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TEXPROCIL Enewsletter



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CHAIRMAN'S MESSAGE



Dear Friends,

The Indian experience in fighting the spread of novel coronavirus disease (COVID-19) has developed a great understanding of the pandemic's profound impact on around a billion people. With various measures in place to contain the spread of the virus, the time has now come to focus on getting the wheels of our economy rolling.

The process so far has not been smooth given the staggered opening and the instinct to "go home" that has gripped the migrant labour force due to the extended lockdown and the ensuing economic hardships. Even the "in-house" labour force wants to return home at the first sign of normalcy, before committing to return to work.

As regards the COVID VIRUS, the challenge before the State & District Authorities is to guard against any community spread and move to flattening the curve, as quickly as possible.

In the case of the Lockdown, a clearly defined roadmap moving swiftly away from the system of "passes and permissions" can help us plan our return to normalcy.

The industry on its part would have to ensure a pandemic resilient manufacturing environment with functional exchange of people and goods. This process will help us to quickly realign ourselves with the global and domestic economies.

Economic Recession?

The novel coronavirus disease is holding the world in a vice-like grip. It is uncertain and hard to predict whether the containment measures will be effective or not. If international borders continue to be closed for too long, the situation will become catastrophic for many countries in the world.

As the RBI Governor pointed out in his statement issued on 22nd May, the global economy is heading inexorably into recession.

Among advanced economies (AEs) that have released GDP readings for Q1: 2020, contractions were in the

range of 3.4 per cent to 14.2 per cent (q-o-q, annualised); for emerging market economies (EMEs), the growth rate ranged between 2.9 per cent and (-) 6.8 per cent (year on year basis).

According to the United Nations Conference on Trade and Development (UNCTAD), the value of global trade contracted by 3.0 per cent in Q1:2020. The volume of world trade can shrink by 13-32 per cent in 2020, as projected by the World Trade Organisation (WTO).

The deteriorating global economic conditions, including foreign and fiscal exchange constraints, have already effected supply chains and consumption of goods and services.

Resuming Supplies

While many of our firms continue their efforts to build resilience into the supply chains, the prevailing trading patterns need to be reviewed. Efforts should be made to accelerate the trading engagements with local, regional distribution channels rather than only the global supply chain networks.

CHAIRMAN'S MESSAGE

CONTINUED FROM PAGE 1

In addition, strategic use of inventory locations should also be planned.

The Government on its part needs to rethink existing bilateral and multilateral treaties and look at strengthening bilateral trade relationships, especially with the countries that are less impacted by the global pandemic.

Support for revival

Considering the scale of the impact on businesses, the economy and trade, the Government has been announcing relief measures which are a mix of credit guarantees, liquidity infusions into Banks and other financial institutions rather than the economy per se.

A package of relief measures for SME'S has also been announced including changes in the definition. Apart from investment, the criteria of turnover has also included in the definition.

Video Conference with Hon'ble Minister of TEXTILES

In order to discuss various matters in terms of providing economic relief to the textile sector, the Council organised a Video Conference with the Hon'ble MINISTER for Textiles Smt SMRITI ZUBIN IRANI on 21st May. The Hon'ble Minister was kind enough to listen to the issues facing the industry like, demand creation, need for additional working capital, liquidity crunch etc.

We requested the Hon'ble Minister to include the entire textile value chain under the ROSCTL/ RODTEP Scheme so that all the taxes are reimbursed to the exporters of Cotton Yarn, Fabrics and Madeups.

A request was also made to include items like, Quilted products covered under HS Code 9404 under the ROSCTL/ RODTEP Scheme as there is huge potential to increase our exports especially when countries like the USA are seriously considering alternative suppliers to China in the post - pandemic scenario.

We also suggested that Cotton Yarn should be included in the Interest equalisation scheme.

Apart from the above issues difficulties faced by exporters in accessing funds as per the RBI's announcements were also brought out during the interaction.

The Hon'ble Minister suggested that the members should bring out the specific issues being faced with the banks so that the Ministry of Textiles can take it up with the Ministry of Finance. Regarding the other issues, Hon'ble Minister agreed to take them up again with the Ministries of Commerce and Finance.

Friends, as we are all aware, the relief measures announced by the Government and the Reserve Bank of India (RBI) on various fronts will take time to percolate to the unit level through the commercial banks and NBFC's. We need to be in close touch with our bankers so that the benefits announced by the RBI are available to us. In case of any recalcitrance on the part of the banks, kindly bring it to the notice of the Council.

TEXPROCIL – The facilitator

In these difficult times, TEXPROCIL firmly stood by all its members by trying to do its best to support the industry. With the Council's Mumbai and Delhi offices staying closed, our officers and staff are relentlessly working from their homes.

Important issues affecting exports of cotton textiles are being taken up through representations being made to the Government almost on a daily basis.

Query Redressal, Clarifications / Advice on Policy matters are being regularly provided to the members. The Council continues to disseminate vital information availing digital means of communication through E-SERVE E-mail notifications, Daily news IBTEX, fortnightly E-NEWSLETTER.

Certificates of Origin are also being

issued online. Members can be rest assured of the Council's continued efforts to provide maximum support and assistance in these turbulent times.

Meanwhile, it is being noticed that many of the members are yet to renew their Membership with Council for the Financial Year 2019-20. We are glad to inform you that the Council has put in place an online system for renewal of Memberships. The last date for renewal of Membership for 2019-20 is June 30, 2020.

At the same time, members are requested to renew their membership for the fiscal year 2020-2021 digitally, at the earliest, for which also the Council has made arrangements.

This will enable the members to avail of un-interrupted benefits under the Foreign Trade Policy 2015-20 which has now been extended till March 31, 2021.

Way forward

Friends, nobody expected that a small VIRUS originating in Wuhan City, capital of the Hubei province in China would cause so much havoc across the world putting lives and livelihoods at stake.

Now that it is upon us and is on the verge of peaking and fading away, albeit not fully, we need to look ahead, pick up the pieces and move on.

Innumerable challenges confront us as we move towards restoration of normalcy but they need to be overcome with forbearance and fortitude.

The path is not easy, as it is strewn as the RBI says with "demand compression and supply disruption".

Yet, we need to make it work... somehow!

Dr. K. V. Srinivasan
Chairman

:: TEXPROCIL ::

COVER STORY

Prospects for Textile Exports
from India into Brazil

Brazil is an important market for Indian textile exporters, with USD 375 million exports of textiles and clothing products to the country in 2019.

India is a major supplier of man-made fabrics, cotton textiles as well as handmade textile materials, knitted fabrics, readymade garments, clothing accessories etc. to Brazil.

This extract of Market Survey report presents an overview of Textiles Market in Brazil, with details of top 20 country's imports into Brazil for a better understanding of existing demand in the market as well as the strength

of local industry. It may be noted that Brazilian textile industry accounts for 2.4% of the global production of textiles and 2.6% of the world production of garments. Brazil is the fifth largest textile industry in the world, with a history that has lasted more than 200 years, in addition to being the fourth largest in garments.

The only South American country to occupy a prominent place in the sector, accounts for 2.4% of the global production of textiles and 2.6% of the world production of garments.

Trends

In a world in which awareness the importance of sustainability is growing, the re-use of waste is an alternative to the waste of natural resources. Recycling is also seen as a major trend.

Among the trends for the sale of products are the better use of e-commerce, which allows the purchase and sale through the internet; the collection of used clothes and their re-use are also on the rise, mainly because the consumption behaviour of society is changing.

Consumption

People are increasingly aware

and attentive to the attitude of the brands they consume. The origin of the manufacture of products, for example, gains more and more importance.

Brazilian Imports of Textile and Manufactured Products

The data on Brazilian Imports of Textile and Manufactured Products by Country sourced from Ministério da Indústria, Comércio Exterior e Serviços compares the imports from top 20 countries during the period Jan-Dec 2018 and Jan-Dec 2019.

As can be seen in the table below, China is the top exporter of textile and manufactured products into Brazil with exports during Jan-Dec 2019 as compared to Jan-Dec 2018 remaining constant.

The data on the top 20 importers of textile and manufactured products into Brazil for the year 2019 over 2018 have recorded a decline for almost all countries except for China, Vietnam, Paraguay, Israel Italy, Colombia, Pakistan and Cambodia remaining in the positive territory. India is the second largest exporter of textile and manufactured products into Brazil.



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(For private circulation only)

COVER STORY**Prospects for Textile Exports
from India into Brazil****TABLE : Brazilian Imports of Textile and Manufactured Products**

	Country	JAN - DEC/2018		JAN - DEC/2019		Variation (%)	
		US\$ FOB	Kg (Net)	US\$ FOB	Kg (Net)	US\$ FOB	Kg (Net)
1	China	2.917.719.403	690.466.055	2.955.080.876	789.245.872	1,28	14,31
2	India	501.206.683	244.821.549	376.162.690	191.862.759	-24,95	-21,63
3	Indonesia	249.652.895	99.731.733	221.508.052	98.392.404	-11,27	-1,34
4	Vietnam	165.808.197	39.708.615	196.007.360	58.739.493	18,21	47,93
5	Paraguay	157.187.663	34.012.502	176.825.038	38.719.560	12,49	13,84
6	Bangladesh	201.854.249	20.670.401	173.248.983	21.666.019	-14,17	4,82
7	U.S	149.969.306	18.640.440	126.835.122	14.547.223	-15,43	-21,96
8	Taiwan	102.410.678	34.250.095	93.695.940	31.954.384	-8,51	-6,70
9	Argentina	89.167.635	27.219.265	89.177.213	24.154.281	0,01	-11,26
10	Turkey	91.768.570	15.948.624	88.269.331	13.943.881	-3,81	-12,57
11	South Korea	91.216.652	33.556.397	83.034.518	32.215.319	-8,97	-4,00
12	Peru	68.471.576	5.027.226	64.410.429	4.269.536	-5,93	-15,07
13	Israel	46.886.319	13.584.898	59.223.125	16.623.204	26,31	22,37
14	Italy	52.193.491	3.178.902	55.592.714	3.091.412	6,51	-2,75
15	Germany	56.823.888	7.503.966	52.129.824	6.693.671	-8,26	-10,80
16	Thailand	62.935.809	25.940.811	51.897.417	19.124.184	-17,54	-26,28
17	Colombia	45.167.733	11.417.882	49.912.171	10.990.857	10,50	-3,74
18	Pakistan	36.354.249	3.872.598	43.214.625	4.283.133	18,87	10,60
19	Cambodia	27.263.046	1.051.471	33.374.480	1.262.691	22,42	20,09
20	Mexico	36.231.090	6.317.026	33.125.522	5.489.529	-8,57	-13,10
	Others	456.583.916	67.371.386	373.917.852	52.335.408	7.894	12.289
	Grand Total	5.606.873.061	1.404.291.842	5.398.450.733	1.440.220.723	-3,72	2,56

Source: MDIC – Ministério da Indústria, Comércio Exterior e Serviços

Conclusion

There's a good potential to Indian companies to export more to Brazil, however, at the moment, the dollar rate is not favourable for Brazilian imports, the trade balance shows the local industry bad situation, and the retail is also suffering the market impact.

Brazil is a cotton producer and exporter; however the Indian cotton shows some price and quality advantages, and is also a potential product to import.

China is growing their business in Brazil, offering more

competitive prices with good quality. They represent 55% of the Brazilian textiles market imports.

The importance of sustainability, the re-use of waste is an alternative to the waste of natural resources. Recycling is seen as a major trend. And the retail major trend is the e-commerce structure.

Garments, Fabrics and Filaments are the most demanded products of the Brazilian textile's imports.

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**SPECIAL
REPORT****Technological Advancements in
Textiles and Apparels**

Digitisation is revolutionizing the new age business arena with advances in data science and technological advancements. In India, however, textile technology is in its nascent stage and is still getting adapted to newer ideas on the 'Game-Changing New Technology'. Also in the context of fashion and trends, India is still way behind in comparison to other countries in spite of enormous manufacturing potential.

The human tendency is to get attracted to what the other people wear and makes it obvious to want to have the same attire in their wardrobe. Yet the Indian minds still continue to bear a rigid attitude towards clothing. The advancement is slow paced albeit the processes, styles, materials, and techniques of past keep recycling in the name of 'heritage' or 'fashion.' In the times to come, it will be interesting to see whether the repeated fashion continues to be presented in a different way or technology will change consumer's perspective of fashion.

The imperative to realise true potential in the sector is not just the level of technology upgradation attained but the advancement of what consumer wears, how apparels are designed, manufactured and marketed to consumers. The need of the hour is to create Indian brands, help them attain their place in the colossal fashion market, and sustain their global presence with the help of technology.

The next big thing

In the new age of technology various softwares are finding service applications to DEVELOP business, SHOWCASE products and FINALIZE transactions across product life cycle.

There are a million possibilities to expect in the textile industry with the inclusion of technology Just In Time (JIT) where after order is placed by a customer on

screen via Augmented Reality the garments would be created and trying a sample would be done for the same. This will provide several options to the customer to pick from multiple prints/colors/embroideries without the garment being manufactured in the first place thus, saving resources for the unsold apparel.

As Omni-channel becomes a new trend to market and sell the product, the new approach such as visual trial rooms will soon be adopted in the retail sector. The discovery of big data will be utilized to analyze and monitor customer purchasing habits, tracking customer's location, and an intimation SMS would be dropped if customers pass by near sites of retail stores.

The use of Analytics in Technology is another relevant application that will be used for betting on new styles. This will help customers to choose styles they would like to adopt in the next seasons. It will also notify about the upcoming trends in the market. As this wearable technology is going to be the next big thing, smart clothes will be able to do what current trends couldn't do today.

Material usage and Wear technology

The upcoming years will foster the use of several unusual materials that are not being in use today. This textile revolution will propel sustainable principles at its core along with increased use of organic and environment-friendly materials for manufacturing the garments in fashion.

In our nation, embedded technology in garments popular as the wearable technology is expected to make inroads latest by 2050. This technology will help fashion lovers to be able to pick & change the garment's color/pattern as per your day's needs and mood. The technology will let the garment to switch the color according to the environment or weather outside.



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

SPECIAL REPORT

Technological Advancements in Textiles and Apparels



The fashion industry in the future will be more about the experience instead of appearance. It will be a task for brand owner and key market players as consumers will be more critical about the experience than mere looks. So, there will be a paradigm shift from appearance to fashion with lifestyle solutions.

Paving the way for future

The present times have expedited the need for digitalisation on account of the compliance requirements like social distancing, touch-free transactions and remote engagement of staffers. In the past few years, India has already seen a gradual introduction of few of the business softwares like CLO software for apparel designing, PRO 9 software for showcasing products for sale and AXIND software for entire PLC management.

Each of these softwares offer enhanced ability to DESIGN new products or upgrade existing service offerings, helping DEVELOP innovative ideas to save cost in sampling and find better ways to communicate the product / service offer to the customer, and allows businesses to DECIDE on the service level to expend for achieving the desired business outcome.

Technology has assisted the Indian textile and apparel sector to become more organised and the chances of human error have been reduced considerably. At present, the country is a center of manufacturing and production, but as technology gets adopted, the world will see the future of textile industry undergoing change in a significant way.



Increased profitability and stronger customer trust are significant to industry's survival and fortunately with the help of information these goals are much realistic to achieve. Even if the requirement and usage of technology differs around the world, the textile and apparel sector cannot really do without information technology anymore.

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 To know more, please write to us on email:
info@texprocil.org

TRADE NOTIFICATION

TEXPROCIL MEMBERSHIP ANNUAL RENEWAL SUBSCRIPTION

E-Serve No.: 111 of 2020 | Date: May 18, 2020 | Circular No. EPS/30/2020-21 | To: Members of the Council
Sub.: Online System for Renewal of Yearly Membership with the Council for FY 2019-20 and 2020-21

Dear Member,

As you are aware, we are passing through unprecedented times on account of COVID-19. The whole world is struggling to deal with the situation.

As an esteemed member of our Council, we are fully aware of the challenges faced by you. Production facilities and offices are functioning partially. The supply chain is disrupted. There is uncertainty as to when the situation will normalize. We will continue to do our best to provide maximum support and assistance to our members in their efforts to survive, sustain and prosper in exports.

Members can approach the Council through emails

In case, you need any assistance please send us the details by email on the email ID info@texprocil.org.

In case, you need any clarification / advice on Customs, FTP, GST, Banking or any Policy related matters or you need us to take up any matter with the Government (including departments like Customs, GST, Icegate, RBI etc) please send us an email on the email IDs ravikumar@texprocil.org / vimal@texprocil.org and we assure you of prompt response.

Renewal of Yearly Memberships for 2019-20 and 2020-21

Many of the members are yet to renew their Membership with Council for the Financial Year 2019-20. The last date for renewal of Membership for the year 2019-20 is June 30, 2020. Renewal of Memberships for the Financial Year 2020-21 can also be made online. Details of the Procedure to be followed for renewal of Membership for 2019-20 and 2020-21 are given in the following page.

We solicit your support and co-operation in the matter and request you to please renew your membership with the Council at the earliest. This will also enable you to avail of un-interrupted benefits under the Foreign Trade Policy 2015-20 which has now been extended till March 31, 2021.

Our Best Wishes to you for re-starting your business activities at the earliest and to continue successfully in exports.











Assuring you of our best services at all times.

Please Do Take Care and Stay Safe.

Regards,

Dr. Siddhartha Rajagopal
Executive Director

::TEXPROCIL::

<p>Global economy</p> <p>On high alert</p>  <p>Turmoil could disrupt developed and emerging-market economies, and indicators of recession risk are spurring companies to build resilience.</p>	<p>Beyond China</p>  <p>Although China provides exciting opportunities, the market can be hard to crack; companies should consider other high-growth geographies as well.</p>	<p>Consumer shifts</p> <p>Next-generation social</p>  <p>To maximize return on marketing spend, fashion players need to hone their social-media strategy.</p>	<p>In the neighborhood</p>  <p>Convenience and immediacy are key, and companies must reduce friction in the customer journey via in-store experience and localized assortments.</p>	<p>Sustainability first</p>  <p>Fashion players need to swap platitudes and promotional noise for action on sustainability measures such as energy consumption, pollution, and waste.</p>
<p>Fashion system</p> <p>Materials revolution</p>  <p>Alternative materials, including sustainable substitutes, may be on their way to adoption at scale.</p>	<p>Inclusive culture</p>  <p>Consumer and employee pressure will continue the push for fashion players to emphasize diversity and inclusion.</p>	<p>Cross-border challenges</p>  <p>Established players will face competition from Asian challengers, including small and medium-size enterprises selling directly to global consumers.</p>	<p>Unconventional conventions</p>  <p>As direct-to-consumer activity rises, traditional trade shows must adapt.</p>	<p>Digital recalibration</p>  <p>Although some fashion-tech and digital fashion players have reached unicorn status, concern over their ability to turn a profit is growing.</p>

The State of Fashion 2020: 10 Key Themes for the Industry

The prevailing mood of fashion leaders is one of anxiety and concern. On the one hand, evolving channels, shifting markets, and groundbreaking research offer revenue opportunities and the chance for radical innovation. On the other, global economic growth is slowing and competition is more intense than ever.

To thrive in this environment, companies must think strategically, sharpen their decision making, and keep their fingers on the pulse of customer demand. McKinsey survey of 2020 has helped to identify ten key themes that will set the agenda in the year ahead.

Source: Mckinsey.com

TRADE NOTIFICATION

TEXPROCIL MEMBERSHIP ANNUAL RENEWAL SUBSCRIPTION

(A) Renewal of Membership - Annual Subscription Fees

For Renewal of Membership, an Annual Membership fee is to be paid.

Details of Annual Renewal Subscription Fees are 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/-

(B) Payment of Renewal Subscription Fees

Payment of Renewal Subscription fee for the year 2019-2020 and 2020-21 can be made online.

Bank details for online payment are as follows:

Account Name	The Cotton Textiles Export Promotion Council
Bank	Bank of Baroda
Branch	Opera House Branch, Mumbai-400004
Account No.	04090200000927
IFSC Code	BARB00PERAH (Fifth character is zero)

After payment, send the details of online payment by Email in the following format on the following email ID : smita@texprocil.org.

Company Name	
Registration No.	
GST No.	
UTR No.	
Date of Transaction	
Name of Bank	
Amount of Transfer	

Also send a scanned copy of Bank Payment Advice by email on the Email ID : smita@texprocil.org

Immediately after receiving the Payment details, the membership will be renewed.

(C) Renewal of RCMC that has expired

We are glad to inform you that the Council has put in place an online system for renewal of Registration-Cum-Membership Certificate (RCMC). Renewal of RCMCs can be made online and after processing, the Renewed RCMC will be available to you online. The Original renewed RCMCs will be sent to you once our office opens and starts functioning after the lockdown.

Steps to be followed:

Upload self-attested scanned copies of the following documents online on TEXPROCIL's website (www.texprocil.org) through Member login and send a renewal request by Email on the Email ID smita@texprocil.org (In case the RCMC has expired) :

- [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 DIR-12 or Board Resolution for those who have resigned or newly appointed.
- [5] Copy of old RCMC
- [6] Copy of GST Registration Certificate (if not submitted earlier)
- [7] Payment advice of Annual Subscription for the year 2020-2021

Or

Alternatively, send self-attested scanned copies of the above documents by Email on the Email ID smita@texprocil.org

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