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TEXPROCIL @ Preview in Daegu - South Korea



Chairman, TEXPROCIL Shri Ujwal Lahoti (4th from right) and Ms. Nayantara, Second Secretary, Embassy of India in South Korea (5th from right) along with the Indian exhibitor's at TEXPROCIL booth in Preview in Daegu Fair - South Korea.

CHAIRMAN'S MESSAGE



Dear Friends,

As per the provisional data released by the Ministry of Commerce, exports of Cotton textiles (Yarn, Fabrics &

Made-ups) during the period from April to February 2018 reached US\$ 9213.12 Million as compared to US\$ 8969.04 Million during April to February 2017, registering a growth rate of 2.72%. During this period, the entire Textile & Clothing sector registered a negligible growth of 0.05%.

Recent studies, including the 'Quarterly survey on Manufacturing' published by FICCI and 'Textile Sector Performance Update' by Wazir Advisors also expected marginal improvements in export growth but the performance has not been very encouraging. Various factors like low domestic and export demand, exchange rate appreciation, increasing imports, excess capacities and shortage of working capital finance continue to constrain export efforts.

Despite these sluggish trends in export growth, we can only look ahead with hope and proactively pursue opportunities for further growth in various markets. Secondly, we also need to make concerted efforts to mitigate the difficulties faced by the exporters in claiming refunds under GST.

Thirdly, we need to develop "alternative schemes" to some of the existing export promotion schemes, considering the international challenge mounted recently by USA regarding their incompatibility with the WTO Agreement on Subsidies and Countervailing Measures (ASCM)

Continuing its efforts at exploring opportunities in various markets, the Council organised repeat participation in leading fairs / exhibitions in Korea and Egypt.

Preview in Daegu Fair, South Korea

Under the Indo-Korea CEPA, there is "zero" duty on import of fabrics, madeups, and garments into South Korea from India, thereby offering

greater market access for Indian Textiles and Clothing. In order to further explore the potential for trade in textiles and clothing products, 10 Indian Companies participated in 'Preview in Daegu Fair' held during March 7-9, 2018 at Daegu, South Korea.

On this occasion, I along with a few of the representatives of participating Indian Companies visited some of the manufacturing facilities and met with Apex Textile Associations in Korea. Together, we made a survey of the preferences of Korean importers when it comes to sourcing fabrics and home textiles—including popular sizes ordered, packaging, content, colours, etc.

In our discussions with the Textile Associations, a need was felt to organise the visit of a delegation to further understand the prevailing buying pattern amongst the Korean importers especially of Home Textiles so as to enhance, trading opportunities for our exporters. The Council is working out the detailed

CHAIRMAN'S MESSAGE

CONTINUED FROM PAGE 1

program in this regard, which will be intimated shortly. Members interested in exploring the Korean market may contact the Council for further details in the matter.

Cairo Fashion & Tex Exhibition, Egypt

India exported around US \$342 million worth of textile and clothing products to Egypt in 2017. Cotton yarn was the dominant product in the export basket, accounting for US \$163 million, followed by man-made yarn fabrics at US \$121 million and cotton fabrics at US \$25 million. Egypt enjoys a strategic location allowing companies to access Asia, Africa and Europe thus providing India with ample opportunities to increase its engagement in the global value chain. Further, Egypt has concluded many important FTAs which can act as a gateway for India to access growing markets in the Euro-Mediterranean and in the East and South African region.

Twenty three Indian textile firms showcased a wide range of products at the 'Cairo Fashion and Tex Exhibition' held during March 8-10, 2018 at Cairo, Egypt. The Indian pavilion at the fair was inaugurated by India's Ambassador to Egypt, Shri Sanjay Bhattacharyya, along with Mr. Mohamed Abdel Salam-Chairman of Ready-Made Garments Chamber. In his inaugural speech, the Indian Ambassador said that he was optimistic about the growing Egyptian market for Indian cotton yarn and other fabrics.

GST Update

Even though a game changer in indirect taxation in India, the implementation of GST has led to many issues which require clarifications on a continuous basis. In a significant clarification, the CBEC has recently issued a Circular No. 37/11/2018-GST dated March 15, 2018, stating that the supplies of export goods made by the manufacturers to the merchant exporters at a concessional

rate of 0.05% / 0.10% is optional. Further, the Circular has clarified that the merchant exporter can take credit of the 0.05% / 0.10% GST paid by him. The said Circular has also clarified on many other issues faced by the exporters in a comprehensive manner. I would request all the members to familiarize themselves with the same and contact the Council for necessary guidance.

There are however still some areas that need to be addressed. For instance, exporters cannot get refund of transitional credits when they export under LUT. There are many such cases where the transmission of validated data by the GSTN to ICE -GATE website has not been carried out even after the exporters have rectified the errors. The Council has taken up all such issues with the Government and hopefully they will get resolved.

I would also request all our exporter friends to properly understand the procedures / documentation to be followed so as to get the refund of IGST and Input Tax Credits without any delay.

GST Seminar

As part of the Council's endeavour to develop a better understanding of the GST concept amongst its members, the Council organised a Seminar on GST at the Council's H.O. in Mumbai on March 13, 2018. The interactive seminar was conducted by Mr. M. P. S. Sengar, Assistant Commissioner (Retd.), GST & Central Excise, Mumbai who extensively covered the procedures to be followed for expeditious release of IGST refund claims and Input Tax Credits (ITC). The seminar was well attended and all the queries were addressed.

Developing Alternative Schemes

Friends, as we grapple with the domestic challenges, we are also facing up to the charge that our exports are heavily subsidised. In a bid to protect its domestic

manufacturers, United States has recently contested that many schemes in the Foreign Trade Policy of India provide subsidies prohibited under the WTO's Agreement on Subsidies and Countervailing Measures (ASCM).

The schemes that have been called for consultation at the WTO include Merchandise Exports from India Scheme (MEIS), the Export Oriented Units Scheme (EoUS) and sector specific schemes –including Special Economic Zones (SEZs), and Export Promotional Capital Goods Scheme (EPCG), etc.

The outcome of this consultation could have wide ranging ramifications for the industry that is exporting to not just the US but also the global market.

While India would surely challenge the US contentions, this move is certainly a cause for concern for several exporters who depend on these schemes to remain competitive in the global market.

The need of the hour is to quickly develop 'alternate schemes' which are WTO compatible. These schemes could cover areas like 'embedded taxes', 'transaction costs' and 'structural weaknesses' in the textile and clothing sector. While the Council is actively engaged in suggesting alternate schemes to the government, I would appeal to all our member exporters to send in their views, suggestions or comments on the various alternate schemes that can be developed to become WTO compatible.

Summing Up

Friends, as we approach the end of the current fiscal year, we need to push our exports to the maximum so that we can consolidate our achievements this year. Let us all make a concerted effort, despite all the surrounding factors challenging our growth!

Ujwal R Lahoti
Chairman

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COVER STORY

TEXPROCIL participation at International Textile Fair Preview in Daegu 2018, South Korea



Chairman, TEXPROCIL at the grand inauguration of the Preview in Daegu Fair, South Korea, held during March 7-9, 2018

The Council participated in the textiles exhibition “Preview in Daegu 2018” held in South Korea from March 7-9, 2018. 10 Indian Companies had participated in this fair through the Council.

The objective of participating in the fair was to

capitalize on the Indo-Korea FTA, under which there is zero duty on import of fabrics, made ups, home textiles and garments into South Korea from India, thereby offering greater market access for Indian textiles into the South Korean market.

About Preview In Daegu 2017

Preview In Daegu is an established trade fair which takes place every year. The industry sectors covered in this fair are textiles (including yarn), home textiles, fabrics and Garments.

The fair which started in 2001 has over the years gained a reputation and attracts a large number of buyers from South Korea as well as from other Countries.

The event is widely publicized and this year also it accommodated a large number of exhibitors.

Indian Exports of textiles to South Korea

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

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

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



TEXPROCIL E-NEWSLETTER

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India Export Statistics of Textiles & Clothing to South Korea

Commodity	Million United States Dollars			% Change
	2014-15	2015-16	2016-17	2017/2016
Textiles & Clothing	368.31	353.79	364.29	2.97
Textiles	333.66	315.38	327.15	3.73
RMG Clothing	34.65	38.41	37.13	-3.31
Cotton Textiles	225.27	202.33	203.62	0.64
Cotton Yarn	142.03	107.81	109.69	1.75
Cotton Fabrics	70.46	81.42	82.00	0.71
Cotton Madeups	12.77	13.09	11.93	-8.90

Source: Ministry of Commerce

COVER STORY
contd. from Pg. 3

TEXPROCIL participation at International Textile Fair Preview in Daegu 2018, South Korea

About TEXPROCIL Participation

Chairman, TEXPROCIL, Shri Ujwal Lahoti was one of the VIP delegates who inaugurated PREVIEW IN DAEGU 2018. Ms. Nayantara, Second Secretary, Indian Embassy in Seoul visited the fair on the first day. She interacted with all the Indian Companies and shared information regarding the Consumer Preferences in South Korea. All the Indian Companies expressed satisfaction and reported having established good contacts.

Meetings & Market Visits

On the sidelines of the exhibition, a delegation of exporters lead by the Chairman, Ujwal Lahoti visited the Home Textiles market in Daegu to understand the requirement of the South Korean buyer. The Council also had meetings with leading Chamber of Commerce / Associations such as Daegu Gyeongbuk Textile Industries Association(DTC),



- There are not many factories producing Cotton textiles in South Korea. There has been an increase in the Korean market for Cotton textiles in 2017.
- India can supply wide width fabrics for Home textiles. Indian companies can supply in their own brand name.

Council in its efforts to diversify exports into new markets to promote exports of Cotton textiles will continue its focus on South Korea as a good market. The Council will be shortly taking a delegation of home textiles exporters to South Korea.

The Council is widely recognized by the South Korean Textiles Industry, associations and the Government agencies in Korea as interface between the Indian textile Industry and the Korean Textiles. The Council will strengthen this role in the future and play an active role in promoting exports of Cotton textiles from India to South Korea.

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Daegu – Gyeongbuk Bedding Cooperative, Korea Textile Development Institute (KTDI), Korean Federation of Textile Industries (KOFOTI), Daegu Metropolitan City Investment & Trade Division and Korean Dyeing & Finishing Technology Institute (DYETEC) and had discussions to understand the requirements of the South Korean market for textiles.

Key Observations

Some of the key observations of the Council during its visit to South Korea for the fair as follows:

- Presently, South Korea is sourcing Textiles & Clothing products mainly from China.
- Since recent times, the awareness of the South Korean buyers about India Textiles & Clothing sector is increasing.



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info@texprocil.org

TRADE PROMOTION

TEXPROCIL participation at Cairo Fashion & Tex Fair Cairo, Egypt (March 8-10, 2018)



The Indian pavilion was inaugurated on 8th March by Ambassador H.E. Mr. Sanjay Bhattacharyya, along with Mr. Mohamed Abdel Salam- Chairman of Ready-Made Garments Chamber, Federation of Egyptian Industries and Mr. Mohamed El-Sherif - Chairman of Pyramids International Group.

Introduction

The delegation from the Cotton Textiles Export Promotion Council of India (TEXPROCIL) comprising 22 Indian textile companies participated in the 62nd edition of the

International Fashion & Textile Exhibition “Cairo Fashion & Tex” held at Cairo International Convention Centre from 8th to 10th of March, 2018.

... Contd. on Page 6.

TRADE FACILITATION

SEMINAR ON GST @ TEXPROCIL H.O. in Mumbai on March 13, 2018

Council conducts Session on GST in Mumbai



The Council conducted a “Session on GST” at its auditorium in Mumbai on March 13, 2018 which was well attended by the exporters. The objective of conducting the Session was to update the exporters regarding the changes in the GST Laws & Procedures related to exports. Shri Sengur, who is a retired Assistant Commissioner (GST) conducted the Session. In his presentation, Mr. Sengur covered topics such as refund of IGST and ITC on exports and the E-Way Bill. During the Q & A session the participants raised clarification on various issues.

All the queries of the participants were suitably addressed. For more information or further queries on the subject, please write to us on email: ravikumar@texprocil.org

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Avail of more detailed information on
EXIM POLICY
at TEXPROCIL GREIVANCE REDRESSAL CELL
email: ravikumar@texprocil.org

TRADE PROMOTION

TEXPROCIL participation at Cairo Fashion & Tex Fair Cairo, Egypt (March 8-10, 2018)



The Council participated in this exhibition under MAI Scheme of the Ministry of Commerce and the three-day event provided a platform for the Indian businessmen to interact with Egyptian and foreign visitors, showcase their products and explore business opportunities.

The Egyptian textile & fashion industry plays a central role in the national economy. Egypt has a strong competitive advantage with its well-known cotton and skilled labor force with its strategic location allowing companies to access Asia, Africa and Europe.

Egypt has been an important partner for India in the textile business. India imports Egyptian cotton and exports cotton yarn apart from manmade filament yarn and manmade staple fibres. India exported around US\$ 342 million worth of textile and clothing products to Egypt in 2017. The cotton yarn was the dominant product in the export basket, which was valued at US\$ 163 million followed by man-made yarn fabrics valued at US\$ 121 million and cotton fabrics valued at US\$ 25 million. China is the significant exporter of textile products to Egypt and the major competitor along with Turkey, which is strong in apparel segment.

About the Show

Pyramids International has been organizing Cairo Fashion and Tex since 1993. The event is held twice a year, in March (Summer/Spring) and October (Winter/Autumn)

Started in 1993, Cairo Fashion & Tex is held under the patronage of Ministry of Trade & Industry, Government of Egypt, and in association with the Egyptian Chamber of Apparel & Home Textile Industries (ECAHT) and the Ready Made Garments Export Promotion Council. This edition witnessed participation by 350 exhibitors with three country pavilions- India, China and Turkey. Over 8,000 buyers visited the Show over the three days. The Cairo Leather Fair is also collocated with the Cairo Fashion and Tex Show.

Exhibitors' profile

All types of yarns and fabrics; men's wear, women's wear, kids' garments, formal wear, evening wear, home wear, underwear & lingerie, cotton wear, sports-wear, knitwear and socks

Visitors' Profile

Wholesalers, chain stores, boutique owners, garment exporters & importers, agents & distributors, fashion designers, ready to wear manufacturers, department stores

India Pavilion and Texprocil stall

The Indian pavilion was inaugurated on 8th March by Ambassador H.E. Mr. Sanjay Bhattacharyya, along with Mr. Mohamed Abdel Salam- Chairman of Ready-Made Garments Chamber, Federation of Egyptian Industries and Mr. Mohamed El-Sherif - Chairman of Pyramids International Group.

The Ambassador along with the Chairman of Ready-Made Garments Chambers interacted with each of the participating Indian companies and wished them the very best for their endeavours in Egypt.

The Council had an 18 sq mt stall which promoted the "Incredible Textiles of India" brand. The Council received about 33 enquiries (all types of yarns and fabrics - predominantly for yarns) at the stall and these have been circulated to trade.

Publicity of India pavilion

The Embassy of India in Cairo released a 'Press Release' a day prior to the start of the Show which was well covered in the national newspapers. It also helped in creating an awareness of Indian participation at the Show.

Huge banners were placed outside Hall no 4 where the Indian pavilion was located. An overhead banner with the "Incredible Textiles of India" branding was placed over the Indian pavilion signifying the location of the pavilion within the Hall. "Incredible Textiles of India" branded flags were placed along the approach roads towards the venue and boards were also placed along the highways within the city. Company profiles of the participating Indian delegation in English and Arabic were distributed in the form of an exhibitor booklet to all visitors from the Texprocil stall at the pavilion. The Council corporate film on Indian textiles with Arabic sub-titles was also played in the stall on a TV.

Conclusion

The Indian participants were satisfied with the enquiries received and many of them managed to get good sales leads during the exhibition. The demand for Indian cotton yarns still exists in the Egypt market and the most popular counts in cotton yarn are 20s, 30s and 40s. Most of the fabrics come into the country on nomination basis which are then exported to EU and US. For domestic consumption the tariffs are high, almost in the range of 25-30% including denim. It was also suggested that Texprocil should participate in the March 2019 edition of the Show to sustain exposure besides exploring value added products in the Egyptian market.

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TRADE NOTIFICATION

MEMBERSHIP SATISFACTION SURVEY

Dear Member,

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

COMPANY INFORMATION

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

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

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

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

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

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

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TRADE NOTIFICATION

TEXPROCIL MEMBERSHIP ANNUAL RENEWAL SUBSCRIPTION

The Registration as well as Renewal fees for membership of the Council has been revised w.e.f. 01.04.2017.

Accordingly New Registration Fee Structure is as follows:-

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

The Annual Renewal Subscription amount for the financial year 2017-2018 (due from 1st April, 2017) is as follows:-

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

Note for Members:

Members are also requested to submit the CA Certificate as per the format given below certifying the Export Turnover for F.Y. 2015-2016 & F.Y. 2016-2017 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 2015-2016 & 2016-2017 as follows:

Sr. No.	Description	2016-2017 (Rs. FOB Value)	2015-2016 (Rs. FOB Value)
1	Cotton		
2	Cotton Yarn		
3	Cotton Fabrics		
4	Cotton Made-ups		
	TOTAL		

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

PLACE:

DATE:

Note to Members & RTEs whose RCMC has expired on/before 31.03.2017:

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)