

THE COTTON TEXTILES EXPORT PROMOTION COUNCIL
(Sponsored By Government of INDIA)

Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai - 400 004.

Maharashtra State, INDIA.

Website: <http://www.texprocil.org.in> E-mail: info@texprocil.org Tel.: 91-22-2363 2910 to 12 Fax: 91-22-2363 2914

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Sub: Inviting interest for investments in Vietnam in Spinning/Weaving projects

Dear Member,

As you may recall, the Prime Minister of Vietnam had visited India on 26th and 27th October 2014 along with a large trade delegation which also included companies from the textile sector. The focus of this visit was to open the doors of Vietnam to improve the trade relations between the two countries as well as provide a conducive climate for investments.

Subsequently, a trade delegation comprising officials from the Ministry of Textiles / Commerce led by the Commerce Secretary and including Joint Secretary (Exports), Ministry of Textiles along with Indian exporters of textiles and leather visited Vietnam / Cambodia from 17th to 21st January, 2015 to discuss policy issues with the Governments of Vietnam and Cambodia.

Post visit of this delegation, the Government of India has offered a line of credit (LOC) for US\$ 300 million to the Government of Vietnam for **procurement of raw material and machinery including investments in Vietnam**. The Hon'ble Finance Minister, in his budget speech on 28th February, 2015 announced that an SPV for promoting Indian investments will be created for CLMV countries.

This provides an effective platform for textile entrepreneurs who have interest in linking up with the value chain by making investments in Vietnam in the spinning / weaving and sewing sectors. The projects planned by VINATEX (largest textile company in Vietnam) in the spinning / weaving and sewing sectors for the period 2016-2020 are also enclosed for your reference ([Annexure 1](#)).

Vietnam is an important player in the region in view of its entry route through significant FTAs with EU, ASEAN-China and the impending TPP with US and RCEP.

As you are aware Vietnam is one of the top 5 garmenting nations in the world with an export volume worth US\$ 25 billion in 2014. Due to this large volume of conversion to finished garments, Vietnam depends on import of raw material viz. yarns and fabrics.

Vietnam imported over US\$ 10 billion worth of fabrics of which almost US\$ 5 billion was of cotton fabrics in 2014. China, Korea and Taiwan have made substantial investments in Vietnam in the textile and clothing sector and have already linked with the value chain.

Considering the potential of increasing exports of yarn and fabrics to Vietnam as well as investing in textile industry in Vietnam to take advantage of the TPP arrangements, members interested in investing in Vietnam may please fill up the [enclosed reply form](#) latest by 21st March, 2015 and send to info@texprocil.org / shailesh@texprocil.org / mrunal@texprocil.org

Regards,

Siddhartha Rajagopal
Executive Director

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