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TEXPROCIL @ VIETNAM 2016



Shri Ujwal R Lahoti, Chairman, TEXPROCIL (3rd from right) at the inaugural function of 16th Vietnam Intl. Textile and Garment Exhibition (VTG) 2016 amongst other VIPs present.

CHAIRMAN'S MESSAGE



Dear Friends,

It is a matter of great privilege for me to be elected as Chairman, Texprocil after the conclusion of the 62nd Annual General Body Meeting (AGM) held on 21 November, 2016 at Mumbai.

I am grateful to all my colleagues in the Committee of Administration of the Council, past Chairman and all the members for having given me this opportunity to serve the trade and industry.

Friends, I assume charge at a time when we are at the cusp of far reaching changes in not only the way we will conduct our businesses in the coming years but also the global trading environment that will determine the outcome of our efforts at improving market shares.

Demonetization of Currency

The first change relates to the demonetization of high value currency of the denomination of Rs 500 and Rs 1000 by the Government on 8 November, 2016. These currency notes accounted for 86% of the cash in circulation and was bound to cause dislocation and disruption in commercial activities.

However with every passing week the liquidity is improving and businesses are stabilizing. The Government is taking all necessary steps to move towards a "cash- less" economy, encouraging people to adopt e- payment gateways, mobile banking, credit/ debit cards etc. to make and receive payments.

Need to promote Digital Payment Systems

In this connection the first impact of the Re- monetization reforms is likely to be on payment of wages to workers who are traditionally being

paid in cash as many of them do not have bank accounts. In view of this, the Ministry of Textiles has been urging the Textile Units to adopt the Unified Payments Interface (UPI) which is an open and inclusive digital payment platform developed by the National Payment Corporation of India (NPCI).

I would request all our exporter friends to download the UPI APP and also organize camps for employees to guide them in the matter. This will be in keeping with the move towards cash- less mode of payments and clean transactions.

The Council has already circulated these details via our E- SERVE.

Apart from this, we have also requested the Government to take steps like increasing the workinfrom 2 months to one year for repayment of loans, increase cash withdrawal limits for SME units based on their withdrawal records etc.

CHAIRMAN'S MESSAGE

CONTINUED FROM PAGE 1

Interim Steps to Encourage Exports

Considering the fact that the domestic market may take some time to adjust to the emerging situation on account de- monetization, we have also requested the Government to encourage exports in order to sustain economic activity and employment.

Accordingly, we have requested for urgent policy support such as increase in the entitlement under MEIS for export of Yarn, Fabrics and Made-ups to EU. We have also urged the Government to extend the Special Package given to Garments to the Made- Ups sector urgently. A plea has also been made to extend the benefit of 3% Interest Equalization Scheme to Cotton Yarn and Merchant Exporters.

We hope that some of these steps will be taken to mitigate the liquidity problems being currently faced by the trade & industry on account of demonetization and provide a window for continued sales.

Election of the US President

Another major development on November 8 was the election of the Republican nominee as the President of USA. Considering the election rhetoric and campaign promises especially relating to trade agreements like NAFTA and the Trans- Pacific Partnership Agreement (TPP), we can expect some changes in trading patterns.

Vietnam International Textile and Garment Industry Exhibition

A visible impact of the election results was seen in Vietnam during

the recently held 16th Vietnam International Textile and Garment Industry Exhibition (VTG) at Ho Chi Minh City, which was attended by me along with the Executive Director of the Council

The commitment of the President - Elect to rescind the TPP Agreement on the day he assumes office has come as a setback to the ambitious plans drawn up by the Vietnamese T&C Industry.

As is well known, Vietnamese T& C Exports has grown from a level of US\$ 1.85billion in 2000 to US\$ 27 billion in 2015. It is one of the leading exporters to the USA & EU, apart from China, Japan, Korea. It has also attracted Foreign Direct Investment (FDI) of approximately US \$ 4 billion from the top twenty textile projects.

Considering the level of investment which were largely motivated by the duty free advantages and the “Yarn Forward Rule” of the TPP Agreement, the likely termination of this much-awaited agreement by the USA has led to re- evaluation of the strategy by Vietnam in the near future.

Vietnam is however, well placed to gain benefits from the remaining 11FTA’s already signed by them, including with the European Union (EU).

While Vietnam draws up fresh plans to meet with the evolving situation, India can gain by aggressively linking itself with the emerging supply - chain in the region especially the growing demand for fabrics.

Conclusion

Friends, there are many changes that we can expect in the coming months as global trade adjusts to the new realities emerging from the rising aspirations of the people, growing automation and it’s role in labour intensive industry and the general anti-globalization rhetoric.

Many of the accepted ways of trading and business are under challenge. We need to find innovative solutions to the problems facing us, even as we improve our competitiveness by reducing our operational costs.

One of the important steps that needs to be taken is to intensify our marketing and sales efforts in emerging and new markets in Africa, South America, Middle East. In this connection, I invite our readers to send their suggestions so that we can prepare a comprehensive and time - bound strategy in this regard.

Friends, as Chairman of the Council, it will always be my endeavor to reach out to all our members so that we can all work collectively to increase our exports and achieve our targets.

Towards this end, I look forward to receiving your co-operation and support.

With Best Wishes

Ujwal R Lahoti
Chairman

:: TEXPROCIL ::



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To know more, please write to us on email:

info@texprocil.org

COVER STORY

16th Vietnam International
Textiles & Garment Exhibition (VTG)

Head of Chancery, Consulate General of India office in HCMC, Shri Jeevan Kandpal (2nd from left) along with Shri Ujwal R Lahoti, Chairman, TEXPROCIL (Centre), Shri Siddhartha Rajagopal, ED, TEXPROCIL (2nd from right), Shri Shailesh Martis, Joint Director, TEXPROCIL (extreme left) and Shri Nimit Vaid, GM, EXIM Bank (extreme right) during the visit of HOC at the 16th Vietnam Intl. Textile and Garment Exhibition (VTG) 2016.

Vietnam has established itself as one of the important garment making nations in the world. The Council has been organising BSMs annually in Vietnam since 2009 and even had a successful delegation in August 2014 where the delegates met 15 top garment companies in Ho Chi Minh City. In view of the emerging opportunities for yarns and fabrics in Vietnam the Council participated with 15 member companies in the Vietnam International Textiles & Garment (VTG) Industry exhibition held in Ho Chi Minh City, Vietnam from 23rd to 26th November, 2016.



TEXPROCIL E-NEWSLETTER

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Vietnam International Textiles & Garment Exhibition (VTG)

In its 16th edition in Ho Chi Minh City, Vietnam International Textile & Garment Industry Exhibition co-located with the Garment Machinery Exhibition had about 400 exhibiting companies from 20 countries, displaying latest technology and trends. Country representations included China, Hong Kong, Japan, Korea, Singapore, Taiwan & Vietnam. Moreover, the event had attracted more than 4,300 professional buyers and visitors attending the event over 4 days of the Show. The event was co-sponsored by Vietnam's Ministry of Industry & Trade Vietnam (MOIT), Association of Vietnam Cotton & Spinning Association (VCOSA), Association for Garment-Textile-Embroidery-Knitting in HCM City (AGTEK)

In the VTG 2016, there were 250 exhibitors with the exhibitor profile comprising yarn and fabrics while the overall exhibitors including machinery were about 400 exhibitors.

The Fair is mostly visited by textile, knitting, & garment manufacturers, Textile & Garment machinery importers & exporters, distributors & agent of textile & garment machinery & accessories.

At the inaugural function representatives from the Ministry of Industry and Trade; Office of Consulate General of India, HCMC; Association of Garment-Textile-Embroidery-Knitting (AGTEK); Vietnam Cotton and Spinning Association (VCOSA); among others were present.

The Head of Chancery, Consulate General of India office in HCMC, Shri Jeevan Kandpal visited the stalls of the Indian exhibitors and met the participants from India.

COVER STORY

(CONTD. FROM PAGE 3)

16th Vietnam International Textiles & Garment Exhibition (VTG)

Visitor Profile

The total no. of visitors to the Show were about 10,500 of which about 60% were purely for trade purposes. The visitors were from Vietnam, Korea, Japan and Thailand among others.

Vietnam Textile Industry at a glance

The total Garment Exports from Vietnam in 2015 was approx. USD 27 Billion. This is projected to go up to USD 40 Billion by 2020. USD 25 Billion in garments would translate to about USD 17 billion in fabric and USD 8 billion in yarn. According to KPMG, currently 88% of the raw material required for garment making is imported. It is estimated that 65% of the yarn made in Vietnam is currently being exported.

Vietnam is one of the top 5 garmenting nations in the world and imported about US\$ 19 billion worth of textiles in 2015. Of this about US\$ 6 billion was of cotton textiles. It is also one of the top importers of fabrics in the world with imports of over US\$ 10 billion in 2015 of which cotton fabrics was US\$ 5.23 billion.

India's share (US\$ 37.5 million) in the fabric segment is very negligible (less than 1%). The export of cotton yarns from India declined from US\$ 175 million in 2014 to US\$ 86 million in 2015. For the period Jan-Jun 2016 the export of cotton yarn from India is US\$ 35 million compared to US\$ 86 million during the same period in 2015.

Vietnam has signed a significant FTA with EU which will come into force in 2018. The recent Presidential win of Mr. Donald Trump in the USA will impact the Trans Pacific Partnership Agreement (TPP) as the Agreement is likely to be scrapped. The TPP was expected to cover about 40% of Vietnam's trade and was most likely to have a greater impact on MMF products rather than cotton products.

With the present TPP deal in jeopardy, Vietnam is currently in the mode of re-thinking its future strategy. The interim will provide India the opportunity to export fibre, as Vietnam is completely dependent on cotton (99% import), polyester (70% import) & viscose fibre (100% import) for its spinning industry. Opportunities also exist for mmf yarns while it is limited for cotton yarns due to huge investments made in the spinning industry in Vietnam. Out of a total requirement of 9 billion sq mt of fabric for the garment industry only 2.5 billion sq mt is produced locally while the balance is imported. Hence good potential exists for exporting fabrics to the Vietnamese garment industry.



Mr Siddhartha Rajagopal, ED Texprocil gave an overview of the Indian textile industry and spoke about India and Vietnam's textile advantage during the visit of HOC at the 16th Vietnam Intl. Textile and Garment Exhibition (VTG) 2016.

Texprocil booth

Along with 15 member participants the Council also participated at the event with an 18 sq mt stall to explore the possibility of increasing fabric and yarn trade with Vietnam. The TEXPROCIL stall at VTG was an effective platform to showcase and promote the various types of fabrics manufactured in India to the Vietnamese market and this was done by displaying samples from a few companies at the stall. Promotional brochures and catalogues of the Council and company profile booklet (printed in English as well as Vietnamese) of the Indian participants were freely distributed from the Texprocil stall.

The Council received about 30 enquiries at the stall with most of the enquiries for MMF yarn and cotton / cotton blend fabrics.



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

COVER STORY**16th Vietnam International
Textiles & Garment Exhibition (VTG)****Seminars**

There were 6 seminars over two days of the Show. On the first day an Updated Current Situation and Outlook of Vietnam Cotton, Fiber – Yarn – Textile & Apparel Supply Chain presentation was given by Mr. Nguyen Hong Giang, Vice Chairman, Vietnam Cotton and Spinning Association (VCOSA). Mr Siddhartha Rajagopal, ED Texprocil gave an overview of the Indian textile industry and spoke about India and Vietnam's textile advantage.

On the second day Mr. Tran Thanh Hai, Deputy Director-General, Agency for Foreign Trade, Ministry of Industry and Trade spoke on the FTAs and their impact on Vietnam's Textile and Garment Sector. Mr. Peter T. Mangione, Managing Director of Global Footwear Partnerships LLCUS gave an insightful presentation on the Post-election Politics and its Outlook for TPP and International Trade

Conclusion

With the fate of TPP hanging in balance and the signing of the EU Vietnam FTA, opportunities exist for trade in Vietnam under the Indo-ASEAN Agreement, wherein India needs to request Vietnam to fast track many of

the yarn and fabric items which have been placed in the sensitive and exclusion list. The fabrics under the Indo-ASEAN agreement fall under 3 main listings. One is the exclusion list while the second is the normal track list and finally the sensitive list. All lines in these segments need to be fast-tracked with a sizable reduction in tariffs so that Indian fabrics can be very competitive compared to countries like China, S Korea and Taiwan.

South Korea is becoming an important source of raw material to Vietnam and is also one among the top 5 importers of yarn from India. Under the Indo-Korea CEPA, yarn lines in exclusion and sensitive list need to be fast tracked to 0% in 2016 so that Indian yarn exported to Korea can be converted to fabrics in Korea which can be further shipped to Vietnam for onward garment making and exports to EU. A bilateral FTA with Vietnam will also go a long way in overcoming the shortfalls under the Indo-ASEAN FTA thereby improving the trade between the two countries.

A delegation from Vietnam along with important members of VCOSA and VITAS have been invited to visit India so that they get first-hand information about India's capacities and capabilities.

:: TEXPROCIL ::

**PRESS
RELEASE****TEXPROCIL - 62nd Annual General Meeting**

Pursuant to the **62nd Annual General Meeting of The Cotton Textiles Export Promotion Council (Texprocil)** held on 21st November, 2016, Shri Ujwal Lahoti, who was earlier holding the post of Vice Chairman, has taken charge as Chairman, TEXPROCIL w.e.f. 21.11.2016, after the completion of the tenure of Shri R K Dalmia.

Dr. K V Srinivasan has also been duly elected as Vice Chairman of the Council.

Their Co-ordinates are as follows:



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**SPECIAL
FEATURE**

**Chairman's Speech at the
62nd AGM of TEXPROCIL**



62nd Annual General Meeting of TEXPROCIL was held on 21st November 2016 in Mumbai. Chairman, TEXPROCIL, Shri R K Dalmia, addressed the gathering with a distinct focus in his speech on strategies to meet the present day challenges faced by the Textile Sector in India.

The key challenge, according to Mr. R. K. Dalmia, Chairman, Cotton Textiles Export Promotion Council (Texprocil) that faces the global textile and clothing industry today is “How do countries increase their market share in an era of falling demand?”.

Addressing the 62nd Annual General Meeting of the Council held on 21st November 2016 in Mumbai, Mr. Dalmia said that studies have shown that reducing operating costs, providing an enabling policy environment and enhancing productivity levels remain the three major pillars on which competitiveness can be sustained by emerging economies like India.

As we step into the future, a concerted effort to build a strategy based on these pillars can serve as a good starting point. Even as we develop our strategies to enhance our export performance in the coming months, it would be useful to take stock of the present internal and international challenges confronting our industry and trade, Texprocil Chairman stressed.

Dwelling upon internal challenges, Mr. Dalmia observed that the textile and clothing sector in our country remains an important vehicle of economic growth.

Yet, it is important to note that in spite of its vast potential to generate employment and inclusive growth, the textile sector remains a low margin business, highly sensitive to price and exchange rate fluctuations.

A recent report prepared by the Boston Consulting Group (BCG) states that the total employment in the Textile & Clothing sector will reach 74 million by 2020 and 103 million by 2025 from an estimated 49 million in 2014.

The share of women employed is almost 69 per cent of the total employment. The sector also facilitates quick employability as only 45 days are required to train a garment worker.

In this context, the “Special Package” announced for the Garment sector is a welcome step and should be extended to the other segments of the textile industry especially Made-ups & Home Textiles, Mr. Dalmia urged.

Giving details of global trade, Mr. Dalmia informed that world textile and clothing trade is estimated at USD 1,120 billion by 2020 with clothing occupying the major share.

:: TEXPROCIL ::



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



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

TRADE NOTIFICATION

MEMBERSHIP SATISFACTION SURVEY

Dear Member,

The Council has recently obtained ISO-9001:2008 Certification. As part of the ISO documentation concerning 'Customer Satisfaction' we are seeking feedback from our Members on the services offered by the Council. Accordingly 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 5 to 1. in order to serve you still better.*
5= Excellent, 4=Good, 3 = Satisfactory, 2 = Needs Improvement., 1 = 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="text"/>	Publication: E-Newsletter	<input type="text"/>	Intl. Fairs & Events	<input type="text"/>	Certificate of Origin	<input type="text"/>	Interactive Website	<input type="text"/>
Membership Renewal	<input type="text"/>	E-serve	<input type="text"/>	Seminars & Workshops	<input type="text"/>	Grievance Redressal Services	<input type="text"/>	E-News Clippings	<input type="text"/>
RCMC Amendment	<input type="text"/>	Circulation Trade Enquiries Award	<input type="text"/>	MDA/MAI Schemes	<input type="text"/>	Information on Exim policy/Amendment DBK	<input type="text"/>	Information Disseminated	<input type="text"/>

2) a. Are you generally satisfied with the services actively availed by your company and marked above? Tick (✓)	YES	<input type="text"/>	NO	<input type="text"/>
b. If you have replied 'no' above, please suggest how the Council can improve the services (use additional sheet if required)	Suggestions:			

3) How is your company benefitting from the Exhibitions / BSMS being organized by the Council? Tick (✓)	Accessing new Markets	<input type="text"/>	Generating additional business	<input type="text"/>
Others (Pls. Specify):	Making new Contacts (Trade Enquiries)	<input type="text"/>	Any Others	<input type="text"/>

4) How is your company benefitting from the Export Facilitation services being provided by the Council?	Information on Export Policy / Procedures	<input type="text"/>	Responses to various EXIM queries	<input type="text"/>
Others (Pls. Specify):	Redressal of Trade related grievances	<input type="text"/>	Any Others	<input type="text"/>

5) Have you recommended TEXPROCIL Membership to other companies? Tick (✓)	YES	<input type="text"/>	NO	<input type="text"/>
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6) Do you have any other suggestions to offer regarding TEXPROCIL Member Services? (use additional sheet if required)	Suggestions:			
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*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 amount for the financial year 2016-2017 (due from 1st April, 2016) is as follows: -

- 1) **MEMBER EXPORTER** - RS. 11,500/- (MEM FEES 10,000 + S. TAX 1,500)
 2) **REGISTERED TEXTILE EXPORTERS (RTE)** - RS. 5,750/- (MEM FEES 5,000 + S. TAX 750)

Special Discount: Texprocil is announcing a special discount scheme for those who wish to renew their membership for a period of 3 or 5 years as follows:

Period	Membership Fees		Discount Slab	Discounted Fees		Benefit to Exporters	
	RTE	Member		RTE	Member	RTE	Member
For 3 years	15,000	30,000	10%	13,500	27,000	1,500	3,000
For 5 years	25,000	50,000	15%	21,250	42,500	3,750	7,500

[RTEs and Members have to pay service tax on the discounted amount at the rate of 15%.]

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 2014-2015 & 2015-2016 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 2014-2015 & 2015-2016 as follows:

Sr. No.	Description	2015-2016 (Rs. FOB Value)	2014-2015 (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 is expiring on 31.03.2016:

Please apply immediately for renewal of RCMC with the following documents:

- [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 Form 32/DIR-2 or Board Resolution for those who have resigned or newly appointed.

(For any further queries please write to Mrs. Smita Dalvi on email : smita@texprocil.org)