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Meeting of Hon'ble Ministers with EPC heads in New Delhi



Hon'ble Minister of Finance, Shri Piyush Goyal (Left) & Hon'ble Minister of Textiles, Smt Smriti Zubin Irani (Right) held a joint meeting with the heads of Export Promotion Councils on 27th May at New Delhi.

CHAIRMAN'S MESSAGE



Dear Friends,

Inspite of the strong headwinds, the Indian textile and clothing exports have registered a positive growth during the fiscal year 2017-2018. Despite missing the US\$ 45 billion target set by the government, textiles and clothing exports reached a level of US\$ 37.85 billion in fiscal year 2017- 2018 just surpassing the achievement of US\$ 37.69 billion during the last fiscal year 2016-2017. The industry is recovering slowly from the impact of GST roll out seen in terms of delay in refunds, issues of cash flow. Tariff advantages enjoyed by competitors like Pakistan, Bangladesh and Vietnam also remain a challenge even though a favourable exchange rate has offered some relief.

While the RMG exports continue to report a decline, the cotton textiles have achieved a growth of 7 per cent reaching a level of US\$ 11 billion

in fiscal year 2017- 2018 from the earlier achievement of US\$ 10 billion in fiscal year 2016-2017.

Trade Data

An analysis of product wise exports of cotton textiles during the fiscal year 2017-2018 have shown that exports of cotton yarn have grown 6 per cent year-on-year while cotton fabrics / cotton madeups exports have grown by 5 per cent and the exports of raw cotton have registered a 16 per cent growth.

Meeting with Finance Minister & Textiles Minister

To formulate a strategy for enhancing export in the textile and clothing sector and to understand the challenge faced by the sector, Shri Piyush Goyal, Hon'ble Union Minister of Finance and Smt Smriti Zubin Irani, Hon'ble Union Minister of Textiles held a joint meeting with the heads of Export Promotion Councils on 27th May in New Delhi. In the meeting the Council presented an overview of the sector and requested the Hon'ble

Ministers of Finance and Textiles to support the sector with a few policy measures like refund of embedded taxes (which has also been recognised by the Economic Survey for the year 2017-18), extending the innovative Refund of State Levies (ROSL) scheme which refunds state levies like VAT on fuel used in transportation (raw materials, finished goods and factory workers) and generation of captive power, Mandi tax, Duty on electricity, Stamp duties on export documents etc. to yarns and fabrics and expedite the refund of pending GST and IGST claims and ROSL of the exporters.

We thank the Hon'ble Ministers of Finance and Textiles for agreeing to clear the dues arising out of ROSL refunds in 15 days by providing necessary funds, authorising the Pillai Committee on Duty Drawback to examine issues of embedded taxes for all textile products and reviewing ROSL rates for Made-ups, issuing instructions for including yarn and fabrics under the scheme, look at alternate Export Promotion Schemes

CHAIRMAN'S MESSAGE

CONTINUED FROM PAGE 1



in consultation with the Ministry of Commerce and also ensure that all pending claims under GST and IGST are refunded within a period of next 15-20 days. During the meeting, the Council sought an integrated approach for the development of the textile industry so that the country's share in global world trade in cotton textiles increases from 10 to 15 per cent in the next five years.

We are happy to note that the Government has announced a second "Special drive Refund Fortnight" from 31st May 2018 to 14th June 2018 striving to clear all GST refund applications received on or before 30th April 2018 and has also issued instructions for enhancing ROSL Rates for Madeups after reviewing the embedded State levies.

TECHNOTEX 2018

Technical textiles is the sunrise segment of the global textile industry. With increasing competition and diminishing margins in the production of conventional textiles, textile manufacturers in industrialised countries have switched over to production of value added technical textiles. India is emerging as a significant player in technical textiles. The fast-paced economic growth leading to the infrastructure creation as well as higher disposable income has made India a key market for technical textile products. However, the current Indian Technical Textile sector has to develop a lot and

this can be done only by more and more Indian and foreign companies investing in this sector. The Ministry of Textiles is making concerted efforts to accelerate the growth of this sector.

In order to promote technical textiles sector Ministry of Textiles, Govt. of India and Federation of Indian Chambers of Commerce & Industry (FICCI) are jointly organising the 7th edition of International Exhibition and conference on Technical Textiles - TECHNOTEX 2018 from June 28-29, 2018 at Bombay Exhibition Centre, Goregaon, Mumbai-India. The government has undertaken initiatives to liberalize the laws regarding investments for helping manufacturers to do business in India. The two day-event will serve as the right platform for interaction between the Indian and Foreign companies from technical textile value chain and will prove to be a turning point in building confidence of Indian and foreign companies to invest in the technical textile sector in India.

The Council has been an integral arm of the Government in promoting Indian technical textiles in the world and has proposed to undertake participation at TECHNOTEX 2018 by setting up an information booth during the event. To realise the full potential of this industry, dedicated joint efforts are required by both, Government and the industry.

I appeal to all our members to actively participate in large numbers at 'TECHNOTEX 2018' and benefit from the various initiatives undertaken by the Government to promote the Indian technical textile value chain.

Skill Development and Employment Generation

Friends, you will be happy to know that at the behest of request of the Textile Sector Skill Council (TSC), Madhya Pradesh State Government has arranged 10 number of job melas starting on June 4th 2018, exclusively for textile industry with 112 textile mills intending to participate in the job mela and more are being welcomed to join. Besides introducing attractive criterias for pre-screening the candidates attending the job mela, the MP Govt has gone one step forward by taking care of boarding/lodging and local travel expenses for all the person attending job mela on behalf of Textile Mills. Based on the outcome of the mela, TSC plans to request all other state Governments to follow this procedure, so that to some extent the serious problem faced by Mills in mobilising the workers can be solved. Members may write to Textile Skill Council (TSC) on email (mpjobmela@texskill.in) for any further information or for submitting their intent for participation in the mela.

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**CHAIRMAN'S
MESSAGE**

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GREIVANCE REDRESSAL CELL

email: ravikumar@texprocil.org

Meeting International Standards

Appropriate standards are needed if the country has to emerge as a destination for quality manufacturing. “Standards” are an important part of a nation’s development towards a more responsible and harmonized system. Standards need to be positioned as a key driver of all economic activities relating to goods and services and needs to be developed as a comprehensive ecosystem in India. Standards can be used as an enhancer of competitiveness of Indian goods and services in domestic and international markets and can help create an integrated structure for conformity assessment (including accreditation), and technical regulations in India. These developments on technical regulations, standards, and conformity assessment practices can also address issues that impede market access of Indian goods and services. Institutions and organisations meanwhile also need to develop timely and calibrated responses to international developments and market intelligence.

Besides sharing inputs with the Government for developing our own

standards to remain competitive in the industry, the Council on its part also disseminates information on likely strategies to strengthen regulatory regime in the country to equip its member exporters with information on technical barriers that they face in the foreign markets. The Department of Commerce, Ministry of Commerce and Industry has been actively engaged in organising various standards conclaves to address various issues concerning standardization for all sectors. Organised by Confederation of Indian Industries (CII), the 5th National Standards Conclave based on the theme “Implementing the Indian National Standards Strategy” is scheduled to be held during 18-19 June, 2018, in New Delhi. Members are encouraged to actively participate in such forums to stay abreast of newer intelligence on Standards.

Going Forward

Friends, we must note that the existing export promotion schemes in operation have been extremely useful in increasing exports especially on account of the various

disabilities suffered by the exporters namely preferential tariffs given to competing countries, high logistic and transaction costs incurred on account of infrastructural deficiencies, etc. While there is a growing international pressure on the Government to phase out the support being extended to exports, the phasing out of existing export benefits should be gradual and alternate schemes should be developed before the existing schemes are phased out. Every effort should be made to continue the present export promotion schemes up to the year 2020 i.e. till the end of the current Foreign Trade Policy period. We have impressed upon the Government to keep these facts in mind while formulating New Schemes in order to ensure continuity in business and foster trust between the exporters and importers in the long term interest of all round export growth.

Ujwal R Lahoti
Chairman

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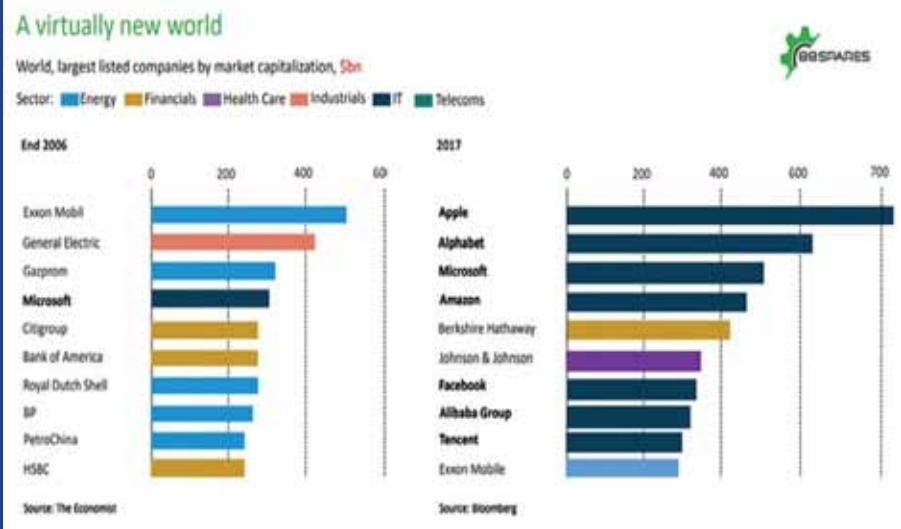
To know more, please write to us on

email: info@texprocil.org

COVER STORY

The glooming and booming Apparel Retailing Markets

The world largest companies by market capitalisation in 2006 lost their leading position to the benefit on IT giants in 2017. The traditional industrial heavy weights, such as Exxon Mobile, General Electric, and Gazprom, started to be dwarfed by Apple, Alphabet, or Microsoft (see the figure). During the last 10 years, the knowledge industry has kicked in with a strong influence on all aspects of the world's industrial organisation.



The last decade was especially characterised by turbulent times for traditional retail stores. Store-based retail companies engaged in very aggressive price strategies to compensate decreasing margins by

increasing volumes, stopped expansion plans, closed shops, and cut off jobs.

Despite tremendous efforts to compete, traditional retailers have been replaced by new entrants, mirroring the world transition to information-based business models. For example, Amazon's market value was US\$ 17.5 billion in 2006. This was a humble 8.0% of Walmart's value at the time. In 2016, Amazon's market value had grown to \$351.8 billion, which represented 160% of Walmart's value the same year, no that humble of a figure anymore. In fact, while Walmart's value increased by 2.0% during that period, the value of its fairly new internet-based competitor increased by 1910%. The advent of e-commerce has happened while consumer habits were disrupting. At that time, the old giant's commercial strategies were rather detrimental to their growth and technological innovations were setting the path to a new future. Traditional retailing markets were glooming while internet retailing markets booming.

Store-based retailing: A glooming market:

The share of all sales originated in stores has decreased from 95% in 2002 to 85% in 2016 (Euromonitor). That year, 61% of all stores were hosting apparel and footwear specialist retailers like H&M, Zara, or Uniqlo. Parallely, the customer price index (CPI) in the clothing industry decreased 4.8% between 1996 and 2016. In 2015, the estimated worldwide size of store-based retailing market was \$1.4 trillion. Between 2010 and 2015, this market strongly decreased in Brazil, some European countries, and Japan, while they strongly increased in Asia, Saudi Arabia, and Argentina. On average, store-based activities stagnated during these years. In addition, on average, the price of a pair of jeans went from \$37 to \$30, a decrease of 23%. A shirt went from \$28 to \$23, a 22% decrease.

The apparel industry survived because, in the meantime, the number of apparel units per capita increased from just about 11 pieces to just above 14 pieces a year.

TEXPROCIL E-NEWSLETTER

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The glooming and booming Apparel Retailing Markets

Margin contraction was partly compensated by increased volumes. The surplus was, however, mainly absorbed by another type of retailing model, the booming internet-based retailing market.

Internet-based retailing: A booming market:

The internet retailing market for apparel and footwear has been growing all over the world at an average rate of growth of 24% during 2010 and 2015. This growth was driven by Asia, the middle east and, central and south America, with annual growth of over 100% in some cases. The developed western countries seem to be slow at changing their consumption habits. Indeed, half of internet retail sales are originated in Asia Pacific in 2016 (Euromonitor).

The internet based retailing market for apparel and footwear is relatively smaller than the store-based retailing market for the same products. However, its evolution shows clear signs of disruption in customer habits (the way consumers buy) and retailing strategies (the way retailers sell). Marked demographic changes and business norms explain part of this evolution. Experts cite the emerging middle class in many developing countries, the millennials' consumption, the convenience of using smart devices in purchasing actions, changes in supply chain and logistics (seamless shipping, delivery and returns), integrated in-store and online experiences, or payment through mobile applications.

According to Euromonitor, the future growth of the apparel market is very highly correlated with current

repartition of internet sales retailing. Moreover, the same countries that are driving internet sales retailing sector will be driving the apparel market growth between 2015 and 2020. This market is estimated to reach 1.3 trillion by 2020 and grow at an annual compound rate of 2.5%. While market increases are expected in Asia, the middle East, Argentina, and central and South America, it is expected from France, Germany, and Japan, to experience market contraction.

The future of retailing – bridging the online and traditional models:

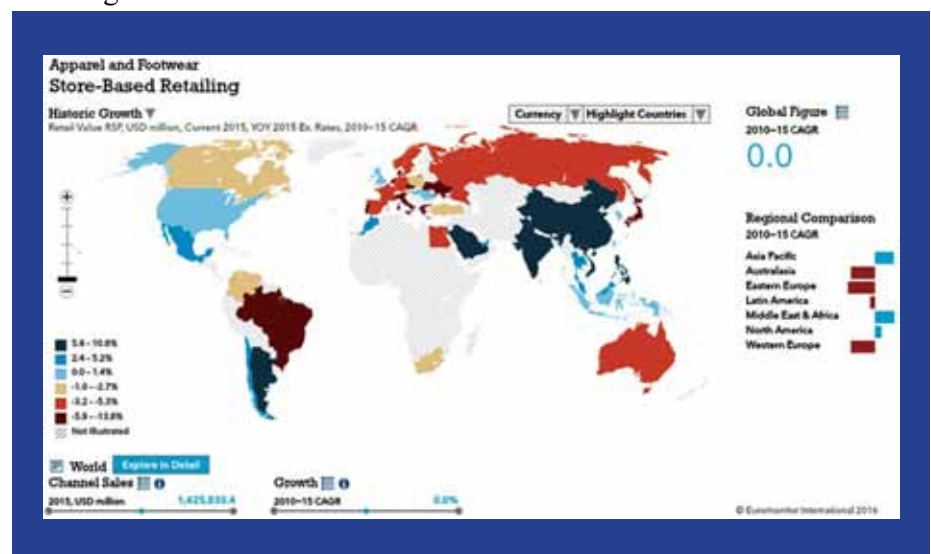
Walmart's 2.0% value growth between 2006 and 2016 is to be considered a success in the store-based retailing market. Other traditional big players saw their value plunge during the same period. Internet retailing is a game changer, no question. Experts, however, say that the future of retail isn't in pure e-commerce alone, but rather in omni-channel solutions bringing technology in stores. The use of new and emerging technologies, such as virtual reality, has the opportunity to bridge the online and in-store

gap for consumers. At the same time, improvements in supply chain and logistics infrastructure will fuel growth for retailers from the back end. Indeed, by combining technologies to influence buying and selling actions in the apparel industry, retailers do more than influencing customer habits. They see technology as a tool to transform the customer's experience.

Hence, as expressed by Jorge Martin from Euromonitor international, physical retailers remain the cornerstone of textile distribution, while its role is changing. "Putting the fun in functional" is key to keep customers engaged and entertained while being at the store and even beyond. Volume driven formats (i.e. off-price and fast-fashion) is good news for textile manufacturers within the low-price range/materials space. On their side, suppliers are now better able to connect directly with end-users and disintermediate the traditional retailing framework.

Source: Author - Olivier Zieschank is an economist with International Textile Manufacturers Federation (ITMF).

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SPECIAL FEATURE

World Fibre Production and Use

The year 2017 after some downward revisions for 2016 will be remembered as historic milestone with the market size surpassing the incredible volume of 100 million tonnes.

Fibre production on global stage

Fibre production on global stage has grown 5% to 103 million tonnes due to the fastest cotton expansion in seven years at 11% to reach almost 26 million tonnes and manmade fibre increasing 4% to nearly 72 million tonnes. Other natural fibres hardly changes at 6 million tonnes.

The world market has also arrived at 103 million tonnes when taking into account the cotton consumption that continued its growth in the second consecutive year by almost 4%. The new all-time high was result of acceleration in demand after slow growth rates in four consecutive years.

Manmade fibres now occupy 69% of the global market. While synthetic fibres gained momentum at 4% cellulosic fibres decelerated somewhat to 3%.

Yarns, Nonwovens and Unspun End-Uses

The global yarn market has expanded 4% to 86 million tonnes thanks to a more dynamic growth of filaments like in the entire quota-free period. The share of spun yarns continued to soften to 46% although manufacturing rebounded after two years of decline because of enlarged cotton supply and more market-oriented cotton prices in PR China.

World production of nonwovens and unspun end-uses has increased 6%

to 17 million tonnes which means slowing growth rate in the third year in a row. Above-average expansion has been observed for spunbond and wetlaid nonwovens.

Manmade Fibres

The above mentioned production volume can be divided into fast moving filaments, upto 5% to 47 million tonnes, and slowly advancing staple fibres that grew 2% to 25 million tonnes.

All filament types other than polyamide carpet yarn were able to lift volumes with nylon textile yarn even outperforming polyester in terms of relative growth. Nevertheless the nylon 66 supply chain came under pressure due to raw material shortage which forced companies to either stop polymer and fibre production or ship to nylon 6.

Manmade staple fibers witnessed slower growth than natural fibres in the second consecutive year which is rather unusual. Otherwise well-known trends continued with cellulose expanding faster than the large-scale polyester in the ninth year in a row, acrylic fibres decreasing in the sixth consecutive year and minor movements of nylon and polypropylene.

Textile and Clothing Trade

The joint textile and apparel exports of the ten suppliers in 2017 rose 2.9% to USD 519 billion including European Union as region with its extra-EU trade. Vietnam succeeded to grow at double-digit while Korean exports stagnated and deliveries from Hong Kong decreased.

The most spectacular surge of 42% considerably lower value, however, has been noticed for Myanmar, expanding its exports in the eighth year in a row to a new all-time high but minimum wages lifted 33% from March 2018 will exert pressure on apparel exports. Surprisingly, Russian exports soared by a quarter to a new century's high thanks to dynamic garment shipments to mainly Kazakhstan, Belarus and Ukraine.

The ten largest importers also raised their foreign sourcing by 2.9% to USD382 billion. Similarly, flows into Vietnam grew at double-digit rate and fell into Hong Kong. Surging imports by 21% into Brazil reflect the country's recovery from its worst recession ever.

A specific view into 28-nation European Union reveals expanded trade flows within the region and beyond. Most active countries with exports beyond the region are Italy, Germany and Spain with a joint 60% share and lifting their shipments 12% to USD 32 billion. The three largest importers from outside this area are Germany, United Kingdom and Spain that increased sourcing by 3% to USD 60 billion. Total extra-EU imports advanced 4% to USD 127 billion of which 60% had its origin in PR China, Bangladesh and Turkey. Myanmar was able to raise apparel exports in Euro terms more than 60% in fourth consecutive year.

Source: The Fibre Year 2018

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



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"/>
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	<input type="checkbox"/>	Generating additional business	<input type="checkbox"/>
Others (Pls. Specify):	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"/>
Others (Pls. Specify):	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"/>
---------------------------------------------------------------------------	-----	--------------------------	----	--------------------------

6) Do you have any other suggestions to offer regarding TEXPROCIL Member Services? (use additional sheet if required)	Suggestions:			
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*Kindly ignore this feedback form, if you have already responded.

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TRADE NOTIFICATION

TEXPROCIL MEMBERSHIP ANNUAL RENEWAL SUBSCRIPTION

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

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

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

For New Registration Fee Structure is as follows:-

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

Note for Members:

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

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

RTEs are not required to submit the CA certificate.

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

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

TO WHOMSOEVER IT MAY CONCERN

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

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

(Stamp & Signature of Chartered Accountant)

(Membership No. of Chartered Accountant)

(Firm Registration No. of Chartered Accountant)

PLACE:

DATE:

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

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

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

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