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Indian Cottons, Global Reach!



TEXPROCIL Enewsletter



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

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Opening new frontiers in India - China Trade



Minister of Commerce & Industry and Civil Aviation, Mr. Suresh Prabhu and Minister of Commerce of the People's Republic of China, Mr. Zhong Shan, co-chaired the 11th meeting of India-China Joint Group on Economic Relations, Trade, Science and Technology at New Delhi on March 26, 2019.

CHAIRMAN'S MESSAGE



Dear Friends,

As the financial year came to an end, there was optimism in the air that the country's exports would cross US\$ 331 billion making the fiscal year 2018-2019 the best ever financial year for exports from the country . This is a commendable performance as it would have been achieved against global headwinds and subdued performance of the US economy and slowdown in the Euro area as noted by the RBI in its recent monetary policy report.

As the stage sets for another big general election in India in 2019, this is good news. Staying the course by making the utmost of the policy eco- system already in place can help overcome the heightened unpredictability of the electoral process till such time as a new Government takes shape and place by end May.

A new Government is expected to accelerate the pace of economic growth and lay emphasis on job creation well supported by heightened investments. While export growth largely depends on global economic activity, a vibrant EX- IM policy focused on refunding taxes, reducing transaction costs, and ensuring efficiencies in port clearances and trade facilitation(by improving the cost of services provided by various intermediaries in customs environment like customs brokers, shipping lines, forwarding etc.) would give the necessary fillip to achieving the much needed quantum jump in export especially of labour intensive sectors like Textiles & clothing.

At the same time the tilt towards manufacturing and export of higher value added and tech driven items as noted by the RBI in its monetary policy statement (MPS) also calls for a new industrial policy to address the existing

challenges and take advantage of the future opportunities. The government it is understood has decided to formulate a new industrial policy, which would be a road map for all business enterprises in the country. It is expected to be announced after the general elections.

Another area of key concern is the need to attract investments both foreign and domestic. Foreign Direct Investment (FDI) in India during April-December 2018 declined by 7 per cent to US \$ 33.5 billion. There is need for a targeted strategy to attract investments by matching it with a sectoral strategy as has been undertaken by Vietnam, Bangladesh, and China. These countries have achieved phenomenal export growth especially in the Textiles & Clothing Sector largely on the back of high levels of investment and harnessing global demand with the support of large brands and retailers.

CHAIRMAN'S MESSAGE

CONTINUED FROM PAGE 1

At a recent meeting convened by the Ministry of Commerce, the Hon'ble Union Minister, Shri Suresh Prabhu exhorted the trade and industry to work towards raising investments and increasing exports and not look towards the Government for hand-outs and incentives.

India's trade deficit with China

A key feature of any new trade policy will need to focus on reducing the trade deficit between India and China which stood at US \$ 63 billion. While the efforts of the present Government has achieved some success in reducing the trade deficit, a lot remains to be done to balance the trade with China. A multi-pronged strategy aimed at increasing exports,

inviting investments by creating special economic corridors and free trade zones and negotiating greater market access would result in increasing manufacturing activity, job creation and reduction in imports from China. India thus needs to change its engagement with China on the economic level.

Way forward

Friends, you will all agree that capacity expansion is necessary to attain the high growth trajectory in our sector. Further, to expand opportunities and realize the sector's truest potential – the virtues of creativity, innovation and enterprise hold the key for us. We need to adapt ourselves to produce and export what the market

demands rather than try to sell what we produce. We need to expand the range of our product lines and try out new products. Recent visits of trade delegations to Japan and Korea amply demonstrate that Importers are very keen to source from India a wide range of products. But our inability to meet the quality standards and reluctance to take on new challenges are becoming major hindrances.

A sea change in mind-set coupled with the determination to work harder, better and meet stringent standards will help us achieve our goals.

Dr. K. V. Srinivasan
Chairman

:: TEXPROCIL ::

TRADE FACILITATION

E Serve No.46 of 2019 | Circular No.EPS/02/2019-20 | 08-04-19

To: Members of the Council

Sub: Samples of Home textiles products from South Korea

Dear Member,

As part of its strategy to diversify exports of Home textiles into new markets, the Council is focusing on South Korea as an important market.

As you may be aware, there is zero duty on import of fabrics and made ups (including home textiles) from India into South Korea under the Indo-Korea CEPA.

There is good potential to increase exports of fabrics and home textiles products from India to South Korea. The awareness of the South Korean buyers about the capacity of Indian textiles sector to supply high quality products is increasing. However, there are some challenges in exporting to South Korea which need to be overcome. The Council will provide all kinds of guidance and assistance to the members in exporting to South Korea.

In this regard, the Council has got samples of home textiles products and fabrics from South Korea. These samples are displayed at the Council's Trade Centre at its office in Mumbai.

Interested members can visit the Council's office to examine the samples every week on Wednesday and Friday between 3.00 p.m. to 5.00 p.m. This will enable the members to understand the requirement of the South Korean buyers.

Please inform us in advance by email regarding your visit to the Council's office to examine the samples on the email IDs ravikumar@texprocil.org / vimal@texprocil.org so as to make the necessary arrangements.

Regards,

Dr. Siddhartha Rajagopal
Executive Director

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info@texprocil.org

COVER STORY

Opening new frontiers in
India - China Trade

India, at the moment, is attempting not only to reduce trade deficit with China but to improve trade surplus. India's imports from China stood at \$60 billion during the April-January period of 2018-19 fiscal, a deceleration of 5 per cent over the corresponding period a year ago. According to the recent reports, India's trade deficit with China also eased to \$46 billion in April-January 2019 from \$53 billion in the same period a year ago.

Despite substantial volume of imports from China, of lately, India's import growth from China shrunk from 24 per cent during April to January 2018 to (-) 5 per cent during April-January 2019. Commerce Ministry data showed India's export to China totalled \$13.8 billion whereas its imports from the neighbouring country

stood at \$60.1 billion during the April-January period.

Indian shipments to China totalled \$13.33 billion in 2017-18 (April-March), whereas the country's imports from China stood at \$76.38 billion in the period. India has seen a major breakthrough in its exports to China during the last few months whereas imports of Chinese products in India are decelerating. Its exports to China grew 31 per cent in April-January 2019, increased from \$10 billion in April-January 2018 to \$14 billion in April-January 2019.

Although the trade deficit with China is substantial, given the recent trends and amendments in the foreign trade policy 2015-20, the volume of trade deficit is expected to ease in the coming years. Over the past decade, China has been able to enhance its footprint in India to a greater extent. However, the trend has seen a reversal in the April-Jan 2018-19.

India has submitted to China a list of 380 items, including agriculture, horticulture, pharmaceuticals, textiles, chemicals, tobacco and some engineering products, where the country has the potential to increase exports, provided

Beijing cooperates by lowering non-tariff restrictions.

Balancing Trade Relations in the South Asian context

China is seen pledging its investments across South Asia, in order to balance regional trade relations, including states like Pakistan, Afghanistan, Iraq and India.

Recently, the government of China offered Pakistan, the market access for three commodities — rice, sugar and yarn — worth \$1 billion for the current calendar year.

Under the agreement, exporters have been allowed to ship 200,000 tonnes of rice and 300,000 tonnes of sugar — total value of \$300 million — to China in the ongoing calendar year. Moreover, the agreement also includes preferential market access for around \$700m worth of yarn.

The very fact that China is yet to open up imports from India and has released quota for imports from Pakistan, did raise concerns amongst the trading community. But the fact that it has started importing some of Indian agricultural commodities, has kept India's hopes up.



TEXPROCIL E-NEWSLETTER

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COVER STORY contd. from Pg. 3

Opening new frontiers in India – China Trade



Especially, in the case of yarn exports into China, the yarn from India attracts a duty of 3% whereas it is nil in case of Pakistan and Vietnam. This will certainly have an impact on the volume of trade realised by India in exports of yarn into China.

The Chinese diplomats are scheduled to visit the country and finalise some more protocols for India's exports. The Indian Embassy in China is also in constant touch with Chinese officials to expedite action in the area.

India – China Trade deficit

India's trade deficit with China had widened to \$63 billion in 2017-18 which comprised more than a third of the country's total trade deficit worth \$156 billion. However, in 2018-19, the trade deficit is likely to lower a bit as India's imports from China have declined while exports have continued to increase.

In April-February 2018-19, India's exports to China increased 28.61 per cent to \$15 billion while imports declined 6 per cent to \$65 billion resulting in a trade gap of

\$50 billion. The top items of export to China from India in 2018-19 were petroleum products, organic chemicals, cotton yarn, plastic raw materials and iron ore.

Meeting with the Industry stakeholders

Hon'ble Commerce & Industry Ministry, Shri Suresh Prabhu, in a meeting with stakeholders recently, has asked various export promotion councils to prepare China-specific export strategy so that pointed action could be taken.

The Chinese leadership has already acknowledged that the growing imbalance in bilateral trade can be bridged mainly through increased exports from India. A beginning has been made with export protocols being signed between General Administration of Customs of China (GACC) and the Indian government for various traded items. But a lot more targeted efforts have to be made.

During this meeting attended by officials from key Ministries and Departments, Hon'ble Commerce & Industry Minister exhorted the trade and industry to work towards

raising investments and increasing exports and not look towards the Government for hand-outs and incentives and appealed each one of them that the final goal for India should be to have a trade surplus with China.

Conclusion

The economic relation between India and China is considered to be one of the most significant bilateral relations in the contemporary global economic scenario and this trend is expected to continue in the years to come. The two countries have also shown interest to take part in a multilateral trade system as per the WTO commitments. China has already been the top trading partners of India in the recent time; whereas India is within the top ten of China's trading partner. In the coming era, TEXPROCIL members as stakeholders of cotton textile industry which significantly contributes to India's exports into China, need to strategize and contribute towards creating trade surplus for India with China.

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For more information on Global Textile Markets,
Please contact us on Email : info@texprocil.org

SPECIAL FEATURE

Adopting Innovation & Technology in Indian Textile Industry



Globally, adopting innovation and technology is the new buzzword in the industrial and manufacturing sector. Innovation is now becoming a requisite for every industry to do new things for being a part of this competitive race. New products, new features & characteristics, new methods, and processes have become the tool to fulfil the ever changing customer demand. Textile & apparel industry is no different. In fact, innovative industries are more successful and retain more customers than the industries that are reluctant to embrace these technological advancements.

Every day new designs being launched in the global apparel market; has left no way other than adopting rigorous innovation in design and manufacturing in the textile & apparel industries.

Productivity, resource management, quality management, and environmental issues have become undeniable factors in terms of innovation as doing business is becoming expensive. As a result, it is mandatory for industries to research, identify, adapt and control the appropriate product, process, technology and market to make the business sustainable and profitable.

The Indian textile & apparel manufacturing industry seems to be emerging from an almost static state in the past and heading towards a path growth. Textile and apparel are the major industrial sector in India. So future success of the country's economy highly depends on the innovativeness of the textile and apparel industries.

Innovation led growth in global textile industry

All through history, the manufacturing

industry has been conquered by technological disruptions dating far back in the 18th century. The first industrial revolution when steam engines, water & steam power, machine tools, and factory system took the center stage. The entire manufacturing industry was led to an incipient phase of transitions. New manufacturing processes were coming in, the most dominant being modern production methods and final output for the textile industry. Mass production of yarn and cloth became a mainstream industry.

Revolution 4.0 in global textile industry

Today, the industry is going through another paradigm shift, popularly referred to as the "Fourth Industrial Revolution" or "Industry 4.0". The ultimate goal of the fourth revolution is to build a parallel virtual world that will control and run the physical world. Everything that can be digitalized will be digitalized throughout the course of Industry 4.0. The future of the manufacturing industry lies with big data analytics, robots, automatons, and the internet of things. Manual labour will be

replaced with digital factories containing advanced materials and artificially intelligent machines that run entire factories on its own. Not only that, cognitive manufacturing will enable manufacturers to forecast demand, carry out predictive maintenance, estimate problems that might occur and trigger solutions to those problems without any human interference. The manufacturing industry is all set to witness another global renaissance using principles of Industry 4.0.

Fast Fashion

As reported by International Textile Manufacturers Federation (ITMF) in their recent report, vertical linkages within the textile and apparel value chain are intensifying with the current shift toward a strong information economy. Backward linkages are specifically gaining influence with, for example, brands and retailers deploying strong pull-strategies. As a consequence, while fibres are transformed into fashion goods, much of the pressure felt at any stage of the value chain travels in the opposite direction than the flow of goods, from fashion to fibre.



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

**TRADE
PROMOTION****Trade enquiry from Egypt
for supply of 6s yarn for carpet making**

E Serve No. 47 of 2019

April 09, 2019

Sub: Trade enquiry from Egypt for supply of 6s yarn for carpet making

Dear Member,

The Council received a trade enquiry from Egypt, as follows:
100% cotton yarn Ne 6/1 or blend of cotton polyester
but target price not more than usd 1.30 cif including 2%
commission

End use: carpet making

Contact details:

Mr. Tarek Saied**SEIZMOTRAC Trading agents**

63 Elkods Elsharif st., 12411 Mohandessein, Cairo – Egypt

E-mail : tarek@seizmotrac.com ; yassin@seizmotrac.com ;

ismail@seizmotrac.com | Website: www.seizmotrac.com

Tel: (+20) 2 33025837 - 33454142

Fax: (+20) 2 33473618

Mobile: (0020) 1222 466699 - 122212 9625

**Members may verify the credentials of the company at
their own interest.**

Regards,

N. Ravindranathan**Director****:: TEXPROCIL ::****SPECIAL FEATURE
Contd. from Pg. 5****Adopting Innovation & Technology in
Indian Textile Industry**

Gaining some understanding of the current changes occurring in the fashion markets might therefor shed light on possible paths the textile industry might follow in the future.

In this regards, McKinsey's State of Fashion report 2019 presents interesting findings about the ways the fashion industry is currently changing; some of which will influence the development of the textile industry in the near future. This annual analysis of fashion markets prepared in partnership with the Business of Fashion (BoF) concludes that the fashion players which will succeed in the long run are those who effectively and proactively adapt to the current change of paradigm (digitalisation, new trade environment, new consumption habits, etc.). More than ever, fashion players need to integrate "change" as an element of long-term business planning. This paradox of business decision-making, i.e. making an

uncertain plan, has an effect on companies' success which amplitude is growing with the speed of change in the economy. The higher that speed, the higher the uncertainty in the markets, the lower the probability to be correct in choosing where to head next. However, for the moment, while no one knows what the future is made of, there is a general consent that "[r]egardless of size and segment, players now need to be nimble, think digital-first and achieve ever-faster speed to market. They need to take an active stance on social issues, satisfy customer demands for ultra-transparency and sustainability, and most importantly, have the courage to "self-disrupt" their own identity.

Way Forward

The textile industry needs to develop a culture of innovation, diversify products and tap newer markets for increasing India's export share in the

global market. India enjoys a unique advantage of having abundant raw materials and presence of manufacturing in all segments of the textile value chain. The sector needs to improve supply chains, focus on research, cost optimization and scaling-up to achieve greater competitiveness and a higher share in the production and export of top items traded in global markets.

The quality has to be the mainstay for India to sustain exports in the global market in the face of stiff competition from Bangladesh and Vietnam. Taking advantage of the various measures taken by the government like allowing 100 per cent FDI and technology up-gradation fund scheme to accelerate textile industry's growth, the industry needs to focus on innovation and value addition for improving global competitiveness of the Indian textiles and apparels.

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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.

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

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)