you are aware, the Incremental Export Incentivization Scheme (IEIS) was introduced vide DGFT Notification No.27 dated 28.12.2012. Under the scheme, an IEC holder was entitled for duty credit scrips @2% on the Incremental growth during the period 01.01.2013 to 31.03.2013 as compared to the period from 01.01.2012 to 31.03.2012 on the FOB value of export subject to conditions prescribed therein.

Subsequently, DGFT had issued Notification No.44 dated 25.09.2013 restricting the benefit of Incremental Export Incentivization Scheme (IEIS) to 25% growth or Incremental growth of Rs.10 crores in value, whichever is less.

DGFT has now issued a Trade Notice No. 4/2016 dated May 5, 2016 instructing the RAs to process applications for duty credit scrips under MEIS without restricting the growth to 25% or incremental growth of Rs. 10 crores in value, whichever is less.

You are requested to please take a note of the above and do the needful.

For any further clarification in the matter please contact us.

Regards,

Siddhartha Rajagopal
Executive Director

:: TEXPROCIL ::

TRADE NOTIFICATION

MEMBERSHIP SATISFACTION SURVEY

Dear Member,

The Council has recently obtained ISO-9001:2008 Certification. As part of the ISO documentation concerning 'Customer Satisfaction' we are seeking feedback from our Members on the services offered by the Council. Accordingly kindly fill in your complete information below and respond to the questions below by tick (✓) marking appropriate response in the space provided or with suggestions in brief wherever necessary. We value your association with us and prompt feedback.

COMPANY INFORMATION

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

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

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

2) a. Are you generally satisfied with the services actively availed by your company and marked above? **Tick (✓)**	**YES**		**NO**	
b. If you have replied 'no' above, please suggest how the Council can improve the services *(use additional sheet if required)*	**Suggestions:**			
3) How is your company benefitting from the Exhibitions / BSMs being organized by the Council? **Tick (✓)**	Accessing new Markets		Generating additional business	
Others (Pls. Specify):	Making new Contacts (Trade Enquiries)		Any Others	
4) How is your company benefitting from the Export Facilitation services being provided by the Council?	Information on Export Policy / Procedures		Responses to various EXIM queries	
Others (Pls. Specify):	Redressal of Trade related grievances		Any Others	
5) Have you recommended TEXPROCIL Membership to other companies? **Tick (✓)**	**YES**		**NO**	
6) Do you have any other suggestions to offer regarding TEXPROCIL Member Services? *(use additional sheet if required)*	**Suggestions:**			

***Kindly ignore this feedback form, if you have already responded.**

Join Us... Now! Avail info. on Membership Benefits on email : info@texprocil.org

TRADE NOTIFICATION

TEXPROCIL MEMBERSHIP
ANNUAL RENEWAL SUBSCRIPTION

The annual renewal subscription amount for the financial year 2015-2016 (due from 1st April, 2015) is as follows: -

1) **MEMBER EXPORTER** - **RS. 11,450/-** **(MEM FEES 10,000 + S. TAX 1,450)**

2) **REGISTERED TEXTILE EXPORTERS (RTE)** - **RS. 5,725/-** **(MEM FEES 5,000 + S. TAX 725)**

Special Discount: Texprocil is announcing a special discount scheme for those who wish to renew their membership for a period of 3 or 5 years as follows:

Period	Membership Fees		Discount Slab	Discounted Fees		Benefit to Exporters	
	RTE	Member		RTE	Member	RTE	Member
For 3 years	15,000	30,000	10%	13,500	27,000	1,500	3,000
For 5 years	25,000	50,000	15%	21,250	42,500	3,750	7,500

[RTEs and Members have to pay service tax on the discounted amount at the rate of 14.5%.]

Note for Members:

Members are also requested to submit the CA Certificate as per the format given below certifying the Export Turnover for the financial years 2013-2014 & 2014-2015 i.e. the amount of actual FOB value of exports of Cotton Textiles excluding Readymade Garments and Handloom Textiles.

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

RTEs are not required to submit the CA certificate.

Format of Chartered Accountant Certificate to be submitted by Members only:

CHARTERED ACCOUNTANT CERTIFICATE
(on C.A.'s Letter Head)

TO WHOMSOEVER IT MAY CONCERN

This is to certify that M/s. _______________________________ (Name and full address of the Member) having IE code No. _______________ have exported Cotton / Cotton Yarn / Cotton Fabrics / Cotton Madeups (Excluding Handloom Items / Readymade Garments and Silks, etc.) during the financial year 2013-2014 & 2014-2015 as follows:

Sr. No.	Description	2014-2015 (Rs. FOB Value)	2013-2014 (Rs. FOB Value)
1	Cotton		
2	Cotton Yarn		
3	Cotton Fabrics		
4	Cotton Made-ups		
	TOTAL		

(Stamp & Signature of Chartered Accountant)
(Membership No. of Chartered Accountant)
(Firm Registration No. of Chartered Accountant)

PLACE:
DATE:

Note to Members & RTEs whose RCMC is expiring on 31.03.2015:

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

[1] Copy of your Import-Exporter Code (IEC)

[2] In case of Manufacturer Exporter, a copy of Manufacturing Licence

[3] In case of changes in Partners, a copy of revised deed of partnership

[4] In case of changes in Directors, a copy of Form 32/DIR-2 or Board Resolution for those who have resigned or newly appointed.

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