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Face Masks - The coveted commodity for Exports

**Global Imports of Face Masks
see a phenomenal rise !**



CHAIRMAN'S MESSAGE



Dear Friends,

Modern India is founded upon the ethos of its freedom struggle and the Independence Day celebrated on 15th August, every year instils in all of us, a sense of pride being citizens of a free nation. This year also on August 15, the country was immersed in the 74th Independence Day celebrations, despite restraints due to the pandemic situation. The day did inspire all of us to look ahead, reassuring us of a bounce back in the time to come.

The fight against COVID-19 has extended itself to nearly six months and beyond with possibilities of a vaccine emerging by the end of this year, if not by March, 2021. As well documented, widespread disruption in industrial activity has taken place during this period. At the same time opportunities have presented themselves in the form of development of new products

like Masks, Personal Protective Equipment (PPE) and Fabrics required to produce these items. Government has also permitted the export of non- woven fabrics (of all GSM's), except those manufactured by the melt blown process.

Considering that normal business activity is commencing in the major markets like, USA, UK, Germany, Italy, the Government should allow all types of fabrics/ masks to be exported without restrictions & licensing procedures.

Analysis of Markets

In order to assess and understand the nature of the emerging demand in the major markets, the Council made an on- line presentation to it's members on 31st July.

While pointing out the various relief measures that have been offered by the nations across the world to resume trade, the presentation analysed the pre-covid (January-March 2020) and post-covid (April-June 2020) imports in major importing countries.

The presentation also analysed the various opportunities that have already been capitalised by the other textile manufacturing nations. For instance, the import of face masks in the world (under HS Chapter 630790-other Madeup articles) has seen a phenomenal rise during April-June 2020. The analysis showed that this demand has clearly been met with supplies from China which posted an early recovery and resumed production ahead of other nations.

On the other hand, Face Masks were restricted for exports from India and have only been recently allowed for exports with the exception of medical and surgical types. In the interim China exported almost US\$ 30 billion of face masks to the world thereby gaining the distinction of not only exporting the "VIRUS" but also the "MASKS"!

TEXPROCIL virtual show "Ind-Texpo"

Friends, recent reports have indicated that the US government has proposed restrictions on import of products made from raw

CHAIRMAN'S MESSAGE

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materials viz. cotton sourced from Xinjiang Uygur Autonomous Region. The restrictions are expected to come into force after 30th September.

Xinjiang Uygur Autonomous Region produces around 84% of Chinese cotton and large scale investments have been made over the past few years in Textile & Clothing manufacturing in the Region owing to a special policy support extended by the Central and Local Governments.

Manufacturers in Xinjiang region are also exporting large volumes of textiles and apparel to several brands in the EU and USA and in the wake of the advisory by the US Government, these Brands are expected to cut down sourcing from manufacturers from the Region after 30th September 2020.

According to market sources, many of the leading international brands such as Tommy Hilfiger, Calvin Klein, Patagonia, Puma, Nike etc., will stop sourcing products made of Xinjiang cotton after 30th September 2020, which will affect supplies from leading Chinese manufacturers thereby providing opportunities for Indian exporters as global buyers will seek alternative suppliers.

In the light of these developments the Virtual Show "Ind-TEXPO" organised by TEXPROCIL from 14-18 September 2020 provides an excellent platform for interacting with global buyers and cater to "sourcing gaps" created by developments like the one mentioned above.

Further, the platform of the Virtual Exhibition being organised by the Council has also been successfully tried and tested by the Carpet Export Promotion Council for their show "CARPET- EXPO" held from 21st-

25th August, 2020, where over 300 buyers interacted very successfully with around 150 "virtual exhibitors" for 5 days.

RoDTEP Scheme

The Government has approved the Scheme for "Remission of Duties and Taxes on Exported Products (RoDTEP)". The scheme will refund certain taxes /duties/levies that are outside the purview of GST and are not refunded for exports such as VAT on fuel used in transportation, Mandi tax, Duty on electricity used during manufacturing etc.

In order to determine the ceiling rates under the RODTEP scheme the Government has constituted a Committee under Shri G K Pillai who is also the Chairman of the Drawback Committee and has sought data from the Council on inputs used in the export products.

The Council has requested all its members to send the data in the prescribed format.

In this regard, the Council also held a daylong meeting (separately) with exporters of Yarn, Fabrics and Madeups through video conferencing on August 20, 2020 to apprise them about the details required to be provided in the prescribed format for collecting data. Apart from this, the concept of embedded taxes, calculation of the rates etc. were also explained.

We appeal to all our members to extend their support and cooperation in the matter and look forward towards receiving the data in the prescribed format at the earliest.

Customs Rules, 2020

The Department of Revenue has introduced a new Rule called as Customs (Administration of Rules

of Origin under Trade Agreements) Rules, 2020 which will be effective from September 21, 2020. The new Rules will be applicable to imports under Preferential Trade Agreements. Importers are now required to follow some prescribed procedures and furnish the required details in the case of imports from those countries with which India has got a Trade Agreement. We would urge our members to carefully go through the conditions and ensure that all the requirements especially with regard to the Certificate of Origin are fulfilled while claiming the benefit of the preferential rate of duty on imports.

Way Forward

Friends, as the industry tries to get back to its feet from the perils of the ongoing pandemic, our textile heritage and years of entrepreneurial talent need to find a new focus. All possible efforts need to be made to take advantage of the "restructuring of supply chains" and forge a "demand chain". The rising anti-China sentiment across the world could provide an opportunity to take business away from the world's leading Asian manufacturer.

However as India reaches 75 years as an independent nation in two years from now, it needs a new trade legacy and strategic aggression to attain its legitimate place in the global trade.

In this context, an eco-system based on stable policy decisions, procedural simplifications and timely release of Government dues will certainly help the trade and industry to prosper.

Dr. K. V. Srinivasan
Chairman

:: TEXPROCIL ::

Join Us... Now! Avail info. on Membership Benefits on email : info@texprocil.org

COVER STORY

Face Masks - The coveted commodity for Exports



NOT JUST VIRUS BUT MASKS TOO !
China exported almost US\$ 30 billion
of face masks to the world !

The COVID-19 pandemic has brought considerable attention to trade in medical products, and specifically trade in products for prevention, testing and treatment. The COVID-19 pandemic has spread to most countries and territories with hundreds of thousands of people infected, and a growing burden of fatalities. Understandably, governments are taking protective measures to stem the pandemic of the virus. Some of these measures may inadvertently impact the flow of critical medical goods across territories.

A study by WTO (April 2020) provides a comprehensive overview of trade and tariffs imposed on medical goods in general, many of which appear to be in severe shortage as a result of the current crisis. The purpose of this note is to provide factual information on how these goods are traded globally.

Key highlights of this study are as below:

- Germany, the United States (US), and Switzerland supply 35% of medical products.
- China, Germany and the US export 40% of personal protective products.
- Imports and exports of medical products totalled about \$2 trillion, including intra-EU trade, which represented approximately 5% of total world merchandise trade in 2019.
- Trade of products described as critical and in severe shortage in COVID-19 crisis totalled about \$597 billion, or 1.7% of total world trade in 2019.
- Tariffs on some products remain very high. For example, the average applied tariff for hand soap is 17% and some WTO Members apply tariffs as high as 65%.
- Protective supplies used in the fight against COVID-19 attract an average tariff of 11.5% and goes as high as 27% in some countries.

The WTO has contributed to the liberalization of trade medical products in three main ways:

- The results of tariff negotiations scheduled at the inception of the WTO in 1995;
- Conclusion of the plurilateral sectoral Agreement on Pharmaceutical Products ("Pharma Agreement") in the

Uruguay Round and its four subsequent reviews;

- The Expansion of the Information Technology Agreement in 2015.

Top exporter - China

China is the top exporter of face masks and other personal protective equipment in severe short supply during the COVID-19 pandemic. The country supplied 25 percent of world exports of face masks in 2019, and together with Germany and the U.S., the three contribute to almost half of the world face mask supply.

Breathing apparatus, including respirators and ventilators, are supplied by a relatively small number of countries: Singapore which has 18 percent market share, followed by the U.S. with 16 percent, Netherlands 10 percent and China 10 percent.

Trade in products critical and in severe short supply during the COVID-19 pandemic totalled about \$597 billion, or 1.7 percent of total world trade, in 2019. These include: disinfectants/ sterilization products; face masks; gloves; hand soap and sanitizer; patient monitors and pulse oximeters; protective spectacles and visors; sterilizers; syringes; thermometers; ultrasonic scanning apparatus; ventilators, oxygen masks; X-ray equipment; and other devices such as computer tomography apparatus.



Edited & Published by:

Dr. Siddhartha Rajagopal

Editorial Team

N. Ravindranathan,

Rajesh Satam, A. Ravindrakumar,

Shailesh Martis, Sanjay Rane

Ideas & contributions are welcome at:

texpencil1@gmail.com; mktg@texpencil.org

Editorial & Publishing Office at :



The Cotton Textiles Export Promotion Council

Engineering Centre, 5th floor, 9, Mathew Road,

Mumbai - 400 004. India.

Tel: +91 22 23632910 to 12

E-mail: info@texpencil.org

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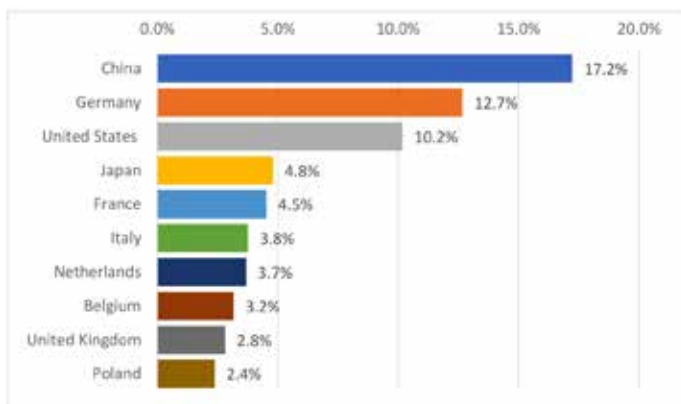
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COVER STORY

Face Masks - The coveted commodity for Exports

CHART: Share of top 10 exporters of personal protective products, 2019



Source: WTO Secreteriat

Total exports of protective products, including face masks, hand soap, sanitizer and protective spectacles, were valued at \$135 billion on average for the period 2017-2019. About 17 percent or \$23 billion came from China, the top exporter, followed by Germany and the U.S. These three exporters account for more than 40 percent of world exports of protective supplies.

Commitments made under various WTO negotiations and agreements have helped slash import tariffs on COVID-19 critical products, with the average tariff on COVID-19 medical products standing at 4.8 percent, lower than the 7.6 percent average tariff for non-agricultural products in general.

The WTO report traces trade flows for medical products including personal protective products, hospital and laboratory supplies, medicines and medical technology. Imports and exports of medical products totaled about \$2 trillion in 2019, about five percent of total merchandise trade. During the last three years, the U.S. was the largest importer of medical products, accounting for 19 percent of total world imports in 2019.

The 10 largest supplying economies accounted for almost three-quarters of total world exports of the general medical products, including medicines, while the 10 largest buyers accounted for roughly two-thirds of world imports. Germany and the U.S. are the largest source of imports for China, with shares of 20 percent and 19 percent respectively.

TABLE 1: Top 10 exporters of medical products, 2019

Country	Total exports		Share of world medical exports (%)
	Value (\$billion)	Share of exports of all products (%)	
World	995.8	6	100
Germany	136.2	9	14
USA	116.6	7	12
Switzerland	89.9	29	9
Netherlands	73.1	10	7
Belgium	65.8	15	7
Ireland	65.3	38	7
China	51.6	2	5
France	49.9	9	5
Italy	42.9	8	4
UK	38.2	8	4

Source: WTO Secreteriat

TABLE 2: Top 10 importers of medical goods, 2019

Country	Total imports		Share of world medical exports (%)
	Value (\$billion)	Share of exports of all products (%)	
World	1,011.3	6	100
USA	193.1	8	19
Germany	86.7	7	9
China	65.0	3	6
Belgium	56.6	13	6
Netherlands	52.7	8	5
Japan	44.8	6	4
UK	41.1	6	4
France	40.5	6	4
Italy	37.1	8	4
Switzerland	36.9	13	4

Source: WTO Secreteriat

Regarding the relative importance of medical goods to each country's total imports, Belgium and Switzerland's imports of medical goods represent around 13 percent of their total imports. Among the top 10 importers, this share is smallest for China, for which medical imports represent three percent of its total imports.



Avail of more detailed information on

EXIM POLICY @ TEXPROCIL

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

**TRADE
NOTICE****Exports of N95 Masks is now allowed****E-Serve No.: 194 of 2020 | Date: August 26, 2020****Circular No. EPS/74/2020-21****To: Members of the Council****Sub : Export of N95 Masks****Dear Member,**

DGFT has issued Notification No.29/2015-20 dated August 25, 2020 to allow export of N95 /FFP2 Masks or its equivalent under the "Restricted Category" i.e. against an Export Licence. Exports will be allowed subject to a monthly export quota of 50 lakh units.

Further, as per the Notification, exports of 2/3 Ply Surgical Masks, which were earlier under the

"Restricted" category, have now been shifted to the "Freely exportable category" i.e these masks can now be exported freely without any Export Licence.

A copy of DGFT Notification No. 29/2015 -20 dated August 25, 2020 has already been circulated by the Council.

You are requested to please take a note of the above and do the needful.

Regards,

Dr. Siddhartha Rajagopal
Executive Director

:: TEXPROCIL::**COVER STORY****Face Masks - The coveted commodity for Exports**

The statistics show that 52 percent of 134 WTO members impose a tariff of five percent or lower on medical products. Among them, four members do not levy any tariffs at all: Hong Kong, China; Iceland; Macao, China; and Singapore. The report also identifies markets where tariffs remain high. Tariffs on face masks, for example, can be as high as 55 percent in some countries.

India as an alternative supplier

Trade experts believe India can be an attractive alternative to China. It has the skills and capability. If it does good quality products, it has huge export potential (especially for masks).

Indian manufacturers make surgical, respirator and cloth masks and masks with high particulate filtration efficiency and breathability. There is a lot of innovation going on, making the masks aesthetically good while providing high protection efficiency.

Opportunity for Exports

Globally, there is a major need for masks for protection against the COVID-19 outbreak since the combined import and local production is not enough to meet the increasing demand.

China covers only half of the global demand and India can enter the market as the second-largest producer in the world, once the ban on export of masks/PPEs is lifted.

Also as concerns the exports, there are world-class manufacturing facilities in India. The country has the capacity to meet the domestic needs and those of the new found overseas opportunity. The policy support revoking the ban on export of masks coming sooner will likely provide access to more resources.

Currently, a large number of manufacturers in India have committed their facilities to masks/PPE production. The Union Government is permitting export of a select few categories of masks in a calibrated manner along with keeping a tab on the domestic demand. Overseas buyers ask for certifications and standards and manufacturers who are able to meet these requirements can potentially export. Reports suggest that India's machinery imports to make top quality masks have been on the rise. What the country needs to improve is the access to testing facility for masks.

Masks are currently tested for five parameters and the important ones among these are: bacterial filtration efficiency, breathability, and splash resistance. Some companies are coming out with woven cloth masks that have anti-bacterial and water-repellent coatings. With an eye for quality and innovative production, the indigenously produced masks should be able to meet, probably, more parameters for exports.

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EXIM POLICY @ TEXPROCIL

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

TRADE FACILITATION

Appeal To Participate in 'IND-TEXPO 2020' VIRTUAL EXHIBITION

INVITATION TO EXHIBIT ONLINE & MEET GLOBAL BUYERS
 To Participate... Register Now !

14-18 September, 2020
IND-TEXPO 2020
 A VIRTUAL EXHIBITION

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Book Your Space Register Now!

Sub PARTICIPATE IN 'IND-TEXPO 2020' - Virtual Exhibition

Dear Member,

This is with reference to the Virtual Ind-Texpo Exhibition organised by the Council from 14-18 September 2020 .

In the current trade scenario, the virtual exhibition is well timed and provides exporters of textiles with the opportunity to interact and establish new contacts with global buyers. The recent developments in world trade are also providing foreign buyers an option of looking at India as an alternative destination for sourcing textiles.

Accompanying herewith is a detailed flier inviting your participation as an esteemed member of the Council and making the Ind-Texpo exhibition an alternate and successful venture during these tough times of the CoViD pandemic.

Look forward to your active support and participation.

Regards,

Dr. Siddhartha Rajagopal
 Executive Director

::TEXPROCIL::

Virtual Ind-Texpo: An ideal platform to interact with Global Buyers

Texprocil is launching the virtual edition of 'Ind-Texpo', an online exhibition and trade platform from 14th – 18th September 2020. The virtual platform will help Indian textile suppliers generate business leads and the B2B meetings will assist in virtual interaction with potential buyers across the globe.



Ind-Texpo 2020 - Opportunities Galore

The Virtual Show "Ind-Texpo" organised by TEXPROCIL provides an excellent platform for interacting with global buyers and caters to "sourcing gaps" created by recent developments in the world trade such as –

- The diversion in trade flows on account of COVID-19 pandemic, USA-China trade standoff, BREXIT, etc. present opportunities, as firms seek to source inputs from newer markets.
- Renewed efforts to relocate production from China to other countries in the Asian region.
- Restrictions, likely to be imposed by US Government after 30th September 2020, on textile products made from raw material (viz. cotton / cotton yarn) sourced from the UIGHUR region in the Xinjiang Province, compelling many retailers in the USA / Europe to seek alternate sources of textile products.

Thus, Ind-Texpo is well-timed to provide exporters of textiles and clothing in India with an opportunity to cater to the requirements of the global buyers.

Secure & Well Established Platform

The Virtual Show provides an ideal platform for the Indian exporters to interact with buyers from across the globe and benefit through sales leads generated on the system.

Further, the platform of the Virtual Exhibition being organised by the Council has also been successfully tried and tested by other Export Promotion Councils for their respective shows.

Book your space... Register Today!

Book your virtual profile booth at Ind-Texpo with a participation fee of only Rs 25,000/- + GST for a Standard Booth and Rs 30,000/- + GST for a Premium Booth.

For any clarifications you may kindly email to: shailesh@texprocil.org / mrunal@texprocil.org.

We invite your company to the virtual Ind-Texpo platform... Register Now !

REGISTRATION LINK

www.ind-texpo.com/index/registration

EXHIBITION WEBSITE

www.ind-texpo.com

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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