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Indian Cottons, Global Reach!

TEXPROCIL Enewsletter

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



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HMOT represents India at World Cotton Day Celebrations at WTO in Geneva



Hon'ble Minister of Textiles, Smt. Smriti Zubin Irani along with 'Team India' comprised of officials from Indian mission in Geneva, and representatives of CCI, TEXPROCIL, and HEPC on the occasion of the 'World Cotton Day' Celebrations at the WTO Secretariat in Geneva.

CHAIRMAN'S MESSAGE



Dear Friends,

With festivities round the corner, usually it is the time when things pick up, even if demand has been lacklustre for the rest of the year. However, recent reports have suggested that for almost every component of the textile industry — manufacturing, processing or trading — orders from within and outside the country have been tepid owing to the overall market slowdown.

Trade Disruptions

Friends, as we are all aware, in the entire textile value chain, the spinning sector provides the foundation for India's textile industry. However, the cotton yarn segment has seen a sharp decline in exports over the last few months. The disruptions owing to the US-China trade war have led to the global decline in demand and collapse in prices.

Reportedly, there is pressure of at least one month of unsold inventory across the spinning sector. The critical situation has pushed a large number of small and medium yarn producing units on the brink of closure. The government, therefore, needs to step in urgently to resolve the issues confronting the spinning sector.

Joint Representations

With a view to highlight the plight of the textile industry, a meeting of all stakeholders with participation of the representatives of various Textile Associations and EPCs including CITI, TEXPROCIL, SRTEPC, PDEXCIL, AEPC etc. was held under the banner of the National Committee on Textiles and Clothing (NCTC) on 28th September, 2019 at TEXPROCIL H.O. in Mumbai. The meeting aimed at identifying common issues across the value chain and worked towards preparing a comprehensive common agenda in order to enable submission

of a joint memorandum to the Government on certain short-term and long term policy measures aimed at reviving the textiles sector from the unprecedented crisis which it is facing today.

The short term policy measures include easing the acute liquidity problems being faced by the Textiles and Clothing industry by requesting the Government to consider the immediate refund of dues, viz. export related refunds; consider extending a moratorium period of two years for the repayment of principal loan amount of total borrowings without any cap for the textiles and clothing units to avoid becoming NPAs and stressed assets.

Other short term measures include reduction of the margin money for working capital from 25% to 10% and the Debt Equity Ratio norm from 1:1.33 for the entire textiles and clothing industry. Also to consider extension of the benefit of enhanced MEIS & RoSTCL till RoDTEP comes into force and

## CHAIRMAN'S MESSAGE

CONTINUED FROM PAGE 1

extend the remission of duties and taxes under the proposed RoDTEP scheme for the entire textile value chain viz. all fibres, yarns, fabrics, made-ups, garments, and all types of Technical Textiles. Further, extend 5% Interest Subvention for all textiles and clothing export products including all types of spun yarns. Any policy should have a tenure of 3 to 5 years and enable ease of doing business to facilitate the industry to achieve a sustained growth rate.

As regard the long term policy measures, it was decided to undertake a study by leading consultancy firm after finalising the terms of reference. Once the Report is ready in the shortest possible time, say around four weeks, it will be discussed by all the stakeholders for submission to the Government.

### Yarn Expo & ITSAF 2019

India is the 2nd largest supplier of cotton yarn to China with a market share of around 18% in the year 2019. However, it has a negligible share especially in fabrics, madeups & garments imported by China from various countries, thereby indicating large scope to increase exports with a suitable marketing strategy.

In order to explore the opportunities to supply Yarn and Fabrics and as part of the export promotion activity, the Council participated in the 'Yarn Expo' & 'Intertextile Shanghai Apparel Fabrics' being held from 25 to 27 September, 2019 at Shanghai, China. The India pavilion organised by the Council saw presence of 66 Indian companies participating through TEXPROCIL. The trade enquiries received at the Council's

information booth are being circulated to all members.

### World Cotton Day

At the initiative of the Cotton-4 (Benin, Burkina Faso, Chad and Mali), the WTO hosted the launch of 'World Cotton Day' on 7 October 2019 at Geneva. At the instance of Ministry of Textiles, Government of India, TEXPROCIL along with Cotton Corporation of India and HEPC organised an exhibition of value added textiles made from Indian cotton. Hon'ble Minister of Textiles, Smt. Smriti Zubin Irani inaugurated the exhibition and also delivered a key note address at the high-level plenary session organised to launch the 'World Cotton Day' on October 7th, 2019.

On the occasion, to commemorate Mahatma Gandhi's 150 year anniversary celebrations, the Government of India also gifted to the WTO the 'Charkha' which is a symbol of Gandhiji's focus on self-determination and self-reliance.

The Indian side also participated in the Thematic sessions covering various developmental aspects of trade, value addition, sustainability, technology and innovation and market outlook pertaining to cotton and cotton by-products. The event provided an opportunity to showcase India's strength in the Cotton Sector and consolidate support for the country's cotton's development initiatives.

### Trade Facilitation

TEXPROCIL was invited at the 'Vibrant Terry Towel 2019', Global Expo and Summit held in Solapur, Maharashtra during 25-27,

September 2019. The organizers provided an information booth to the Council where our representative explained various aspects of the trade promotion and policy to the exporters in that region and invited them to be a member at the Council.

The response has been very encouraging and we hope to undertake many more such meets in major textile clusters in order to build awareness amongst our members about the Council's activities and enrol new membership.

### Way forward

Friends, the Council is well aware of the various issues faced by our industry owing to various unprecedented challenges including US-China trade war, production cut, piling up of stock, etc. In order to ease the acute liquidity problems being faced by our industry we continue to sensitize the Government to consider immediate refund of export related refunds including Duty Drawback, MEIS, RoSL/RoSTCL, GST Refunds, TUFS Subsidy, etc. Further, with expectations that the world markets will start to look up with the onset of buying season, we also continue to undertake marketing efforts by organising group participation in upcoming events at Cairo, Iran, Sri Lanka, Vietnam, during the calendar year. We, earnestly look forward to receiving your active participation and whole hearted support in all our endeavors.

**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

TEXPROCIL @WORLD COTTON DAY,  
at WTO, Geneva

World Cotton Day @ WTO, Geneva



At the initiative of the four of the cotton growing countries in Africa, known as C-4 (Benin, Burkina Faso, Chad and Mali), the WTO has hosted the launch of World Cotton Day on 7 October 2019.

The WTO Secretariat organized the event in collaboration with the Secretariats of the United Nations Food and Agriculture Organization (FAO), the United Nations Conference on Trade and Development (UNCTAD), the International Trade Centre (ITC) and the International Cotton Advisory Committee (ICAC).

This event stems from the C-4's official application for the recognition of a World Cotton Day by the United Nations General Assembly, reflecting the importance of cotton as a global commodity.



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**Objectives**

- Give exposure and recognition to cotton and all its stakeholders in production, transformation and trade.
- Engage donors and beneficiaries and strengthen development assistance for cotton.
- Seek new collaborations with the private sector and investors for the cotton-related industries and production in developing countries.
- Promote technological advances, as well as further research and development on cotton.

**Launch of World Cotton Day**

A high-level plenary session took place on 7th October 2019, with heads of state, heads of international organizations and executives from the private sector.

**The Partners' Conference**

Development partners from cotton growing countries around the world met to discuss and consolidate support for projects on cotton by-products and for other development initiatives.

Ms. Smriti Irani, HMoT represented India at the plenary session and addressed the participants from around the world. She has explained initiatives by the Indian government in helping African cotton farmers in enhancing their production. She also highlighted the friendly investment climate and reduction in tax structure for new investment in India.

Thematic sessions were also organized by partner organizations, with the participation of academics, private sector representatives, NGOs and national cotton associations to exchange views on selected topics.

## COVER STORY

## TEXPROCIL @WORLD COTTON DAY, at WTO, Geneva



Hon'ble Minister of Textiles, Smt. Smriti Zubin Irani delivered a key note address at the high-level plenary session organised to launch the 'World Cotton Day' on October 7th, 2019. Also to commemorate Mahatma Gandhi's 150 year anniversary celebrations, the Government of India gifted to the WTO the 'Charkha' which is a symbol of Gandhi's focus on self-determination and self-reliance.

The thematic sessions covered important subjects, such as- Trade, Value addition, Sustainability, Technology and innovation, Market outlook.

### Cotton exhibition and booths

Cotton and cotton products exhibition was showcased by India, USA and jointly by C-4 countries, displaying best of the products produced in respective countries.

On behalf of India, a combined exhibition area was organised by the Ministry of Textiles, Govt. of India, displaying custom woven sarees of unique designs, fabrics made of SUVIN cotton, Organic Cotton, DCH

32 and Shankar 6 cotton varieties; high quality terry towels with high moisture absorption and quick drying characteristics ; Cotton floor coverings etc.

TEXPROCIL organised samples of the best quality Cotton Textiles for display on the occasion of World Cotton Day.

The World Cotton Day launch event was an opportunity for the private sector and the international development community to share knowledge and showcase cotton-related activities and products.

**:: TEXPROCIL::**

## NEWS IN PICTURES

### National Committee on Textiles and Clothing (NCTC) meetings in New Delhi on 4th October, 2019



National Committee on Textiles and Clothing (NCTC) in a meeting with Hon'ble Minister of Textiles, Smt. Smriti Zubin Irani in New Delhi.



National Committee on Textiles and Clothing (NCTC) in a meeting with Shri Ravi Capoor, Secretary, Ministry of Textiles in New Delhi.

## TRADE PROMOTION

## Report on TEXPROCIL participation at Yarn Expo & Intertextile Fairs, Shanghai



(Pic. Left) TEXPROCIL at Intertextile Opening Ceremony. (Pic. Right) Seen interacting with Indian participants are Shri Anil Kumar Rai, Hon'ble Consul General of India in China (2nd from Right), and Shri Sanjay Sharan, Joint Secretary, Ministry of Textiles (extreme left) along with Dr. K V Srinivasan, Chairman, TEXPROCIL (2nd from left) & Dr. Siddhartha Rajagopal, Executive Director, TEXPROCIL (3rd from left) at the Yarn Expo & Intertextile Fairs.

Yarn Expo & InterTextile Fairs are co-located events happening in Shanghai, China twice a year, every March & September. InterTextile, Shanghai is the largest trade Fair in the world for Fabric trade, attracting importers from all over the world.

September 2019 edition of the Fair is the 25th year anniversary of InterTextile, Shanghai. Over 4,400 exhibitors from 28 countries exhibited at this edition of the Fair. It is reported that over 18,000 trade visitors visited during the Fair dates, from 25 to 27 September 2019.

### Inaugural Session

During the inaugural ceremony on 25th Sep (1st day of the Fair), awards were distributed to recognise support extended by regular exhibitors and country pavilion organisers. Continuous support extended by TEXPROCIL in organising India pavilion at InterTextile and Yarn Expo, was well recognised by giving an 'Overseas supporting organisation award'.

### Yarn Expo:

50 Indian exhibitors participated at this edition of Yarn Expo, at India Pavilion organised by TEXPROCIL. Even though India pavilion attracted a large number of importers from China and Overseas looking for counts from 10s to 50s Open End as well as Ring Spun yarn for knitting and weaving. There is an increasing demand for value added yarns.

Response from the visitors was encouraging as on the spot orders are being booked. However, there is

a pressure on prices mainly due to tariff on Indian yarn and higher prices of Indian yarn than landed, duty paid prices of yarn from Pakistan and Vietnam.

As the raw cotton prices in India is higher than international prices, there is a tremendous pressure on Indian exporters of Cotton Yarn. India can regain its losing market share in China

### InterTextile Fair, Shanghai

There were 15 participants from India in the fabrics & accessories section. Many of the exporters were targeting international customers & not only Chinese customers.

The InterTextile Fair for Apparel Fabrics completed 25 years of its existence this year & has replaced almost all the European Fairs in terms of popularity & providing a platform for traders in these items.

### Panel Discussion

On the first day, alongside the Fair, a panel discussion was held on "Present market scenario and opportunities for other textile and apparel suppliers in view of present trade friction between China & the USA".

The discussions saw Heads of the Trade Associations & Council from major textile producing countries, including India, UK, Vietnam, Philippines, Indonesia, Hong Kong, Korea and Taiwan participate and discuss the opportunities and possibilities of cooperation in view of on-going trade friction between the USA and China.

## TRADE PROMOTION

## Report on TEXPROCIL participation at Yarn Expo & InterTextile Fairs, Shanghai



Officials visit the TEXPROCIL set up information booth during Yarn Expo & Intertextile Fairs, Shanghai



Officials visit the India Pavilion set up by TEXPROCIL during Yarn Expo & Intertextile Fairs, Shanghai

### Visit of Govt officials

Mr. Sanjay Sharan, Joint Secretary, Ministry of Textiles, Govt. of India was deputed to visit Yarn Expo & InterTextile, Shanghai, Sep 2019 to interact with Indian & overseas exhibitors, study recent developments in the international textile trade, new product development by competing countries and suggest suitable action plan to the trade and Ministry. Indian exhibitors suggested to him that fixing of MSP prices and operational measures should be in such a way that the Indian spinners should get domestic cotton at a prices levels at par or less than international cotton prices.

Mr. Anil Kumar Rai, Consul General of India in Shanghai visited the Fair and interacted with Indian exhibitors and suggested that such participation should be followed by B2B meetings in major textile clusters so as to derive meaningful gain in increasing exports. He also assured that the Indian Consulate will extend all necessary support in organizing such B2B meetings during forthcoming participation.

### Feedback from the Indian Exhibitors

➤ Exporters stated that they are being out priced by Pakistan and Indonesia as they had lower duties than India. While India has an effective duty of 8% under APTA, Pakistan had zero duty in fabrics especially grey loom state fabrics where they had a market share of 85% India has a market share of 2%.

- Some of these key HS lines have been identified by Texprocil & if duties are reduced to 5% if not zero. India can make deep inroads in the export of fabrics to China.
- Export of cotton yarn have shown a sharp decline of – 30% to China during the period Jan-August 2019 compared to previous year. Undergoing discussion with various stakeholders including, manufacturers, traders, merchants & agents suggested that the Indian spinning industry an cotton yarn exporters are losing their competitiveness owing to competition from countries like, Vietnam, Indonesia, which are part of the ASEAN; along with Pakistan and Uzbek.
- Many exporters suggested that the duty differential 3.5 % to 5 % suffered by India against zero tariff on imports of cotton yarn in to China should be neutralised by arriving at an arrangement with China. This would give a tremendous fillip to export of cotton yarn to China, as Chinese imports have shown a marked preference for Indian yarn.
- It has been suggested to organize B2B meetings for the Indian exhibitors at a Textile cluster just after the completion of the Fair in future participation.

:: TEXPROCIL ::



Avail of more detailed information on  
**EXIM POLICY**  
 at TEXPROCIL GREIVANCE REDRESSAL CELL  
 email: [ravikumar@texprocil.org](mailto: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 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? <b>Tick (✓)</b>						<b>YES</b>	<input type="checkbox"/>	<b>NO</b>	<input type="checkbox"/>
b. If you have replied 'no' above, please suggest how the Council can improve the services (use additional sheet if required)						<b>Suggestions:</b>			
3) How is your company benefitting from the Exhibitions / BSMs being organized by the Council? <b>Tick (✓)</b>						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? <b>Tick (✓)</b>						<b>YES</b>	<input type="checkbox"/>	<b>NO</b>	<input type="checkbox"/>
6) Do you have any other suggestions to offer regarding TEXPROCIL Member Services? (use additional sheet if required)						<b>Suggestions:</b>			

\*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 / Readymade 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](mailto:smita@texprocil.org))