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INSIDE THIS ISSUE

Page 1 - 2 : CHAIRMAN'S MESSAGE

COVER STORY

Page 3 - 4 : Megatrends in Textiles & Apparel Industry

PRESS RELEASE

Page 4: TEXPROCIL urges govt. to implement criteria of annual turnover for classifying MSMEs

SPECIAL FEATURE

Page 5 - 6 : Utility to Novelty: Textile Waste Management

TRADE NOTIFICATION

Page 7: Membership Satisfaction Survey Page 8: Membership Subscription Renewal

Cover Story: Megatrends in Textile & Apparel Industry



Export Promotion Council Officials with H.E. Mr. Sanjay Kumar Verma, Ambassador of India to Japan (4th from left), at the TEXPROCIL Stall in the 5th India Trend Fair 2019 at Japan, Tokyo on 24th July 2019.

CHAIRMAN'S MESSAGE



Dear Friends,

As we enter the second half of the current calendar year and step into the third decade of this

millennium, we are confronted with unprecedented situations which are affecting world trade at large and our exports in particular. The waxing and waning trade and tariff conflict between USA & China is adding to the uncertainties as do the crisis of "BREXIT", tense stand-off in the Middle East and the spectre of rising oil prices.

At the same time there is considerable worry regarding the future of WTO as some countries find greater virtues in bilateral arrangements rather than evolving a multilateral consensus. The dispute resolution process which was one of the pillars of the WTO system is also losing it's traction.

Against this background, while India is reporting a reasonable economic growth as compared to China, the growth in exports have not been up to the mark.

As per the quick estimates released by Ministry of Commerce, exports of Cotton Textiles (Yarn, Fabrics, Madeups) under the purview of the Council during the period April – June 2019 have shown a decline of (-) 10.7% reaching a level of USD 2.5 billion over the previous year with exports of USD 2.8 billion during the period April – June 2018.

Overall the export of Textiles & Clothing have also declined by (-) 2.8% during the period April – June 2019. Garment exports have recorded a positive growth of 3.1% in the period April -June 2019 (however, exports during the month of June have shown a decline), while textile exports during this period have declined by (-) 7.6%.

Government Meetings on Export Schemes

In order to address the slowdown in exports, the Ministry of Textiles organised an Inter-Ministerial Committee (IMC) meeting on July 17, 2019 in New Delhi under the chairmanship of the Secretary, Ministry of Textiles. The meeting also discussed the need to extend the RoSCTL Scheme to the Fabrics and Handicrafts Sector.

During the meeting, the Council proposed to include Cotton fabrics and Cotton yarn under the RoSCTL Scheme. TEXPROCIL made a presentation which covered the embedded taxes on Cotton fabrics and Cotton yarn in addition to tax incidence on inputs such as electricity and diesel which are not covered under the GST. The Council also proposed that Quilt products (falling under chapter 94), Shopping bags of Cotton (falling under chapter 42) and some specific technical textile products should also be covered under the RoSCTL Scheme.

CHAIRMAN'S MESSAGE

CONTINUED FROM PAGE 1

The Council will be submitting detailed proposals for all these products to the Ministry of Textiles, DGFT and the Department of Revenue very shortly. We hope that the Government will accept the Council's proposals and include all these products under the RoSCTL Scheme.

Many questions were raised in the meeting and there was great worry that inspite incentives being given backed by huge budgetary support. exports as well as employment the Textile and Clothing Sector have remained sluggish. Perhaps deeper structural issues are at play and we all must try to understand the various aspects including deep reflection on the changing profile of our industry in the light of automation, technological developments and changing consumer preferences apart from the possibilities of likely phase out of incentives.

Friends, it looks as if all of us will have to adjust to the prevailing international trading regime and perhaps strategize our way to remain competitive as some of the issues like tariff preferences, escalations, and changes in taxation policies are here to stay as part of the overall policy architecture.

Stake Holders meeting on RCEP

The Council also participated in a meeting to discuss RCEP negotiations held in Mumbai on June 22, 2019 under the chairmanship of the Hon'ble

Commerce and Industry Minister, Shri Piyush Goyal. The Council proposed to keep Cotton fabrics, Yarn and some of the Madeups articles in the exclusion list. The Council also proposed for the reduction of duties on Indian Cotton fabrics and Yarn by China.

It may be recalled that during March 2019, the 16 member nations of Regional Comprehensive Economic Partnership (RCEP) group including India and China had agreed to intensify the ongoing negotiations for a proposed 'mega trade agreement' to resolve all issues and conclude the talks this year.

On behalf of its members, the Council continued to proactively interact at various levels of the Government department representing the suggestions made by our member companies. We sincerely hope that the suggestions made by us will meet favourable consideration from the Government.

Towards achieving export growth

In today's competitive landscape, an export strategy assumes greater significance, given a rapidly changing global trade landscape, shifting of global value chains and new free trade agreements, including mega trade agreements. Therefore, a targeted export strategy that identifies and boosts the right products to the right markets is imperative for achieving double-digit export growth.

On its part the Government has been expressing it's concerns by regularly organising Stake Holder consultations. These consultations have yielded some noteworthy suggestions for a comprehensive export strategy which includes mapping products and markets with a twin approach of expanding domestic production and undertaking targeted promotion in top importing nations to build exports in these items.

To encourage domestic manufacturing, calls have also been made for strengthening industrial clusters with related infrastructure and port connectivity support.

Adopting an integrated valuechain approach for establishing global linkages would require interventions at many levels. The present Foreign Trade Policy (2015-2020), which will end in March, 2020 paves the way for a new five-year Foreign Trade Policy (2020-25) to be released in September 2019. We repose our faith in the emergence of a new strategic framework which will help all of us achieve the much desired growth for the Indian textile and clothing sector as we approach the end of the second decade of the present millennium.

Dr. K. V. Srinivasan Chairman

:: TEXPROCIL ::



JOIN US... NOW!
& avail of our Membership Benefits
To know more, please write to us on email:
info@texprocil.org

COVER STORY

Megatrends in Textile & Apparel Industry



Modern textile landscape, is an outcome of the several disruptive changes that have evolved the industry to its current form including changes in consumption patterns, sourcing and manufacturing trends, technology changes, and overall market demand-supply dynamics.

A look at the various components of the textile & apparel value chain - fibre, manufacturing, technology, consumption, and sustainability reveals some of the major trends that will impact the industry in the future and will have a far reaching impact on the business strategies of textile & apparel companies globally.

A recent analysis by 'Wazir Advisors' summarizes five major trends that will influence the future textile industry and are expected to mark the big shift in the textile industry, viz. Fibre Shift, Manufacturing Shift, Technology Shift, Consumption Shift, and Environmental Shift.



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Fibre Shift - It is discerned that despite advantages like lightness, softness, and breathability of Cotton, consumption and use of the fibre is unable to match the demand to meet the per capita fibre consumption for apparel use which is seen growing at a CAGR of 4.4% between 1960 & 2018. Cotton production could only grow by 2.0% during the same period, due to various limitations including availability of land area for cotton cultivation for future use. Therefore, it is suggested develop proficiencies in Polyester fibre to meet the demand for fibre consumption.

Manufacturing Shift - Textile & apparel manufacturing has always been associated with low-cost manufacturing leading to shift in manufacturing from high-cost destinations as USA, European countries (incl. Italy, Germany, Belgium, France, and UK), Turkey, Japan, and South Korea to low-cost destinations such as China, India, Bangladesh and Vietnam. Almost doubling in the last two decades to reach 790 billion in 2018 (E), and with expectations of a similar growth (CAGR 3.5%) over the next decade, the textile & apparel global trade is estimated to reach USD 1,200

billion by 2030. While global trade will continue to grow, the shift in manufacturing will be driven by other parameters besides cost. Factors like competitiveness and closeness to markets will also influence the shift in the manufacturing bases in the future.

Technology Shift The industry is going through another paradigm shift in technology, popularly referred to as the "Fourth Industrial Revolution" or "Industry 4.0". It is a transformation that makes it possible to gather and analyze data across machines; enabling faster, more flexible and more efficient processes to produce quality goods at reduced costs. The textile & apparel manufacturing industry is also expected to be impacted by Industry 4.0 and companies will have to adapt to this to survive and grow in the future.

Consumption Shift - Today, the global fashion market has attained a value of US\$ 1.9 trillion and is expected to grow at 4% to reach a value of US\$ 3 trillion by 2030. This surge in the fashion market is owed to the ever-evolving consumer desires and the increased expenditure on clothing. The fast fashion trend has been reshaping the

COVER STORY

Megatrends in Textile & Apparel Industry

fashion industry by catering to the consumers' needs of trendy clothes for a lower price. The market for fast fashion has been growing significantly by 21% over the past three years, and is expected to continue this growth momentum. The fashion industry is witnessing a constant stream of innovation, with a myriad of technologies creating new experiences for consumers. The future structural shifts that will govern fashion consumption will be based on: Influx of technology in fashion, and developments in material science.

Environmental Shift - Textile & apparel is one of the largest manufacturing industries in the world, but it is also a major polluter of the environment. Sustainability is the solution to maintain harmony between increasing global demand and decreasing natural resources. To achieve it, a combined effort from every value chain member starting from fibre production to manufacturing to consumption will be required. In the coming years, sustainability will be driven by the following three moves: (1.) Achieving Manufacturing Excellence; (2.) Adherence to Compliances; and (3.) Changing Consumption Habits.

Implication of these shifts on future Textile & Apparel strategies

Fibre shift requires companies to align their product mix to incorporate polyester-based products in their basket along with the cotton fibre based to match with global demand. They also need to develop the required product expertise, technical know-how and build capabilities to produce high-quality synthetic textiles.

Manufacturing Shift can be addressed by focusing on achieving excellence in manufacturing and service in order to compete in the global market. Countries need to develop a key competitive advantage to attract manufacturing in the future, besides cost.

In terms of Technology Shift, adopting new technology like industry 4.0 in their operations will be required in order to achieve manufacturing and service excellence. This also calls for realigning existing set up with a view to incorporate new technology.

To meet the Consumption Shift, companies need to adapt to flexible manufacturing to cater to the growing online market. The strategy will be to remain focused on innovation and development of new product categories that will change consumers' buying patterns.

Environmental Shift will require the companies to incorporate sustainable practices in their operations. This will further require aligning products and services to reflect in changing consumption patterns due to sustainability.

Source: (Released with permissions from www.wazir.in)

:: TEXPROCIL::

PRESS RELEASE

TEXPROCIL urges govt to implement criteria of annual turnover for classifying MSMEs



The Cotton Textiles Export Promotion Council (TEXPROCIL) has urged the Government to implement the criteria of annual turnover for classifying Micro, Small and Medium Enterprises (MSMEs).

Hailing the Union Budget 2019-20, TEXPROCIL Chairman Dr K V. Srinivasan urged the Government to

implement this criteria of annual turnover as this will encourage ease of doing business.

The Government had earlier approved the change in criteria for classifying MSMEs from 'Investment in Plant & machinery to annual turnover.

He said, "The Union Budget for 2019-20 announced by the Union Finance Minister Nirmala Sitharaman is growth oriented and in line with the aspirations of modern India."

The budget has emphasized on the development of inland

waterways for cargo movement which will certainly bring down the cost of transport especially for bulk products like raw cotton, according to the Chairman, TEXPROCIL.

As per the Budget, the Central Government will work with the State Governments to remove barriers like cross subsidy surcharges, duties on open access sales and captive generation for industrial and other bulk power consumers.

Further, a package of power sector tariff and structural reforms would soon be announced. Dr. Srinivasan said these are welcome steps as it will lead to reduction in power costs for the exporters

NBFCs have been assured of all kinds of Government support which according to the Chairman, TEXPROCIL is a step in the right direction.

He said this will help the exporters to access alternate sources of export finance at lower cost.

:: TEXPROCIL::

SPECIAL FEATURE

Utility to Novelty - Textile Waste Management



Biocomposite furniture set designed by Bernardita Marambio, a Chilean designer. The chairs and table are made with Demodé®, a new material that utilizes what would otherwise be wasted textiles from factories in Santiago, Chile, for use by consumers. The particle board is made with 100% biodegradable starch-based bioresin, which gives structural strength and is eco-friendly.

A rise in global population and improvements in living standards have resulted in an increase in textile demands as a natural outcome of basic needs on the ones side and on the other side have also resulted in increase in textile production and over consumption as a consequence of fast fashion trends.

A World Bank study has predicted a 70% global increase in solid waste by 2025, which means that the expected waste volume will rise from today's 1.3 billion tonnes to 2.2 billion tonnes per year.

Solid waste dumping as a result of insufficient collection and thoughtless disposal leads to land and air pollution and creates risks to human health and the environment. Thus, the management of textile waste has gained importance, especially in developing nations as they risk wasting a lot of their developmental revenues on waste management.

A review of the various risks concerning textile waste and strategies for waste management, brings us to three main aspects: (i) Types of textile waste, (ii) Strategies for waste management, and (iii) Utility of textile waste as novelty.

(i) Types of textile waste

Since evolution, textiles have been fundamentally used to protect the body from cold, heat, and light, and to preserve modesty. However over years they have become a reflection of personality, wealth, or interest in fashion. Going further, in modern times by the virtue of technological improvements, textiles have found utility in a wide range of applications rather than only for fabrication of garments.

Across the entire textile value chain, from the sourcing of raw materials to textile production, garment manufacturing, and distribution to retail stores, the sector is found to generate huge amounts of waste, which occupy large proportions in the solid waste category.

Textile waste can mainly be categorized into three groups: production waste, pre-consumer waste, and post-consumer waste.

Production Waste: It is composed of fibers, yarns, fabric scraps, and apparel cuttings generated by fiber producers, textile mills, and fabric and apparel manufacturers.

There are three ways to dispose of production waste: (i) it can enter the solid waste stream and end up in landfills or waste incinerators; (ii) it can be converted into energy to power the manufacturing process; or (iii) it can be sold to a textile waste recycler, who may process it into fibers that can be made into new recycled fabrics, apparel, or non-apparel items.

Pre-consumer Waste: It consists of products that are manufactured with design mistakes, fabric faults, or the wrong colours being produced for sale and consumption.

Pre-consumer waste can be mainly disposed of in four ways: (i) it can be sent directly to the companies' own outlets; (ii) it can be sold to other outlets, jobbers, or consolidators, who in turn resell the merchandise to other outlet stores; (iii) it can be sent directly to non-profit organizations if retailers neither have their own clearance centers nor sell this waste to jobbers; or (iv) it can be sent directly to landfill by retailers. However, this last option is the least used one, since most preconsumer waste still has some resale value.

Post-consumer Waste – It consists of any types of garments or household articles made from fabricated textiles that the owner no longer needs and decides to discard. Consumers may discard these articles when they are worn out, damaged, outgrown, or out of fashion. The volume of postconsumer waste is very large and is comparable with the rate of fiber consumption. Although a part of this post-consumer waste is given to charities or passed on to friends and family members, most of it is deposited into the trash and ends up in municipal landfills.

Fast Fashion Trends – The apparel industry is currently dominated by fast fashion, resulting in over consumption, where consumers buy more than they

SPECIAL FEATURE

Utility to Novelty - Textile Waste Management

need. Therefore, beyond consumer need, the desire for fashionable goods contributes to consumption in greater volumes. Although 35% of the initial input is lost before the product reaches the consumer, the main risk pertains to postproduction waste when a 2-year lifetime for clothing is taken into consideration as a consequence of fast fashion trends.

Slow Fashion Trends – In recent years, the existence of fast fashion has encouraged the growth of the slow fashion movement. Rather than focusing on time, the slow fashion movement is based on a philosophy of awareness of designers', buyers', retailers', and consumers' respective needs and the impacts of fashion on workers, consumers, and ecosystems.

(ii) Textile Waste Management

The management of municipal solid waste has reached a critical phase, owing to the lack of suitable facilities to treat and dispose of huge amounts of the waste generated in metropolitan cities. Most countries are trying to decrease the amount of disposal in landfills and increase the amount of recycling.

In the waste hierarchy, prevention constitutes the first stage; reuse, recycling, production of energy from waste, and landfilling come after it. The purpose of the circular economy is to extend the life of materials and pro-mote recycling to maximize material service per resource input while reducing environmental impacts and resource usage.

The idea of recycling textile materials arose during the Industrial Revolution in the UK in the 1700s and 1800s. The importance of reusing or recycling textile waste becomes more prominent when it is considered that for the production of one T-shirt and one pair of cotton jeans, 2720 litres and 10,850 litres of water, respectively, are needed. However, it has been seen that recycling of textile products falls behind recycling of other materials. While 15–20% of textile materials are recycled, 80% of steel, 65% of paper, and 30% of plastics are recycled.

Furthermore, the circular economy promotes collection of products and their recovery in the same product chain. The 3R (reduce, reuse, and recycle) approach to waste management has been established internationally as one of the fundamental concepts of the circular economy for a sustainable society.

(iii) Utility to Novelty

Since waste generation is not adequately controlled, utilization of this waste is gaining importance; thus, both designers and engineers are studying ways of making new products from this waste. This includes engineering solutions for textile waste referring to alternative technical usage like insulation material, concrete & laminates reinforcing material, bonding/colour fastening material in textile printing, etc.

Similarly designers' work, including developing novel and value-added products/items (cushion covers, table mats, holders and folders, hand-bags, wallets, yokes, collars, earrings, and necklaces) created using different upcycling techniques, and the designers take responsibility for creating public awareness of this issue.

Conclusion

An analysis of textile value chain reveals the generation of a lot of waste goods along the supply chain, and the labor input are also wasted. Furthermore, money is wasted. Therefore, besides energy recovery from textile waste, recycling and reuse of this waste should be encouraged in order to decrease the environmental impacts and energy consumption, for a more liveable world. On the other hand, the first priority for management should be the prevention option, which should be assisted by creating environmental awareness to minimize the amount of solid waste going to landfills.

Going forward, there is a need to create awareness not only among those who produce, distribute, and sell these items, but also among consumers, who buy them, use them and further take a decision how to better manage their disposal.

:: TEXPROCIL ::



Avail of more detailed information on **EXIM POLICY**

at TEXPROCIL GREIVANCE REDRESSAL CELL email: ravikumar@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 Trade Rate Trade Rate Trade Services Rate Trade Rate Here Development Here Promotion Here Here Here Intelligence Here						
Procedure for New E-Newsletter Events Certificate of Origin Website Website	Ī					
Membership Renewal E-serve Seminars & Grievance Redressal Services Clippings						
RCMC Circulation MDA/MAI Information on Exim policy/ Award Amendment Amendment Amendment Amendment Amendment Amendment Amendment DBK						
2) a. Are you generally satisfied with the services actively availed by your company and marked above? Tick (✓)						
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 Markets business						
Others (Pls. Specify): Making new Contacts (Trade Enquiries) Any Others	<u>]</u>					
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 (✓)						
6) Do you have any other suggestions to offer regarding TEXPROCIL Member Services? (use additional sheet if required) *Kindly ignore this feedback form, if you have already responded.						

TRADE NOTIFICATION

TEXPROCIL MEMBERSHIP ANNUAL RENEWAL SUBSCRIPTION

The Annual Renewal Subscription for the financial year 2019-2020 for existing members has become due for payment from 1st April, 2019, 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.

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 2017-2018 & 2018-2019 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 / Readymad	e Garments and Silks, etc.) during the financial year 2017-2018 & 2018-2019 as follows:

Sr. No.	Description	2018-2019 (Rs. FOB Value)	2017-2018 (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 31.03.2019:

Please apply immediately for renewal of RCMC with the following documents (self-attested copies) on mail or upload them online through member login from TEXPROCIL's website:

- [1] Copy of Importer-Exporter Code (IEC) of the company
- [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 DIR-12 or Board Resolution for those who have resigned and newly appointed.

Members may obtain RCMC & Renewal documents online through member login on TEXPROCIL's website. The procedure is as follows:

- Go to the Membership Login Menu and click on 'Enter Now' at Membership Management Program
- Since you are already registered member of the Council, you need to choose Registered Member at Member login page between New Member and Registered Member.
- Once you click on Registered Member, you should type your email id registered with the Council for the login purpose as User Name and type company's Importer Exporter Code (IEC) code as password.
- You can view all the details of your company and can get RCMC, renewal documents etc. by clicking on 'Company Details'.
- · You can also upload your export returns online.

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