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Indian Cottons, Global Reach!

TEXPROCIL Enewsletter

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



www.texprocil.org



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CHAIRMAN'S MESSAGE



Dear Friends,

Global trade is expected to drop around 18.5 percent year-on-year in the second quarter of 2020 in a huge coronavirus-driven plunge which nonetheless could have been much worse, as per the WTO Report. In the first quarter, the volume of merchandise trade shrank by three percent year-on-year.

Looking ahead to 2021, adverse developments, including a second wave of COVID-19 outbreak, weaker than expected economic growth, or widespread recourse to trade restrictions, could see trade expansion fall short of these projections.

Coming to India, the economy is expected to post a negative growth of (-) 3.2% in 2020-21, compared to a positive growth of 4.2% in the previous year, said a recent

estimate by the World Bank. The swift and massive shock of the coronavirus pandemic and shut down measures to contain it have plunged the global economy into a severe contraction. The World Bank expects spill overs from weaker global growth and balance sheet stress in the financial sector to weigh on economic activity.

Export Data

As per the trade data released by the Ministry of Commerce & Industry, exports of cotton textiles touched US\$ 9405 Million during April to February 2019-20 as compared to US\$11,262 Million in the same period last year, registering a negative growth of (-) 16.50%. This steady fall in exports of cotton textiles is a matter of deep concern.

Within the basket of products under TEXPROCIL, exports of Cotton Yarn declined by (-) 28.45% during this period. Exports of Cotton Yarn reached US\$ 2547

Million in April –February 2019-20 as compared to US\$ 3559 Million during the same period last year. Sharp declines are reported in major export markets like China (-51%), Bangladesh (-23%), Vietnam (-18.5%) and South Korea (-28.46%). On the other hand, the growth in exports of cotton fabrics and made-ups has also increased marginally by 3.05%.

We have appealed to the Government for policy support to provide relief to the sector.

We have requested for reimbursement of all State taxes and Central levies across the textile value chain including Yarn and Fabrics under the ROSCTL Scheme & the eagerly awaited RODTEP Scheme. We have also been requesting for extension of the Interest Equalization Scheme to Cotton Yarn.

It is our strong conviction that if these 2 steps are taken by the Government on a priority basis

CHAIRMAN'S MESSAGE

CONTINUED FROM PAGE 1

along with further tweaking of the revised definition of “medium-sized” enterprises to include “either / or” in terms of investment and turnover, instead of “and”, the Indian Textile Industry can regain much of its competitiveness and also scale up its operations.

It will also enable the industry to overcome the disadvantages on account of preferential tariffs granted to our competitors in some of the leading overseas markets like the European Union (E.U) as Indian Companies will be able to offer competitive prices.

India can truly become a hub of manufacturing for a diverse range of textile products, if the above suggestions are accepted as it will be well supported by a robust raw material base and a strong labour force.

ITMF Survey

International Textile Manufacturers Federation (ITMF), an international forum for textile industries, has released its 4th ITMF survey about the impact of Corona pandemic on the global textile value chain. The Survey suggests that globally orders continue to fall by above 40 per cent.

The Survey also reports that the different segments of the textile value chain, from Spinners to Garment manufacturers recorded significant decreases in orders.

In an interesting finding, the Survey reports that integrated producers seem to have fared slightly better with a 26 percent decrease in turnover, while the other segments expect turnover in 2020 to decline between 31 to 34 per cent.

In a reply to the query as to when the pre-COVID19 levels will be reached again, the majority amongst the 600 respondents (23 per cent) expected this to happen in the 1st quarter of 2021, followed by 21 per cent who expect this to be the case in the 2nd quarter of 2021. Another 14 per cent expected the pre- COVID19 normalcy to be restored in terms of business sentiments only in the 3rd quarter of 2021.

However, 20 percent of companies expect a faster recovery in the 4th quarter 2020.

Considering the scale of disruptions on account of the Lockdowns imposed across the world due to the pandemic, in our estimation, a significant recovery in business sentiments can be expected only by the end of the current year, if not the early part of next year.

Way forward

The COVID-19 crisis has brought uncertainty and stress to businesses for reasons which are beyond anyone's control.

Many of the enterprises are facing loss of income owing to the lockdown and absence of demand. Successive studies have shown that the recovery process is expected to take time.

However, given the extraordinary circumstances, we cannot afford more businesses to fail. It is time that more relief is offered to support businesses to rebuild themselves, once the lockdown is over as demand may take a while to rebound.

Given this scenario, the Government should at least earnestly consider regular and timely release of dues under various schemes like the ROSL, ROSCTL and GST so as to restore the confidence of the exporters in facing upto the challenges of these uncertain times..

Dr. K. V. Srinivasan
Chairman

:: TEXPROCIL ::

TRADE FACILITATION

E Serve No.145 | Circular No. EPS/48/2020-21
Dated: 23-Jun-2020 | To: Members of the Council

Sub: Exports of Masks
(Non-Medical and Non-Surgical)

Dear Member,

As you are aware, DGFT had allowed exports of Masks (Non-Medical / Non-Surgical) of all types (Cotton, Silk, Wool , Knitted) vide Notification No. 6/2015-20 dated May 16, 2020.

DGFT has now issued Notification No. 14/ 2015-20 dated June 22, 2020 to allow exports of Masks (Non-Medical / Non-Surgical) made of Polyester,

Nylon, Rayon, Viscose – Knitted , Woven or blended. This is in addition to the Masks (Non-Medical / Non –Surgical) of Cotton, Silk , Wool , Knitted , exports of which has already been allowed earlier.

A copy of Notification No. 14/2015-20 dated June 22, 2020 has already been circulated to all members.

This is for your information..

Regards,

Dr. Siddhartha Rajagopal
Executive Director | TEXPROCIL

COVER STORY

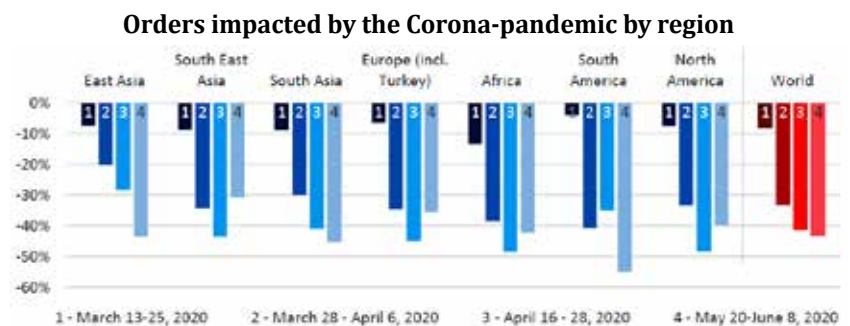
**Impact of Covid on textile industry :
4th ITMF-Survey**



ITMF's 4th Corona- survey on the impact of the pandemic on the global textile industry shows the extent of order cancellation around the world as well as the expected loss of turnover in 2020. The survey also shows that fiber, textile and garment manufacturers are slightly more impacted than integrated producers, pre-crisis production levels are expected in the first half of 2021, and order cancellations without warning / discussion were more frequent in spinning and weaving as well as in North America.

Between May 20 and June 8, 2020, ITMF has conducted its 4th ITMF Corona-Survey among ITMF members and affiliated companies and associations about the impact the Corona-pandemic had on the global textile value chain. In total around 600 companies from around the world participated.

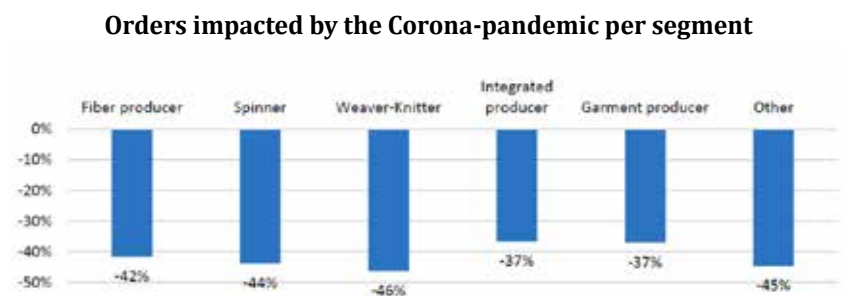
Graph 1: Worldwide, current orders are down by -42% on average.



On a global scale, current orders continue to be down on average by more than -40% (Graph 1). The range of cancellations and postponements was between -30% in South East Asia and -55% in South America.

When looking at the different segments in the textile value chain, all segments – from spinners to garment producers – recorded significant decreases in orders (Graph 2).

Graph 2: Orders are down in the range of -37% and -46% in all segments of the global textile value chain.



When looking at expected turnover in 2020 compared to 2019, the expectations remained unchanged since the 3rd ITMF Corona-Survey. On average, companies worldwide are expecting their turnover to plummet by -32% on average. The range between regions differs from



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COVER STORY

Impact of Covid on textile industry : 4th ITMF-Survey

-22% in South East Asia to -36% in East Asia (Graph 3).

Graph 3: Worldwide, expected turnover 2020 is down by -32% on average (versus 2019).

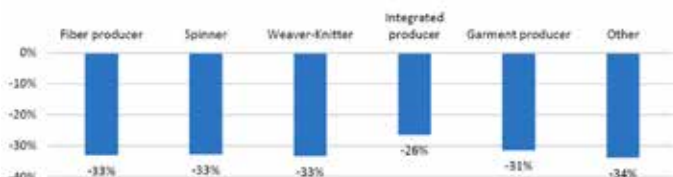
Turnover 2020 impacted by the Corona-pandemic per region (versus 2019)



With regard to expected turnover 2020, it seems that integrated producers have fared slightly better with turnover expected to fall by -26%, while the other segments expect turnover in 2020 to be falling in the range of -31% to -34% (Graph 4).

Graph 4: Turnover 2020 is down in the range of -26% and -34% in all segments of the global textile value chain.

Turnover 2020 impacted by the Corona-pandemic per segment (versus 2019)

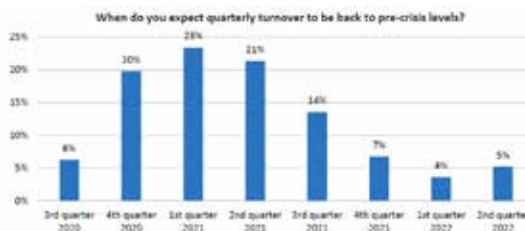


Asked when pre-crisis levels are reached again, the majority (23%) is expecting this to be in the 1st quarter of 2021, followed by 21% that are expecting this to be the case in the 2nd quarter of 2021. Another 14% have the expectations that this will be the case in the 3rd quarter of 2021. Nevertheless, 20% of companies are expecting a faster recovery in the 4th quarter 2020 (Graph 5).

The expectations about the speed of the recovery do not differ much between companies from different regions and segments. Most companies are expecting to reach pre-crisis levels in the 1st or 2nd quarter 2021.

Graph 5: 44% expect that pre crisis levels are reached again in the 1st or 2nd quarter 2021.

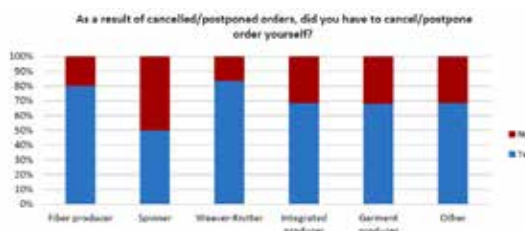
When do you expect the turnover to be back to the pre-crisis level?



The survey showed also that a majority of companies in the various segments along the textile value chain had to cancel/postpone orders themselves since the start of the crisis. In the segment of spinning, 50% of companies cancelled/postponed orders, whereas in the segment of weavers/knitters, this number reached even 83% (Graph 6).

Graph 6: Percentage of companies cancelling/postponing orders as a result of cancelled/postponed orders.

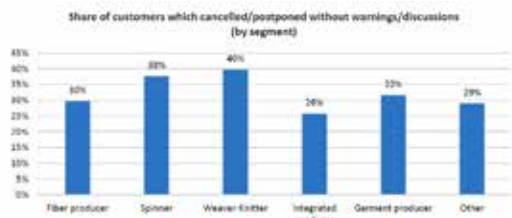
As a result of cancelled/postponed orders, did you have to cancel/postpone order yourself?



In this context, companies were also asked how orders were cancelled/postponed? Depending on the industry segment, between 26% and 40% of companies were not informed about cancellations/postponements of orders in a collaborative way. It is interesting to note that integrated producers (26%) were visibly less affected than the other segments (Graph 7).

Graph 7: Which share of customers communicated order cancellations/postponements without warning/discussion?

Share of customers which cancelled/postponed orders, without warnings/discussions (by segment)



When it comes to regional differences, 43% of companies in North America were not warned about cancellations/



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

Please Contact: GREIVANCE REDRESSAL CELL email: ravikumar@texprocil.org

Trade Facilitation

Texprocil & Business Standard invite you to Webinar on Technology in Textiles

REGISTER NOW !



REGISTRATION LINK

<https://tinyurl.com/TEXPROCIL-BS-June30-webinar>

Dear Member,

Greetings from Texprocil !

TEXPROCIL in association with Business Standard is pleased to invite you to 'Unlock the Power of Textiles' at a live webinar on **"New Learnings in Textiles Technology in the post-COVID World"** at 3.30 pm (IST) on Tuesday, 30th June, 2020.

We invite you to join this insightful webinar where experts discuss the improvements Indian fabrics and fibres can do in production, what new features can be added and how using Artificial Intelligence (AI) and technology can reduce cost and improve efficiency.

Dr. K V Srinivasan, Chairman, TEXPROCIL, will present the introductory remarks at the seminar which will have eminent panelist from academia and the industry.

REGISTRATION LINK FOR THE WEBINAR :

<https://tinyurl.com/TEXPROCIL-BS-June30-webinar>

Kindly note there are no charges for the Webinar

Deadline for Registration is 30th June, 2020 by 2:00 pm

Link to join the webinar will be shared on the day of the event by Email/Message.

In case of any queries, please feel free to get in touch with:

Rajesh Satam, Joint Director, TEXPROCIL
+91 98206 86903 | rajesh@texprocil.org

We look forward to your participation!

Regards,

Dr. Siddhartha Rajagopal
Executive Director

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COVER STORY

Impact of Covid on textile industry : 4th ITMF-Survey

postponements, whereas this share was only around 20% in South America and 21% in South East Asia (Graph 8).

Share of customers which cancelled/postponed orders, without warnings/discussions (by region)

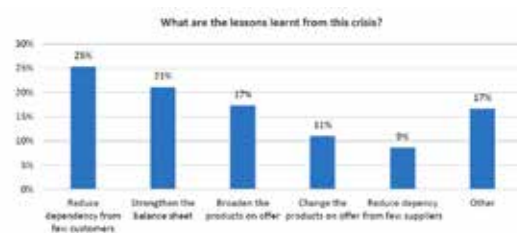


In addition to the above listed lessons, participants of the survey also mentioned "Other" lessons such as: Higher degree of flexibility to cater for varying demand ; Working together with reliable and sustainable partners; Developing more innovative products; or Improving risk management.

Finally, it was also pointed out by participants that with demand significantly lower than before the crisis,

Graph 8: Reducing dependency from few customers is the most important lesson learned during the crisis.

What are the lessons learnt from the crisis?



the industry finds itself in a situation of overcapacity and that therefore, a consolidation can be expected. Companies with sound balance sheets, innovative products, diversified and flexible operations, and with a variety of customers in different regional markets, are likely to emerge stronger from this crisis. by focusing on smart manufacturing.

(Source: ITMF Report)

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PRESS RELEASE

**“Growing uncertainty for exporters of Cotton Textiles”
- Chairman, TEXPROCIL**



As per data released by the Ministry of Commerce & Industry , exports of Cotton textiles touched US\$ 9405 Million during April to February 2019-20 as compared to US\$ 11262 Million in the same period last year registering a negative growth of (-) 16.50%. “The falling exports of Cotton textiles is a matter of deep concern” said Dr. K.V.Srinivasan, Chairman of The Cotton Textiles Export Promotion Council (TEXPROCIL).

Within the basket of products, there has been a steep decline in exports of Cotton Yarn by (-) 28.45% during this period. Exports of Cotton Yarn reached US\$ 2547 Million in April –February 2019-20 as compared to US\$ 3559 Million during the same period last year. Sharp declines were reported in major export markets like China (-51%), Bangladesh (-23%), Vietnam (-18.5%) and South Korea (-28.46%). There has been a consistent decline in exports of Cotton yarn in almost all the months during April-February 2019-20, which has adversely affected the cotton spinning sector”, pointed out Dr. Srinivasan. On the other hand, the growth in exports of cotton fabrics and made-ups has also been marginal at 3.05%.

According to the Chairman, TEXPROCIL, export figures of cotton textiles during March to May 2020 would be very low and insignificant on account of the outbreak of COVID-19 which had led to forced lockdowns in China and other leading markets in the world.

The quick estimates of exports for the month of May released yesterday by the Ministry of Commerce points to a steep decline of (-) 64.55% in exports of Cotton Textiles including Cotton Yarn during the two month period of April - May said Dr. Srinivasan.

The Chairman further pointed out that buyers in the US and EU, two top destinations for exports, are cancelling orders and many of them are increasingly invoking ‘force majeure’ clauses within their contracts to halt payments. Buyers of Cotton Yarn are insisting upon a steep price cut by 15 to 20% adding to the problems of the cotton spinning sector.

Since exporters are passing through unprecedented times which they have never faced in the past, Dr. Srinivasan appealed to the Government for policy support. He urged the Government to include Cotton Yarn under the 3% Interest Equalisation Scheme. He also requested the Government to cover Cotton Yarn & Cotton Fabrics under the present RoSCTL Scheme and the much awaited Refund of Duties and Taxes on Export Products (RoDTEP) Scheme. These schemes, he pointed out reimburse all the duties and taxes which are incurred during the production process and support the maxim of “export of goods and not taxes”. It would also enhance the overall competitiveness of the textile industry and give a fillip to India becoming a hub of fabric and yarn production in South/South East to serve both the domestic and export markets.

Chairman, TEXPROCIL also urged the Government to release all the pending claims under the ROSL and RoSCTL Schemes to the exporters of Made-ups and garments.

All these measures will help exporters of Cotton Textiles to survive and sustain in exports which in turn also enable consumption of Cotton which has been procured and stocked by the Cotton Corporation of India in very large quantities.

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REGISTER NOW !

REGISTRATION LINK
<https://tinyurl.com/TEXPROCIL-BS-June30-webinar>



JOIN US... NOW!
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To know more, please write to 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 <i>(use additional sheet if required)</i>						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"/>
<i>Others (Pls. Specify):</i>						Making new Contacts (Trade Enquiries)	<input type="checkbox"/>	Any Others	<input type="checkbox"/>
4) How is your company benefitting from the Export Facilitation services being provided by the Council?						Information on Export Policy / Procedures	<input type="checkbox"/>	Responses to various EXIM queries	<input type="checkbox"/>
<i>Others (Pls. Specify):</i>						Redressal of Trade related grievances	<input type="checkbox"/>	Any Others	<input type="checkbox"/>
5) Have you recommended TEXPROCIL Membership to other companies? Tick (✓)						YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
6) Do you have any other suggestions to offer regarding TEXPROCIL Member Services? <i>(use additional sheet if required)</i>						Suggestions:			

*Kindly ignore this feedback form, if you have already responded.

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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