INFO SRTEPC

Vol. No.4 | Issue No.3 | June, 2015 | ₹ 50/- | MUMBAI

R.N.I. No. MAHENG / 2012 / 45923
Published on 20th June, 2015

EGYPT: AN EMERGING MARKET FOR EXPORTS OF INDIAN TEXTILES AND CLOTHING PRODUCTS

INTRODUCTION

Egypt, officially the Arab Republic of Egypt, is one of the most populous countries in Africa and the Middle East. It has a diversified economy with sectors such as textile, tourism, agriculture, industry and services at almost equal production levels. Egypt is considered to be a middle power, with significant cultural, political, and military influence in the Mediterranean, the Middle East and the Arab world. The Egyptian economy has witnessed a solid growth of 5.6% in the first half of FY 2015 amid new found political stability and the government's launch of an ambitious reform agenda.

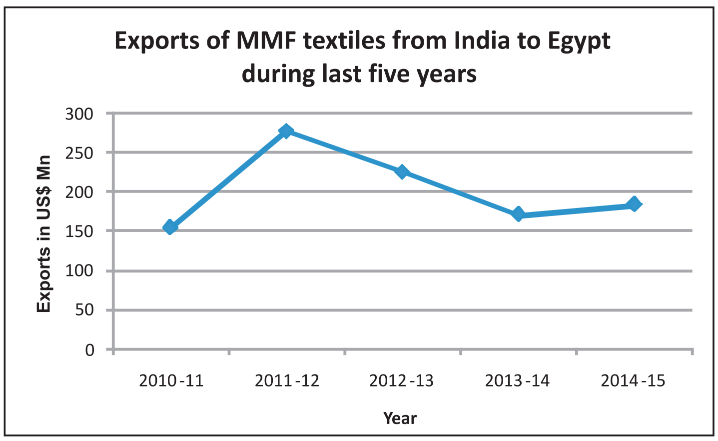
EGYPTIAN TEXTILE INDUSTRY

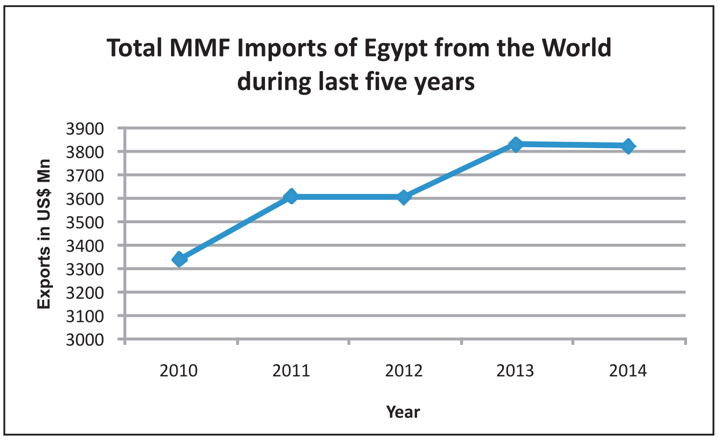
Textiles is the largest industry in Egyptian economy. Their Textile Economy is predominantly cotton based, but in recent times, demand for Man-made fibre textiles in the country has been increasing. Its textile Industry has a complete vertically integrated functioning model, starting from fibres up to finished products of Apparel and Home Textiles. The module of the Industry functions with both the local availability of the cotton fibres and the imported fibres (polyester, viscose, wool etc.). The Egyptian textile industry is focused on enhancing its competitive position by new investments adopting the latest technology in all phases of the production process.

The Egyptian apparel industry is one of the most dynamic industrial sectors. It comprises some 1500 private sector apparel and intermediate manufacturers and majority are equipped with state-of-the-art machinery. The latest technologies are adopted in all phases of production: pattern making, spreading, cutting, sewing, and packaging.

HIGHLIGHTS:

- Imports of Textile & Clothing by Egypt from the world were US$ 3.6 billion during 2014.
- India's share in total imports of Textile & Clothing of Egypt is 9.39%, worth US$ 342.47 million in 2014.
- Textile imports of Egypt from the world account for nearly 76% (US$ 2.77 Bn) of its total T&C imports.
- Clothing imports of Egypt from the world account for only 24.11% (US$ 0.88 Bn) of its total T&C imports.
- Imports of Made-ups from the world reached over US$ 136 million with a share of nearly 4%.
- Egypt's total imports of MMF textiles from the world during 2014 stood at US$ 1805.99 million, of which India's share was only US$ 153.86 million (8.52%).
- Hence, there is tremendous scope to increase India's exports to Egypt and increase our market share.





Egypt's Textile and Clothing Imports from World during 2014

Value in US$ Mn

Chap-ter	Product Description	Imports from World	Imports from India	India's Share (%)
50	Silk	0.20	0	0.00%
51	Wool, animal hair, horsehair yarn and fabric thereof	55.49	1.1	1.98%
52	Cotton	679.41	167.19	24.61%
53	Vegetable textile fibres nes, paper yarn, woven fabric	25.35	3.29	12.98%
54	Man-made filaments	840.70	72.47	8.62%
55	Man-made staple fibres	576.24	72.93	12.66%
56	Wadding, felt, non-wovens, yarns, twine, cordage, etc.	135.60	0.84	0.62%
57	Carpets and other textile floor coverings	63.31	2.75	4.34%
58	Special woven or tufted fabric, lace, tapestry etc.	87.10	1.85	2.12%
59	Impregnated, coated or laminated textile fabric	44.22	0.77	1.74%
60	Knitted or crocheted fabric	122.13	5	4.09%
61	Articles of apparel, accessories, knit or crocheted	65.29	1.46	2.24%
62	Articles of apparel, accessories, not knit or crocheted	814.81	7.19	0.88%
63	Other made textile articles, sets, worn clothing etc.	135.79	5.63	4.15%
	Total Textile & Clothing	**3645.64**	**342.47**	**9.39%**

SOURCE: ITC

India has been complementing to the Egyptian apparel industry since a long time. Egypt imports a significant part of textiles from India for its growing garmenting units. Cotton, Man-Made Textiles, Made-ups, Carpets and Apparels are the leading items that are being imported from India into Egypt. Egypt imports nearly 24.61% of its requirements of Cotton from India.

Share of Textile & Clothing Imports of Egypt from World in 2014

Imports from World	Value in US$ Bn	% Share in Total T&C Imports from World
Textile	2.77	75.77%
Clothing	0.88	24.11%
Total T&C Imports	**3.65**	

SOURCE: ITC

Leading Suppliers of Textile products to Egypt in 2014

Sr. No.	Country	Imports in US$ Mn
1	China	1745.83
2	Turkey	353.89
3	India	342.47
4	United States of America	109.55
5	Indonesia	105.70
6	Greece	92.60
7	Italy	78.77
8	Germany	74.96
9	Spain	73.29
10	Pakistan	70.05

SOURCE: ITC

Leading Suppliers of Clothing products to Egypt in 2014

Sr. No.	Country	Imports in US$ Mn
1	China	658.57
2	Turkey	63.79
3	Spain	55.37
4	United Arab Emirates	22.08
5	Germany	15.71
6	Bulgaria	13.08
7	India	8.64
8	Italy	6.77
9	Bangladesh	5.43
10	Saudi Arabia	5.08

SOURCE: ITC

POTENTIAL FOR MAN-MADE FIBRE TEXTILES

Egypt is one of the growing markets for MMF textiles. Its MMF textile imports have been growing steadily over the years and reached US$ 1805.99 million in 2014. The compounded average growth rate (CAGR) of Egypt's MMF imports from the world has been around 3% during last five years. China, India, Unites States of America, Turkey, Taiwan, etc. are the leading suppliers of MMF textiles to Egypt.

(Contd. on Page 27)

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Printed, published and edited by **V. ANIL KUMAR** on behalf of **THE SYNTHETIC & RAYON TEXTILES EXPORT PROMOTION COUNCIL,** Printed at **Kukreja Arts, Regd. office :** A-202 Andheri Manish Garden, Plot 2/3/4, J.P. Road, 4 Bunglows, Andheri (w), Mumbai - 400 053 & Published from **The Synthetic & Rayon Textiles Export Promotion Council,** Resham Bhavan, 78 Veer Nariman Road, Churchgate, Mumbai - 400 020.

Editor: **V. ANIL KUMAR**

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Dear Member,

Indian Manmade fibre Textile Industry is presently in a difficult phase as the net exports of MMF Textiles during 2014 is only US$ 3.66 billion, with US$ 6.32 bn. exports and staggering imports of US$ 2.66 bn. as per the Ministry of Commerce (MoC) data. This is very disturbing situation and needs urgent attention from all stakeholders to avoid an impending crisis. The Council has sought the attention of the concerned for a relook of the existing Excise & Customs duty regime and the reward under the new FTP to bring the necessary changes which would ultimately result in strengthening domestic manufacturing, expanding products development and enhance exports of new products in the Manmade fibre textile sector. We have apprised the Ministry of Textiles for immediate necessary policy support measures, if delayed it may move to an irreversible stage.

The Council has reiterated at appropriate forums of the Govt. to urgently reduce the existing Excise duty on Man-made fibers and yarns to 6% from existing 12.5%, as an essential policy stimulant for reviving the growth and value addition of the MMF textile industry and also to trigger exports. These urgent policy measures are necessary for achieving export targets and enhancing job opportunities. The reduction in excise duty would give a level playing field for the MMF sector and also end long overdue fiscal discrimination with respect to the cotton, which has zero excise duty. This fiscal anomaly over the years has stagnated production, stalled product development and discouraged investment of the domestic MMF Textiles sector. During this crucial years, the global MMF textiles attained an enviable 70 per cent (in fibre use), while India have been stagnating at around 40 per cent, and many of our competing countries have over taken us in this period and reached enviable positions. Further, lowering of Excise duty would ultimately strengthen the domestic textile value chain, enhance competitiveness and also augurs well with the 'Make in India' mission.

According to the MoC data, during the past five years our total Textiles & Clothing (T& C) exports have grown 30.29%, while the imports of MMF textiles have grown a staggering 47%, which is a wakeup call for all concerned. At the same time, the MMF Textile exports have not grown in line with overall Textile exports, recording only 24% growth over the same period, while its share remained stagnant at around 17% of the total T&C exports. This discouraging trend if allowed to continue will be difficult to reverse and eliminate the potential and prospects of the MMF Textiles in India. We can draw lessons from the exponential growth in exports from our competing countries like Vietnam and Bangladesh. In this regard, the Council has drawn urgent attention of the concerned to address and resolve this critical issue immediately without causing further damage to the MMF sector, which has huge growth potential in India.

It is high time that we realize the adverse impact of duty discrimination prevailing within Textiles sector, which is one of the strategic and labour intensive sectors. The duty bias has been one of the factors discouraging the Indian MMF textiles sector to attain its potential production and growth in exports. Further the high fiscal burden and difference in duty structure has been restricting many from going for new applications and product development. Vietnam has achieved exponential growth in exports in recent years due to its focus on new products/applications especially in areas like leisure and sportswear, in this emerging area, Man-made Fibre textiles has played a major role.

High excise duty makes our domestic MMF products costly and imports cheaper. You may note that huge imports of several Man-made fibers have been depressing our domestic market in recent years. In 2014-15, we have imported US$ 825 million worth of fibres, filament and spun yarn, apart from US$ 780 million fabrics imports, if one adds to this imported 12.5 million pieces of garments, the total imports value may be closer to ₹ 12,000 crores and most of it are from the synthetic segment due to high domestic manufacturing cost emanating from high fiscal duty regime. This trend in imports could increase if the current fiscal regime is unchanged. Hence it is imperative to reduce excise duty which would have a multiplier effect helping across the value chain to increase consumption of MMF textiles from the fibre stage to the garment stage. This would result in enhanced demand, MMF textile products being priced at affordable rate, resulting in higher revenue to the exchequer. We hope bold policy initiatives will be taken by the Government to boost growth of *this sector. Otherwise, the Indian Man-made fibre textile industry will not be able to sustain and give way to countries like China, Vietnam and Bangladesh to march past India. To reverse this situation there is an urgent need to end the fiscal discrimination between cotton and MMF and also put in place an effective import duty regime for enhancing domestic production and product innovation.*

The Council has also drawn the attention of the Ministry of Textiles for representing for a revision of the New FTP 2015-20 rewards, especially for the LAC and African region for which the demand for MMF textiles is very high. It was brought to their notice that the MMF textiles contribute around ₹ 7000 crores as taxes to the exchequer. It was also highlighted that our trends in value added exports among the Man-made Fabrics and Made-up segments have been increasing, while the exports of Man-made raw materials like fibre and yarns have been showing a declining trend over the past 5 years. We have drawn attention of the concerned towards this enhanced value addition trend in the domestic Man-made fibre textile sector, which is in line with the vision of the Hon'ble Prime Minister's initiative of Make in India. Hence we have requested at the appropriate levels in the Govt. to come out with encouraging policy measures which would further strengthen this segment so that enhanced exports and employment can be generated, which helps to fulfill aspirations of the people across the Country.

Despite various problems hampering the exports of MMF textile industry, the Council on its part is making all out efforts to promote the sector by involving export promotion programmes abroad. As you are aware, Latin America and Africa has emerged as the major emerging markets for MMF textiles and the Council has lined up exclusive Exhibitions in these markets of Honduras and El Salvador. The Council is venturing in these countries for the first time and I am sure exporters will take advantage of this opportunity. The markets of Honduras and El Salvador have not been fully exploited though both have tremendous potential for MMF textiles.

As you are aware, every year, as per the suggestions sought by the Ministry of Finance, the Council submits its proposals to the Government on the All Industry Rates of Duty Drawback (DBK), calculated based on the inputs received from the members. For the year 2015, Council will be sending a consolidated proposal to the Ministry for consideration in formulating the new All Industry Rates of Duty Drawback for Indian synthetic & rayon textile items. The Drawback Proposal will also be sent to the Ministry of Textiles for suitable recommendation to the Department of Revenue. The Council has proposed for an upward revision in the rates for most of the MMF textile items.

We have also planned an exclusive Exhibition in Egypt during early October 2015 under MAI scheme. Members may be aware that the Council in the past organized successful Exhibitions in Egypt, which of late had been going through a political turmoil. But we have been informed that the economic situation has improved and much better now and conditions are congenial for holding Exhibition. I am sure like in the previous years, members will take part in large numbers and make efforts to make it a grand success. We will end the year with exclusive Exhibitions in Morocco and Senegal. Both these African markets are promising for the MMF textiles. Friends, I am sure with your whole-hearted support and participation, these Exhibitions would be highly successful.

I thank members, who have renewed their membership of the Council for the year 2015-16 and request those who have not yet renewed their membership to send their renewal fees at the earliest to enable the Council to provide the regular services to them on continued basis.

With warm regards,

Yours sincerely,

ANIL RAJVANSHI
CHAIRMAN
The Synthetic & Rayon Textiles Export Promotion Council

PAKISTAN

Budget announces incentives to promote textile industry

Pakistan announced a few sops to boost the textile industry in its budget for 2015-16.

It is learnt that the textiles industry is the mainstay of Pakistan's economyand accounts for more than 50 per cent of the export value. Moreover it is the single largest employment provider in the manufacturing sector.

Under the textiles policy 2014-19 financial package of PK ₹ 64.15 billion (US$ 0.63 billion) has been approved in order to double the textiles exports and create three million additional jobs by the year 2019.

The restructuring of the Federal Textile Board was also announced with majority members from the private sector to resolve the various issues pertaining to textile sector and for implementation of textiles policy 2014-19.

The benefit of drawback of local taxes and levies scheme shall remain available for the textile exporter in the FY 2015-16 under which they shall be entitled to the drawback on FOB values of their enhanced exports if increased beyond 10 per cent of their previous year's exports. Under the scheme, garments will be entitled to 4 drawback, made-ups 2 per while processed fabric will be entitled to 1 per cent.

From July 1, 2015, export refinance facility and long term finance facility will be available for textile-exporters at the lowest rate ever at 4.5 per cent and 6 per cent respectively. The custom duty on import of textile machinery under SRO 809 will be zero for 2015-16 as well.

In order to facilitate and incentivise the investments in plants and machinery, technology up-gradation fund scheme will be launched in 2015-16, as per the provisions of textiles policy 2014-19.

Pakistan's textiles exports have been falling recently and exporters have blamed the Government for energy shortage, taxation hassles and rising input costs for their woes.

(Source : Fibre2fashion)

Exports to EU goes up 20% after GSP

Pakistan's exports to the European Union (EU) witnessed a 20 per cent increase during the first 11 months (January, 2014 to November, 2014) of the Generalised System of Preference (GSP) Plus status.

It is learnt that the exports rose to Euros 5.067 billion against last year's Euros 4.22 billion. The GSP Plus mechanism has been an incentive for Pakistan to enhance democratic and human rights reforms in the country.

The GSP Plus status has allowed Pakistan tariff-free exports to European markets. The GSP Plus status provided Pakistan a greater opportunity to fully exploit its potential in textile sector and beyond by increasing its exports, which may result in the creation of thousands of new jobs.

It is also learnt that after the GSP Plus status, textile sector is eyeing to increase exports from US$ 3 billion to US$ 26 billion and double the direct and indirect job from 15 million to 30 million jobs in the next five years.

(Source : Fibre2fashion)

FTA with Belarus to be initiated

Pakistan has asked Belarus to initiate the process of entering into a free trade agreement to boost trade ties between the two countries. Belarus is keen to setup plants in Pakistan for the manufacture of automobile parts and assembly of buses, tractors and grain harvesters.

Belarus will also consider technological upgrade and expansion of existing facilities.

(Source : Fibre2fashion)

GSP Plus status gives exports a push

Pakistan's exports registered a 23% increase after gaining GSP plus status from the European Union.

It is reported that since the country achieved GSP plus status from European Union, 30% increase has been shown in the Textile (Garments) sector while 25% in shoes and plastic sectors. The tenure of GSP plus status terminates in 2016 and it is hoped that the TDAP and Ministry of Commerce would be able to get it renewed for a term of ten years. Efforts are also being made at diplomatic and political levels to get the trade agreement with the EU renewed. In the EU market, despite all odds Pakistan has been able to show a sizeable leap ahead of its rivals like India, Turkey and Bangladesh due to quality and standards of its products.

(Source : Business Recorder)

Bilateral trade with Nigeria to improve

Pakistan bilateral trade with Nigeria, currently stands at US$ 500 million and the government plans to enhance bilateral trade with Nigeria. Both the countries have highlighted many potential sectors where they can assist each other including textile, machinery, agriculture, vehicles and technological development.

It is learnt that there lies great export potential for Pakistani goods including textile products, etc. in Nigeria.

Both sides have emphasized the need for enhanced cooperation in textile ginning, weaving and garments where as both side agreed enhance cooperation in oil and gas sector.

(Source :Yarnsandfibers)

THAILAND

Textile and clothing exports drop

The exports of textile and clothing from Thailand declined by 6.04 per cent to US$ 2.245 billion in the first four months of 2015, compared to US$ 2.290 billion earnings in comparable period last year.

Segment-wise, textile exports dropped by 5.70 per cent year-on-year to US$ 1.384 billion, while garment exports decreased by 6.59 per cent to US$ 861.75 million during the four-month period.

In the textile category, woven fabric exports fetched US$ 477.18 million, followed by yarn and Man-made filaments with US$ 254.23 million and synthetic filament and staple fibres with US$ 231.72 million.

Similarly, among apparel, Man-made fibre garment exports were valued at US$ 275.15 million, followed by cotton garments at US$ 225.27 million, and garments of other textile materials at US$ 176.54 million.

In terms of major destinations of Thai garment exports, the US led the pack with US$ 294.90 million, whereas the 28-member EU accounted for US$ 188.49 million, Japan US$ 128.42 million, ASEAN(9) US$ 46.63 million, and China (including Hong Kong) US$ 45.28 million.

Thai clothing exports to the EU saw maximum drop of 13.91 per cent during the period under review, mainly due to the country losing import-duty privileges from this year.

In 2014, Thai textile exports dropped marginally by 0.14 per cent year-on-year to US$ 4.602 billion, while garment exports decreased by 0.57 per cent to US$ 2.857 billion.

(Source : Fibre2fashion)

VIETNAM

Investment climate favourable

Vietnam’s investment climate has witnessed significant improvement following three challenging years of macroeconomic instability.

The Minister of Planning and Investment (MPI), Mr. Bui QuangVinhforecasts an annual growth of 6.2 per cent for 2015, due to easing of local business difficulties.

Chairman of the Vietnam Chamber of Commerce and Industry (VCCI) Vu Tien Loc said the local business community had recognised the Government's efforts to provide a better regulatory environment.

However, the VCCI chairman pointed out the lack of transparency in access to regulatory documents of Government agencies, unpredictable changes in rulings by regulatory agencies, and law enforcement not conducive to business still troubling local enterprises and firms.

It is believed that Vietnam had been extremely successful with international economic integration in general and with the US in particular.

Last year, the total trade between the two countries reached US$36.3 billion, up by 20 per cent and it is expected to reach nearly US$ 72 billion by 2020 if the present trends continue, and even more with TransPacific Partnership (TPP).

In 2014, Vietnam became the leading supplier to the US among ASEAN countries, ahead of Malaysia and Thailand. Vietnam's share of total US imports from ASEAN was 22 per cent and could exceed 30 per cent by 2020.

It is learnt that the Government would be doing more to stabilise macroeconomic elements by controlling exchange rates, inflation, budget overspending, and trade deficit.

Vietnam will be signing 14 FTAs in the coming years which will help establish trade relations with 55 partner countries, including 15 member countries from G-20.

(Source : Vietnam News)

China to be the largest export destination by 2030

According to a forecast by HSBC Vietnam’ fastest growing export destinations in the decade 2030 will be China, India and Malaysia. Its geographical location in Asia, with good access to India, China and South East Asia, leaves it well-placed to trade with fast-growing neighbors. Vietnam's exports to all these markets to grow by at least 14 percent per year. Although the US was still Vietnam's largest export market in 2013, the HSBC report forecast that China will overtake it to become Vietnam's largest export destination by 2030. Vietnam's location and strong foothold in both clothing and telecoms means it is well-placed to access this buoyant consumer market.

The US and Vietnam will still enjoy historically strong commercial linkages, and by 2030 the US will still account for 15 percent of Vietnam's exports. Vietnam and the United States are two of the 12 countries currently negotiating the Trans-Pacific Partnership (TPP). When the agreement is finalized, Vietnam's exports will become even more competitive in the US, probably boosting trade between the two countries. Trade deals with ASEAN, the United States and Europe in the next few years will secure market access for the new range of higher-value exports and help to keep import costs down.

Clothing and apparel are expected to remain the country's top export for the foreseeable future, contributing almost 20 percent of the projected growth in total merchandise exports in the decade to 2030.

China and South Korea, emerging Asia's two leading export nations over the last decade, will continue to be Vietnam's largest import partners out to 2030.

SOURCE: The Global Textiles

Textile and clothing export turnover grows in May

Vietnam's garment and textile export turnover posted robust growth in May. Garment and textile exports were estimated at US$1.65 billion in May, an increase of 0.8 percent over the previous month, sending five-month garment and textile exports to above US$ 8.11 billion, up 8.7 percent compared to the same period last year. According to reports nearly 62 percent of garment businesses have seen higher amount of contracts in the second quarter of this year, compared to previous quarter.

Since the beginning of this year, the number of foreign investors investing in Vietnamese garment and textile industry has been continually increasing because Vietnam is considered to receive most benefit as many tariffs will be cut to zero percent with the signing of FTAs, such as TTP, with EU, and South Korea.

(Source : Saigon-gp Daily)

Exports of textiles and garments to the Eurasian Economic Union to rise by 50%

Vietnam's exports of textiles and garment products to the Eurasian Economic Union will jump 50 percent in the first year after the two signed a free trade agreement, and would expand 20 percent annually in the five subsequent years.

The agreement was signed recently with the union comprising Russia, Armenia, Belarus, Kazakhstan and Kyrgyzstan, to whom Vietnam's exports of products are US$ 4 billion now.

Vietnamese business will have a good chance to expand exports markets as the EEU will eliminate tariffs imposed on some of the country's key export items such as garments.

The FTA is expected to boost Vietnam's exports, including among others textile and garment to these countries.

According to preliminary assessment, the agreement will help raise the two-way trade value to US$ 10-12 billion by 2020 from US$ 4 billion last year.

(Source :Fibre 2fashion)

CHINA

Textiles and clothing exports show a double digit fall in April 2015

The exports of textiles and garments from China showed a double-digit decline in the month of April 2015.

In April, China's textile and apparel exports fell 16.3 per cent year-on-year to US$ 19.88 billion, of which textile exports dropped by 10.8 per cent and garment exports dropped by 20.8 per cent.

In terms of yuan also China's textile and garment exports decreased by 16 per cent year-on-year to 122.24 billion yuan during the month.

April 2015 exports of US$ 19.88 billion were lower than 2013 and 2014 exports of US$ 22.28 billion and US$ 23.75 billion, respectively, which increased by 18.5 per cent and 6.6 per cent.

From January to April 2015, China's cumulative textile and clothing exports stood at US$ 79.64 billion, down 2.7 per cent year-on-year, of which textile exports fell 0.5 per cent while apparel exports dropped 4.2

per cent. In terms of yuan, China's total textile and apparel exports declined 2.5 per cent to 488.34 billion yuan during the four-month period.

The cumulative growth rate of China's textile and apparel exports during January-April has declined for the first time since 2011. The growth rate was 27 per cent, 0.5 per cent, 16.5 per cent and 2.1 per cent in dollar terms in 2011, 2012, 2013 and 2014 respectively.

(Source : Fibre2fashion)

Import falls in May

China's imports dropped 18.1 percent year-on-year to 803.33 billion yuan (US$ 129.4 billion) in May, suggesting further weakness in the world's second-largest economy.

It has been stated that exports decreased 2.8 percent to 1.17 trillion yuan in May and the trade surplus expanded 65.0 percent to 366.8 billion yuan.

Imports fell for the seventh straight month, while exports declined for the third month in a row despite the government cutting interest rates three times since November while also lowering the amount of cash banks must hold in reserve.

China's gross domestic product (GDP) expanded 7.4 percent in 2014, the lowest rate in nearly a quarter of a century and there have been few signs of a pick-up this year.

GDP expanded 7.0 percent in the January-March period, the worst quarterly result in six years.

(Source : The Economic Times)

ETHIOPIA

Plans to improve the textile sector

The Ethiopian government, in a bid to improve its textile sector and boost exports is planning to make investment to the tune of US$1bn in industrial parks over the next decade. This will help enhance the country's overall position as a major manufacturer.

The East African nation has targeted a 15-fold increase in textile and leather exports to US$1.5bn, as part of the current growth and transformation plan that ends in July.

The Ethiopian government has plans to invest US$ 10bn to develop industrial zones across the country for textile, leather, agro-processing and other labour-intensive factories, the additional funds would come from the World Bank's International Finance Corporation (IFC) as well as Chinese and European sources.

(Source : Yarnsandfibers)

AFRICA

Textile and clothing exports to US up

Africa's textile and apparel exports to the United States could quadruple to US$ 4 billion over the next decade through an extended duty-free trade treaty.

The trade program known as the African Growth and Opportunities Act (AGOA) provides eligible sub-Saharan countries duty-free access to the world's top apparel market, giving Africa a competitive edge over suppliers such as Bangladesh and Vietnam.

The US administration has already called for renewal of the program well ahead of its expiry date of Sept. 30, 2015. The program, in which about 40 African countries are eligible to take part, could be extended another 10 years.

Established in 2000, AGOA has already been renewed past its original 2008 expiry date.

Last year, US clothing imports from sub-Saharan countries reached US$ 986 million, up nearly six percent from 2013, as countries such as Lesotho, Kenya, Ethiopia and Tanzania participated in the program.

(Source : Fibre2fashion)

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Textile exports fall short of its target

Textile and garment exports amounted to USD 41.4 billion in FY 2014-15, against USD 40.8 billion in the previous fiscal, falling short of USD 45 billion target for the year.

The new National Textiles Policy is being finalised by the government which aims at raising exports to USD 300 billion by 2024-25.

The Textiles Ministry has set an export target of USD 47.5 billion for the current fiscal.

The Secretary Textiles Shri Sanjay Kumar Panda has said that the Ministry has sought ₹ 13,000 crore for the Technology Upgradation Fund (TUF) scheme for the 12th Five Year Plan (2012-17).

Keeping in view the various changes in the textile industry on the domestic and international fronts and the need for a roadmap for the textile and apparel industry, the Textile Ministry had initiated the process of reviewing the National Textile Policy 2000.

The draft of Vision, Strategy & Action Plan for Indian Textiles & Apparels (2024) was earlier put up on the website of Textiles Ministry for inviting online comments/suggestions.

The government is in the process of finalising it for seeking the Cabinet approval.

(Source : The Economic Times)

China dumps cheap synthetic yarn in India

Indian textile manufacturers face the pressure of cheap import of synthetic yarn from China. They blame the 12.5 per cent excise levy on the product for not being able to compete in price, and have urged the government to remove it.

In the first 11 month of 2014-15, staple fibre import rose to US$ 197 million as compared to US$ 149 mn in the same period of 2013-14.

It is learnt that in the past two years, Chinese cost of manufacturing has gone up wages, energy and financing. Consequently, their export share has gone down by 10-12 per cent. However, the capacity additions made in two years have resulted in excess availability of synthetic yarn and fibre, alleging this being dumped in India.

Filament yarn is woven directly for synthetic saris and other dress material, an item of mass consumption. Producers here are in the small, medium and large segments. Rising import has resulted in about 30 per cent of looms closing in major producing centres like Surat. This needs urgent attention.

It is a mass commodity product and thus, sold at cheaper prices as compared to staple fibre which is mixed with cotton and viscose to produce good quality suiting and shirting etc. Thus, PSF is sold at import parity. In India, out of 4 million tonnes of polyester produced, 3 million tonnes is filament yarn.

(Source : The Business Standard)

Chabahar Port will ease India's trade with Afghanistan

Recently India signed a memorandum of understanding with Iran to develop Chabahar Port in Iran. Located on the confluence of the Indian Ocean and the Sea of Oman in southeastern Iran, it provides India access to Afghanistan, Central Asia and beyond. The agreement entails an investment of US$ 85.21 million from India to construct a container terminal and a multi-purpose cargo terminal.

The formalisation of the agreement was long overdue. While the construction of Chabahar Port augurs well for India and Iran, opening the trade routes to Afghanistan and Central Asia will also bolster economic ties with other nations. Moreover, the trade route reduces India's dependence on Pakistan, a volatile neighbour, for trade with Afghanistan.

Pakistan has restricted the movement of Indian goods to land-locked Afghanistan, hampering trade relations between the two countries. The Afghanistan-Pakistan Trade and Transit Agreement allows Afghan trucks to carry cargo to Pakistan ports and the Wagah border but the trucks have to go back empty. This increases the cost of goods.

Chabahar's development is expected to reduce costs by almost a third and increase the potential transaction value between India, Afghanistan and Central Asia. Moreover, by circumventing Pakistan's current hold on access to Afghanistan, India's geo-strategic sway will be further enhanced.

Chabahar's development will also render worthless Pakistan's fervent refusal to allow India-Afghanistan trade through its territory. Afghanistan's nodal location provides it the unique ability to provide access to South, Central and West Asia.

(Source : Business Standard)

Textile industry asks for additional funds under TUFs

The textile industry has sought additional allocation for the Technology Upgradation Fund Scheme (TUFS) to clear the subsidy amount pending for earlier commitments under the scheme and also for new investments this year.

The textile industry wants the Government to provide ₹ 3,000 crore additional allocation for the scheme for 2015-16. Textiles is a capital intensive industry and the two per cent to five per cent subsidy on interest available through the scheme helps the industry improve its competitiveness.

The scheme is valid till 2017 and the Government should provide adequate allocations for it. The industry is facing several challenges and during the last three years, investments were to the tune of ₹ 27,000 crore to ₹ 30,000 crore. Investments are expected to be minimal if the scheme is not available, as the capital cost is high for the textile and clothing sector.

Sources in the industry added that nearly 35 per cent of textile and clothing production in the country is exported. The scheme helps the industry improve its efficiency and competitiveness by upgrading the technology.

(Source : The Hindu)

Growth in exports of textile and clothing not high

The Indian textile and clothing sector, which registered 41 billion dollars worth exports last financial year, might not see high growth in exports this year.

It is learnt that segments such as garments and home textiles had seen growth in exports. However, sectors such as cotton yarn had seen exports slowing down because of decline in demand from China.

The sources said that China was one of the major markets for cotton and yarn exports from India. Though textile mills were now exporting to countries such as Bangladesh, Vietnam and Cambodia, the demand from China was huge. This year, the industry expects export demand to be good for segments such as garments. However, the demand for yarn should increase in the overseas market. Hence, the export growth might be flat this year for the entire sector.

Nearly 35 per cent of the country's annual textile and clothing production is exported. In some countries, the average import duty on these products is high and hence, the industry needs support to upgrade technology to improve its efficiency and competitiveness.

(Source : The Hindu)

HON'BLE PRIME MINISTER'S ADDRESS TO THE FELLOW CITIZENS ON COMPLETION OF 1ST YEAR.

My Dear Fellow Citizens!

Service, in our Indian ethos is the ultimate duty – SevaParmo Dharma. One year ago, you had entrusted me with the responsibility and honour of serving you as your Pradhan Sevak. I have devoted every moment of every day, and every element of my body and spirit, in fulfilling the same with fullest sincerity and honesty.

We assumed office at a time when confidence in the India story was waning. Un-abated corruption and indecisiveness had paralyzed the government. People had been left helpless against ever climbing inflation and economic insecurity. Urgent and decisive action was needed.

We systematically went about addressing these challenges. Runaway prices were immediately brought under control. The languishing economy was rejuvenated, building on stable, policy-driven proactive governance. Discretionary allotment of our precious natural resources to a chosen few was replaced with transparent auctions. Firm steps were taken against Black Money, from setting up a SIT and passing a stringent black money law, to generating international consensus against the same. Uncompromising adherence to the principle of purity, in action as well as intent, ensured a corruption-free government. Significant changes have been brought about in work culture, nurturing a combination of empathy as well as professionalism, systems as well breaking of silos. State governments have been made equal partners in the quest for national development, building the spirit of Team India. Most importantly, we have been able to restore Trust in the government.

Friends, this is just the beginning. Our objective is to transform quality of life, infrastructure and services. Together we shall build the India of your dreams and that of our freedom fighters. In this, I seek your blessings and continued support.

Always in your Service.

Jai Hind!

Narendra Modi

SALIENT POINTS ON THE SIXTH TRADE POLICY REVIEW OF INDIA DONE BY THE WTO

The sixth WTO review of the trade policies and practices of India took place on 2 and 4 June 2015. The following points have been highlighted on India by the WTO during the Review:

1. India continued its efforts to liberalize and facilitate trade, such as through the introduction of self-assessment in customs procedures, proceeded with further structural reforms including by eliminating price controls on diesel and relaxing foreign direct investment (FDI) restrictions in some sectors.

   As per the WTO review, the tariff structure of India remains complex.

2. **India's trade policy is largely driven by domestic supply considerations and also intended to attain short-term objectives, such as containing fluctuations in commodity prices. This requires constant fine-tuning of policies, for example, through notifications by the Directorate General of Foreign Trade (DGFT) and Customs, rendering the trade regime less predictable and creating additional costs.**

3. India's economic growth has been accelerating in recent years, although it is still below the 10% rate achieved in fiscal year 2010-11. Under the newly-revised series of national accounts released in January 2015, real GDP growth was 6.9% in 2013-14 and estimated to be around 7.4% in 2014-15; these revised figures show a more positive trend and outlook than that based on the previous series. **India's per capita GDP was around US$1,500 in 2013-14.** Inflation stood at 5.9% in July-September 2014; food prices, although lower recently, continued to put pressure on overall consumer prices. In the past few years, inflation became slightly milder due partly to declining oil prices.

4. India is an original Member of the WTO and provides MFN treatment to all Members and other trading partners. It accepted the Fourth and Fifth Protocols of the GATS. India is a strong advocate of the multilateral trading system and has historically been party to few regional trade agreements. **However, despite India's reservations, regionalism has increasingly become an element of its overall trade policy objective of enhanced market access for its exports. This is evidenced by the 15 agreements currently in force and its involvement in the negotiation of other agreements.**

5. India's trade policy objectives are stipulated in its Foreign Trade Policy (FTP), which is issued every five years, but revised periodically to take into account internal and external factors. **The new 2015-20 FTP, released on 1 April 2015, aims to make India a significant participant in international trade and to raise its share of global exports to 3.5% in 2020.** This is expected to be achieved by providing a sustainable and stable policy environment for foreign merchandise and services trade; linking rules, procedures and incentives for trade with other recent initiatives such as "make in India", "digital India" and "skills India"; promoting the diversification of India's exports by assisting key sectors to become more competitive; and creating an architecture for India's engagement with key regions of the world.

6. India has continued to streamline customs procedures and implement trade-facilitation measures. With a view to facilitating trade, India adopted the use of self-assessment in its customs procedures in 2011, and around 97.6% of India's imports were processed via the risk management system. **Despite the implementation of these measures, India's import regime remains complex, especially its licensing and permit system, and its tariff structure, which has multiple exemptions, with rates varying according to product, user or specific export promotion programme.**

7. In general, the value of imports is based on the transaction value. A landing charge (for loading, unloading, and handling) of 1% is added to the c.i.f. value, to calculate the transaction value.

8. **India's tariff is announced in the Annual Budget; however, individual tariff rates may be changed during the fiscal year. In addition to the standard tariff rate, importers**

are required to pay an additional duty and a special additional duty instead of local taxes. To determine the "effective" applied tariff rate (i.e. basic duties and other customs duties) on a particular product, separate customs and excise tax schedules must be consulted, which adds to the complexity of the tariff. India's tariff comprises mainly ad valorem rates (around 94% of tariff lines), levied on the c.i.f. value of imports, and some alternate or specific duties (6.1% of tariff lines).

9. The simple average MFN tariff rate rose to 13% in 2014-15, up from 12% in 2010-11 especially in agriculture, particularly for cereals and preparations thereof, oilseeds and fats, and sugars and confectionary. **The average for WTO non-agricultural products (9.5%) is considerably lower than the average for WTO agricultural products, which is 36.4%. In 2014-15, tariffs ranged from zero to 150%. The largest proportion of tariff lines (71.7%) was subject to a tariff rate between 5% and 10%, while 10.7% of lines were subject to a tariff rate greater than zero but lower than 5%. The percentage of duty-free lines has declined slightly, from 3.2% to 2.7% of the total.**
10. **Non-ad valorem rates apply to 700 tariff lines. Of these, three are specific rates, while 697 are alternate rates affecting textiles and clothing as well as natural rubber products, which were not previously subject to alternate rates. Ad valorem equivalents of non-ad valorem rates were not available.**
11. **India's WTO bound tariff levels are much higher than the applied rates,** especially for many agricultural products. These gaps allow the Government to modify tariff rates in response to domestic and international market conditions, but at the same time, they reduce tariff predictability.
12. India uses tariff rate quotas on some agricultural products and crude oil. The quotas are allocated by the DGFT with eligible importers being state-trading entities.
13. Imports may also be subject to non-tariff barriers including prohibitions, licences, and restrictions, as well as packaging, quality, and sanitary requirements. Import restrictions may be imposed on grounds, inter alia, of health, safety, moral and security reasons, and for self-sufficiency and balance of payments reasons. In 2012, India discontinued monitoring of some imported goods that were considered sensitive.
14. India is one of the most active users of anti-dumping measures among WTO Members; it initiated more than 80 anti-dumping investigations against 23 trading partners during the period under review. During the same period, significant changes were made to India's anti-dumping legislation including new rules defining situations that are considered to represent the circumvention of anti-dumping duties, and providing for anti-circumvention investigations to address such circumvention. India initiated one countervailing investigation during the period; no definitive countervailing measure is in place. Since its last Review, India has also initiated 18 safeguard investigations.
15. Since India's last Review, there have been no significant changes to its Sanitary/Phyto-Sanitary (SPS) and Technical Barriers to Trade (TBT) regulations.
16. As in the case of imports, export prohibitions and restrictions are mainly in place, inter alia, to ensure domestic supply of specific goods and thus may be removed and applied as the circumstances require. In order to reduce the anti-export bias inherent in India's import and indirect tax regimes, a number of duty remission and exemption schemes are in place to facilitate exports. Tax holidays are also available to investors through special economic zones and export-oriented units.
17. India grants direct and indirect assistance to various sectors. Most central government subsidies are destined for agriculture. Other key subsidies include those for fertilizers and petroleum.
18. During the period under review, the share of manufacturing in GDP declined slightly, to around 13% of GDP. Against the background of low productivity in the sector, the Government issued a new manufacturing policy in 2011, which aims at increasing the sector's share in GDP to 25%. The Government also launched a "make in India" campaign in 2014 to strengthen the sector and attract investment.

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INDIAN MMF TEXTILE INDUSTRY IN TROUBLED WATER

The Indian MMF textile industry has been troubled due to the onslaught of dumping of cheap fabrics amounted to US$ 850 million from the countries including three major Asian nations — China, Taiwan and Korea in the last one year. It has been observed that during 2013-14, import of fabric from China increased 79.49 per cent in terms of quantity followed by 4.15 per cent and 0.89 per cent from Taiwan and Korea respectively. China has taken advantage of the subsidy of 29 per cent given for exports of this item by the Chinese government to dump huge quantities of fabrics.

To add to its woes in India the cotton versus synthetic consumption is 60:40 as compared to the global ratio of 30:70. However, the cotton textile industry enjoys zero per cent excise as against 12 per cent for synthetics which is hurting the industry. The Man-made fibre textile industry has been representing the need for neutrality in the fibre duty. The FIASWI has already demanded a hike in import duty on fabric from 10-30 per cent to discourage Chinese manufacturers to counter the import of cheap MMF fabrics from China. The synthetic textile industry opines that the apparel manufacturers have taken undue advantages of the various loopholes to import cheap fabrics into the country while adequate capacity for quality fabrics exists within MMFs manufactured in Surat, Maharashtra and the country.

The Council has at various forums opposed the demand of apparel exporters allowing them duty free scrip of 2 per cent of their exports to import fabric. At every occasion, the Apparel Export Promotion Council (AEPC) has failed to convince their motive of seeking this concession despite a facility of advance license available to exporters for duty-free import of inputs.

It is a fact well known to the Government that 30 per cent of weaving capacity at Gujarat, which mainly weaves MMF fabrics has since shut down due to increased imports worth of US$ 850 Million of fabrics from China in 2014-15. Earlier at no point of time AEPC was able to justify at the call of the Government, the necessity for import of MMF fabrics into India when similar fabrics is already being produced in India. In the meeting with Commerce Secretary and DGFT, both impressed upon the fact that advance licenses are issued on line in flat 8 minutes and the whole procedure is simplified. One fail to understand as to why apparel exporters can't avail of standard practice...

The game is to circumvent the established procedures. Duty drawback is granted to an exporter to neutralise the taxes paid on the domestic inputs going into the export product, essentially excise duty and custom duty. Any attempt to allow duty free import of fabric for export production along with payment of duty drawback will mean double benefit to the exporter. This will only encourage the exporter to import duty free fabrics from China, affecting the domestic producers of MMF textiles who already are burdened with high excise and other duties."

Shri Rajvanshi stated that this will defeat the basic purpose of our PM's 'Make in India' initiative it the Ministry of Textiles allows such demands of AEPC, it will be defeating this initiative and create a panic and de-industrialisation of weaving industry in India. A de-industrialised India cannot be a society at peace with itself.

Cloth production during 11th Five Year Plan period fell short of the projections by over 47 per cent. China has been a big exporter of cloth into India and has been under invoicing their fabrics. The imports of cloth is a drain of foreign exchange for our economy. The repercussions of the surge in imports of fabrics are unemployment, non-payment of loans to the banks, loss to the units manufacturing dyes, machinery, embroidery, etc., huge pile-up of inventory, price suppression, loss of market share and loss of revenue to the Government Exchequer. Powerloom sector is highly disintegrated in small and medium sector., this makes difficult for individuals to be the petitioners..

The government yet again has ignored the textile sector as a whole despite it being the largest employment provider in country. The agony of Man-made textile industry, which is highly capital intensive and the only sector capable to attract future FDI, has been highly discriminated against cotton. Unfortunate but true that a sector which alone can help government to achieve its ambitious target does not find mention in list of items granted liberal MEIS benefits under the FTP announced on April 1, 2015. The Indian MMF textiles sector has still not reached 3 per cent of world trade and is within threshold limit, while cotton has crossed 5 per cent. Thus, both should be separately handled while allowing Chapter 3 benefits for promoting exports.

It is also to be noted that cotton, which pays no taxes, has still been given the high reward in the FTP's new scheme, MEIS, while the MMF textiles that contributes ₹ 7,000 crore as taxes and holds high potential is given lower reward rate as compared to cotton. For Europe and the US, MMF products have been given lower incentives as compared to cotton textiles. The industry is deeply disappointed being greatly overlooked by both its administrative ministry, Ministry of Textiles as well as Ministry of Commerce.

The major emerging markets for MMF textiles are Latin American countries (LAC), Far East and African Countries. In the FYP 2015-20, the benefits for promoting exports to LAC have been completely stopped, that too abruptly, without giving any adjustment space to the exporting fraternity. The MMF sector has developed its space in LAC and African markets after lot of efforts. The Council held successful export shows in Chile, Columbia, Peru, Equador, Togo, Sudan, Ethiopia, etc, SRTEPC has a number of times apprised the government that the Indian MMF textiles sector has still not reached 3 per cent of world trade and is within threshold limit, while cotton has crossed 5 per cent. Thus, both should be separately handled while allowing Chapter 3 benefits for promoting exports. It is believed that continued incentives are needed for 1-2 years for strongly establishing and stabilising MMF textiles in emerging markets. The sudden withdrawal of export promotion incentives will have severe implications on the export towards these markets, which have huge potential for MMF textiles.

The MMF industry has questions for which it has been awaiting replies. If the government follow these kind of policies, how do we manufacture more in India? How do we promote 'Make in India' in textiles sector? During the Budget the long standing demand of MMF textiles industry for reduction of excise duty from 12.5 per cent to 6 per cent was overlooked. Further, no efforts have been made by the government to neutralise the taxes between cotton and MMF textiles. While cotton has zero taxes, the poor and common men who wears MMF textiles cloth are taxed the highest in the country.

The government must take necessary steps immediately to boost production and consumption of MMF textiles, otherwise India's textile export target of reaching from present $110 billion to even $200 billion in next five years will only be a far cry.

(Source : Indian Textile Journal)

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ATTENTION : MEMBERS

Renewal of Membership 2015-2016

Kindly refer to the Council communications regarding renewal of your Membership of the Council for the year 2015-2016.

As you have already been informed non-payment of Membership will lead to the discontinuation of Membership as well as Cancellation of the Registration-cum-Membership Certificate (RCMC) issued to you.

In view of the above, members who have not yet sent the renewal fee are requested to send the Membership Subscription Fee for the year 2015-16 at the earliest.

The annual membership fee is as follows :

For SSI units	:	₹ 7,353 (including service tax of 14%)
For others	:	₹ 11,343 (including service tax of 14%)

INCREASING SHARE OF TEXTILES IN GROWING MANUFACTURING ACTIVITIES HELPED GDP TO RAISE

GROWTH BASED ON GDP

As a result of rise in manufacturing activities, the Indian economy grew 7.5 percent in the fourth Quarter (January-March) of 2014-15, putting it ahead of China and became the world's fastest-growing large economy. During year 2014-15, India's GDP grew 7.3 percent, higher than the 6.9 percent recorded in 2013-14. This is the country's fastest annual growth since 2011.

The real GDP (GDP at constant (2011-12)) prices in the year 2014-15 is estimated at ₹ 106.44 lakh crore.

GDP growth rates for 2014-15 and Q1, Q2, Q3 and Q4 at constant (2011-12) and current prices are given below:

GROWTH RATES OF GDP IN PERCENT		
	Constant Prices (2011-12)	**Current Prices**
Annual 2014-15	7.3	10.5
Q1 2014-15 (April-June)	6.7	13.4
Q2 2014-15 (July-Sep)	8.4	13.6
Q3 2014-15 (Oct-Dec)	6.6	8.1
Q4 2014-15 (Jan-Mar0	7.5	7.7

GROWTH BASED ON IIP INDEX

As per the IIP Index, cumulative growth in textiles sector during April-March 2014-15 was 2.6 percent as compared to the same period of 2013-14 and in March 2015 textiles growth was 6.8 percent compared to the same month of the previous year. Whereas the entire manufacturing sector has witnessed 2.3 percent during April-March 2014-15.

Industry code	Description	Percentage of growth					
		Jan-2015	Feb-15	Mar-15	Apr-Jan 2014-15	Apr-Feb 2014-15	Apr-Mar 2014-15
17	Textiles	2	5.1	6.8	2.1	2.4	2.6
18	Wearing apparel	1.3	6.2	9	0.7	4.9	5.4
15-36	Manufacturing	3.3	5.2	2.2	1.7	2.2	2.3
	General	2.6	5	2.1	2.5	2.8	2.8

Source : CSO (www.mospi.nic.in)

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DRAWBACK PROPOSALS FOR 2015-16

The Council received a letter from the Department of Revenue, Ministry of Finance seeking Council's proposal for the fixation of the Drawback rates for the year 2015 for Manmade fibre textiles products covered under Chapter 54 to 63 of the Drawback Schedule based on inputs received from its members.

In this connection the Council issued Circulars and reminders to its members seeking data with regard to the export prices, domestic & import prices of inputs used in the export product by furnishing copies of the relevant documents such as Shipping Bills, Bills of Entry and the Central Excise Invoices etc.

The Council also requested its members to send the required details duly filled in; in the prescribed 5 formats viz. (i) Proforma I - (A) (ii) Proforma I - (B) (iii) Proforma II (iv) Proforma III (v) Proforma IV

The exporters were informed the following –

(1) The data pertaining to export prices and various input(s)/service(s) which are used in the manufacture of export product must pertain to the **fourth quarter of 2014-15 (Jan to March 2015).**

(2) The data should be **duly certified by the Chartered Accountant.**

The Council is in the process of preparing the calculations and sending the proposals for 15 products for which we have received the data.

The proposals for the Duty Drawback rates for Synthetic textiles items is based on documents / data received from the members of the Council.

The Drawback Proposal will also be sent to the Ministry of Textiles for suitable recommendation to the Department of Revenue.

While preparing the Drawback rates for synthetic textiles the Council has taken into consideration the following reasons for an increase in the Drawback Rates –

1) The mandatory Excise Duty on Manmade fibre continues. The Excise duty rate has been increased from 12.36% to 12.50% .
2) There is an increase of ₹ 6.40 per litre in the HSD Oil central excise duty.
3) There is an increase in Service Tax on export related services from 12.36% to 14%.
4) Cost of inputs used in export products like Dyes & Chemicals, Packing materials etc. have gone up substantially thereby increasing the duty incidence.
5) Transaction costs and unrebated State levies should be factored in the Drawback rates.

PARTICIPATION IN 56TH CAIRO FASHION AND TEX FROM 1-4 OCTOBER 2015

The Council has been nominated by the Ministry of Commerce, Government of India as "Lead Council" for organizing participation of Indian companies in INTEXPO EGYPT, which will be co-located at **56th Cairo Fashion and Tex**. The forthcoming edition of Cairo Fashion and Tex, which is scheduled to be held at Cairo in Egypt from 1st to 4th October 2015, will be organized in co-ordination with the other Textiles Export Promotion Councils, and with the guidance of the Ministry of Textiles, Govt. of India, and the active support of the Indian Embassy in Egypt.

The participation of Indian companies – producing/exporting of textiles, clothing jute, carpets etc. will be organized at a demarcated area called **"India Pavilion"** in **Cairo Fashion and Tex** to get focused attention of visiting Egyptian Buyers at the Fair. Cairo Fashion and Tex is one of the leading International Exhibitions in Egypt which showcases various items of textiles/ clothing including yarn, fabrics, made-ups, fashion accessories & trimmings of leading textile traders, buyers and their agents, who visit the Exhibition to source their specific requirements of textiles/clothing.

Egypt is a promising market for Indian MMF Textile Industry. Exports of MMF textiles to Egypt were to the tune of around US$ 179.36 Million during the year 2013-14. The main items, which are exported from India to Egypt, include Polyester Viscose Fabrics, Polyester Filament fabrics, polyester staple fibre, synthetic cotton fabrics, polyester cotton / spun yarn, viscose spun yarn and other made-ups.

The Participation fees for a furnished booth of 9 sq. mtrs. will be ₹ 1.50 lakhs. A few booths of 6 sq. mtrs. size will also be available for very small exporters. Cost of booth is ₹ 1 lakhs. The furnished booth will include name on the facia, discussion table, chairs, display props, spot lights, power socket, & dustbin. As the Event is being organized under MAI Scheme, the amount of participation fee is highly subsidized, and hence separate MDA Assistance will not be available to participants. Considering limited time availability, participation in the above Exhibition will be accepted with payment of participation charges on first-come-first-served basis.

Early bird discount will be available @ ₹ 10,000/- for a booth of 9 sq. mtrs. and @ ₹ 5,000/- for a booth of 6 sq. mtrs.

For further details, members may contact Ms. Kalavathi Rao/Ms Ramitha Shetty, SRTEPC, Tel : 91-22-22048797, 22048690, Fax : 91-22-22048358, E-mail : srtepc@srtepc.in/tp@srtepc.in.

INTERTEXTILE SHANGHAI APPAREL FABRICS, CHINA 13TH-15TH OCTOBER 2015

The Council is organizing participation of its member-companies in "Intertextile Shanghai Apparel Fabrics" being held from 13th to 15th October 2015 in China.

"Intertextile Shanghai Apparel Fabrics" (ITSA) is one of the most renowned Textile Shows - showcasing the complete range of apparel fabrics & accessories. The Expo serves, as a 'one-stop opportunity' for the Textile Industry to exhibit and discuss business for supplying all types of fabrics & accessories.

The participation fee for a standard booth of 9 sq.mtrsis ₹ 3.20 lakhs. The last date for confirming participation with duly filled in Application Form and full payment is 4th July 2015 (Saturday).

The above Programmehas been approved by the Government for the participants to claim MDA benefits, considering limited fund availability, only first 10 eligible member-companies will be offered re-imbursements of MDA Grant of ₹ 1.25 lakhs subject to the fulfillment of certain conditions.

For more details, members may contact Ms. Kalavati Rao / Ms. Ramitha Shetty, SRTEPC, Tel : 022-22048797/ 22048690 Fax : 022-22048358 E-mail : srtepc@srtepc.in/tp@srtepc.in.

THE TRANS-PACIFIC PARTNERSHIP (TPP)

The Trans-Pacific Partnership (TPP) is a proposed regional regulatory and investment treaty. As of 2014, twelve countries throughout the Asia Pacific region have participated in negotiations on the TPP: Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States, and Vietnam. It is a key part of President Barack Obama's pivot to Asia, which aims to counter China's rising economic and diplomatic power via the Trans-Pacific Partnership (TPP). As the cornerstone of the Obama's Administration's economic policy in the Asia Pacific, the Trans-Pacific Partnership reflects the United States' economic priorities and values. The TPP not only seeks to provide new and meaningful market access for American goods and services exports, but also set high-standard rules for trade, and address vital 21st-century issues within the global economy.

UNLOCKING OPPORTUNITIES FOR AMERICA

Some of the major objectives of TPP are as follows:

- The Trans-Pacific Partnership will grow trade with one of the world's fastest growing regions and will make it easier to sell Made-in-America goods and services exports thereby supporting homegrown jobs and economic growth.
- The TPP will level the playing field for American workers and businesses by building strong and enforceable labor standards.
- Environmental protection is a core American value. Through the TPP, the United States is negotiating for robust environment standards and commitments from member countries, and addressing some of the region's most pressing environmental challenges.
- The TPP is intended to improve transparency and regulations to help U.S. companies engage in and benefit from increased trade in the Asia Pacific.
- The agreement intends to support the deep integration of U.S. logistics, manufacturing, and other industries in regional supply chains; and reduce costs for U.S. business by removing time-consuming and opaque customs barriers.
- Non-tariff trade barriers are among the biggest challenges faced by the exporters. The United States is therefore seeking to strengthen rules intended to eliminate unwarranted technical barriers and non tariff barriers to trade through TPP.

Proposed measures to fulfill the objectives of TPP:

- The TPP will undertake strong customs cooperation commitments measures like ensuring quick release of goods through customs, expedited procedures for express shipments and transparent customs regulations. This will facilitate TPP countries to prevent smuggling, illegal transshipment, and duty evasion, and will guarantee compliance with trade laws and regulations.
- Commitments to enhance transparency, reduce unnecessary testing and certification costs, and promote greater openness in standards development;
- Implementation of common rules of origin to ensure that the benefits of TPP go to the United States and other TPP countries.
- New and enforceable rules to ensure that science-based SPS measures are developed and implemented in a transparent, predictable, and non-discriminatory manner.
- SPS and TBT barriers are a significant and growing impediment to market access for a wide range of our products in foreign markets. TPP is intended to set a new and higher standard through "WTO-plus" SPS provisions –that is, obligations that go beyond the WTO SPS Agreement on issues like risk assessment, risk management, transparency, border checks/laboratory testing

etc. In addition, TPP would also counteract SPS issues by introducing small claims court and Rapid Response Mechanism (RRM) to swiftly resolve misapplication of SPS and TBT measures.

TPP FOR TEXTILE INDUSTRY

Many U.S. yarns, fabrics, and apparels currently face tariffs as high as 20 percent upon entering some TPP countries. The main aim of TPP negotiations is to remove tariff and non-tariff barriers to textile and apparel exports among the member countries to enhance the competitiveness of producers in the Asia-Pacific region.

Specifically, the agreement seeks for:

- Elimination of tariffs on textile and apparel exports among the TPP countries;
- A “yarn forward” rule of origin, which requires that textile and apparel products be made using U.S. or other TPP country yarns and fabrics to qualify for the benefits of the agreement, so as to ensure that non-qualifying textiles and apparel from non-TPP countries do not enjoy the benefits reserved for TPP countries;
- A carefully crafted “short supply” list, which would allow fabrics, yarns, and fibers that are not commercially available in the United States or other TPP countries to be sourced from non-TPP countries and used in the production of apparel in the TPP region without losing duty preference;
- Strict enforcement provisions and customs cooperation commitments that will provide for verification of claims of origin or preferential treatment, and denial of preferential treatment or entry for suspect goods if claims cannot be verified;
- A textile specific safeguard mechanism that will allow the United States and other TPP countries to re-impose tariffs on certain goods if a surge in imports causes or threatens to cause serious damage to domestic producers.

THE DARKER SIDE OF TPP

The US-led Trans-Pacific Partnership (TPP) with countries from Canada and Mexico to Japan and Malaysia are designed to change the trade order. India is not a part of this pact. The central aim of this pact is to firmly re-establish western leadership by stringing together an array of countries into gigantic trading blocs. Trade is not just trade anymore for the US but an element of its defense policy, according to the 2015 national security strategy released in January.

- The first victim of the TPP will be the WTO, which will be rendered irrelevant as new “global standards” would be set. Developing countries would suffer as their exports decline because they wouldn’t meet the new “standards.” The TPP will determine the direction and content of international standards across global value chains.
- TPP is likely to make India lose its MMF textile exports to the tune of US$900 million through its proposed “Yarn forward” rule of origin.
- TPP will cut tariffs among member countries, which would give an advantage, for example, to Vietnamese textiles (a member of TPP) over Indian textiles in the US market.
- Some of ideas in the trade deals are staggering—forced privatisation, mandatory standards and a system of dispute settlement that would give more power to corporations than sovereign governments. Corporations could sue a government in tribunals if they thought its policies were detrimental to their business interests.
- People living in the TPP countries see the pacts as “the biggest corporate power grab” of the decade. They worry about the larger public good (affordable medicines, clean water and air) because the governments would essentially lose some of their power to the corporations. The citizenry is also spook because no one really knows the full scope of the negotiations due to the extreme secrecy of the agreement.

The US Senate has passed this controversial “fast-track” trade bill. The bill will now head to the House of Representatives for a vote, where it is expected to face a tougher showdown. If passed by the House, the fast-track bill will give US President Mr. Obama the power to negotiate trade pacts with other countries and submit them to Congress without lawmakers being able to introduce amendments to them.

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NOTICE

DGFT

Sr. No.	Heading	Date	Subject	Description	Effect	Download the Link
(1)	Notification No.8/2015-2020	4th June, 2015	Amendments in Foreign Trade Policy 2015-20.	Following amendments to the FTP 2015-2020 w.e.f. 1st April 2015. Relevant ones given below - • **Para 2.06 -** Mandatory documents for export/import of goods from/into India: Lorry Receipt/ Railway Receipt/Postal Receipt added to Bill of Lading/Airway Bill. • Adding the words "Capital Goods" along with inputs and goods for utilising Rewards scripts at customs in Para 3.02. • Amending list of ineligible categories under MEIS falling under Para 3.06	These amendments would be deemed to have come into force w.e.f. 1st April 2015.	http://dgft.gov.in/Exim/2000/NOT/NOT15/note-08.15.pdf
(2)	Notification No.9/2015-2020	4th June, 2015	Amendment in Para 3.24 (j) of Chapter-3 of FTP 2015-2020	The para now reads as: (j) Status holders shall be entitled to export freely exportable items on free of cost basis for export promotion subject to an annual limit of ₹ 10 lakh or 2% of average annual export realisation during preceding three licensing years, whichever is **lower.**	Entitlement of Status Holders to export freely exportable items on free of cost basis has been limited with immediate effect	http://dgft.gov.in/Exim/2000/NOT/NOT15/note-0915.pdf
(3)	Public Notice No. 12/2015-20	18th May, 2015	Amendment in para 2.55 and 2.56 of Handbook of Procedures of FTP 2015-20 regarding issue of Pre Shipment Inspection Certificates.	In order to facilitate transitional arrangements, DGFT had kept in abeyance the provisions of para 2.55 [Recognition as Pre-shipment Inspection Agency (PSIA) and issuance of Pre - shipment Certificate (PSIC)] and 2.56 [Responsibility and Liability of PSIA, Exporter and Importer] of Handbook of Procedures, 2015-20 (which came into effect from 1.4.2015) till further orders. Accordingly, the procedure for issue of Pre-Shipment Inspection Certificate (PSIC), as laid down in para 2.32.2A and 2.32.2B of Handbook of Procedure Vol. I 2009-14, were to remain in effect, till further orders.	DGFT has notified the revised procedure to be followed by Pre-shipment Inspection Agencies (PSIAs) for issue of Pre-Shipment Inspection Certificates (PSICs), w.e.f 01.07.2015. Till then, the old procedure will continue. Procedure for application by the existing PSIAs as well as new applicants for recognition/extension of area of operation etc. has been notified.	http://dgft.gov.in/Exim/2000/PN/PN15/pn1215.pdf
(4)	Public Notice No. 16/2015-20	4th June, 2015	Amendments to Handbook of Procedures of FTP 2015-20	**DGFT** has amended the Handbook of Procedures of FTP 2015-20, to make several procedural changes, applicable w.e.f 1st April, 2015. • The heading of Para 1.07 to be read as, "*Separate applications from EDI and **Non** EDI ports*". • No clubbing of Authorisations issued on or before 31st March, 2009 shall be allowed. Cases already considered by PRC shall not be re-examined by RA.	Amendments to the Handbook of Procedures of FTP 2015-2020, are hereby notified which shall be deemed to have come into effect from 1st April, 2015.	http://dgft.gov.in/Exim/2000/PN/PN15/pn-16.15.pdf
(5)	Public Notice No. 17/2015-20	4th June, 2015	Amendments to Handbook of Procedures of FTP 2015-20	Amendments to the Handbook of Procedures of FTP 2015- 2020, have been notified, in order to facilitate transitional arrangements in respect of filing of applications and validity of Status Holder Certificate. As a measure of transitional arrangement, exporters may file application manually, till EDI online module is ready or upto 30th September, 2015 whichever is earlier.	These amendments shall be deemed to have come into effect from 1st April, 2015.	http://dgft.gov.in/Exim/2000/PN/PN15/pn-1715.pdf

NOTICE

Sr. No.	Heading	Date	Subject	Description	Effect	Download the Link
(6)	Public Notice No. 18/2015-20	4thJune, 2015	Amendment in Para 2.84 of Chapter 2 of HBP 2015-2020	The para 2.84 now reads as: *Status holders shall be entitled to export freely exportable items on free of cost basis for export promotion subject to an annual limit of ₹ 10 lakh or 2% of average annual export realisation during preceding three licensing years, whichever is* **lower**.	Entitlement of Status Holders to export freely exportable items on free of cost basis has been limited with immediate effect.	http://dgft.gov.in/Exim/2000/PN/PN15/pn-1815.pdf
(7)	Public Notice No. 19/2015-20	5th June, 2015	Amendment in paragraph 2.55 and 2.56 of Handbook of Procedures of FTP, 2015-20 as notified by Public Notice No.12/2015-2020, dated 18.5.2015 -Pre Shipment Inspection Agency (PSIA).	DGFT hereby makes further amendments in the Public Notice No.1 2/2015-2020, dated 18.5.2015	The last date for submitting applications for entitlement as PSIA has been extended. Applicants can, for the time being, submit applications initially without bank guarantee. However, they shall be required to submit bank guarantee or an equivalent financial instrument before they are notified as PSIA.	http://dgft.gov.in/Exim/2000/PN/PN15/PN1915.pdf
(8)	Public Notice No. 20/2015-20	9th June, 2015	Corrigendum to Public Notice No.16 dated 4th June, 2015 in respect of amendments in Paragraphs 4.38 (viii) (b)&(c) and paragraph 4.42(c) of Hand Book of Procedure	DGFT hereby notifies the corrigendum to Public Notice 16 dated 4th June, 2015, amending Paragraphs 4.38 (viii) (b) & (c) and 4.42(c) of Handbook of Procedures of FTP 2015-20. These corrections shall be deemed to have come into force with effect from 1st April, 2015.	In case of second extension of authorisation, the composition fee shall be charged @0.5% per month of FOB value of exports made. Accordingly, corrections have been made in Para 4.38 (viii)(b)& (c) to align the same with paragraph 4.38(viii)(a). Typographical error in paragraph 4.42(c) has been corrected.	http://dgft.gov.in/Exim/2000/PN/PN15/PN2015.pdf

CBEC – CUSTOMS

Sr. No.	Heading	Date	Subject	Description	Effect	Download the Link
(1)	Notification No. 27/2015-Cus (ADD), dt. 01-06-2015	1st June, 2015	Anti Dumping Duty on Acrylic Fibre originating in or exported from Korea RP and Thailand	On 1st June, 2015 the Govt. issued a Notification regarding final findings on imports of acrylic fibre from South Korea and Thailand The products to the duty are classified under the following HS codes: 5501.3000, 5503.3000 and 5506.3000. The amount of the duty imposed on imports originating in South Korea is USD 270 per metric ton. The amount of the duty imposed on imports originating in Thailand is USD 493 per metric ton, at the exception of the company Thai Acrylic Fibre Company Ltd. whose exports are subject to a duty of USD 162 per metric ton. This duty is effective for a period of five years.	The anti-dumping duty imposed under this notification shall be effective for a period of five years (unless revoked, superseded or amended earlier) from the date of publication of this notification in the Official Gazette and shall be paid in Indian currency.	http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2015/cs-add2015/csadd27-2015.htm
(2)	Notification No. 30/2015-Cus (ADD)	12th June, 2015	Anti-dumping duty on import of Nylon Tyre Cord Fabric originating in or exported from the People's Republic of China	On 12th June, 2015 the Govt. issued a Notification regarding final findings on imports of Nylon Tyre Cord Fabric (NTCF) falling under Sub-heading 590210, originating in or exported from the People's Republic of China. The amount of the duty is USD 0.52 to 1.10 per kg.	The anti-dumping duty imposed under this notification shall be effective for a period of five years (unless revoked, superseded or amended earlier) from the date of publication of this notification in the Official Gazette and shall be paid in Indian currency.	http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2015/cs-add2015/csadd30-2015.htm

NOTICE

Sr. No.	Heading	Date	Subject	Description	Effect	Download the Link
(3)	Circular No. 19/2015-Cus	9th June, 2015	Revision of Handbook of Procedures (HBP) - Changes/amendments in the EOU/ EHTP/STP/ BTP Schemes - reg.	As per the para 6.40(c) of HBP 2015-2020, 'the turn-over limit of Rs 15 crores and above in the preceding year' has now been revised to ' the turnover limit of ₹ 10 crores and above in the preceding year'. Accordingly, Para 7 of Circular No.17/ 2006 regarding the Fast Track Scheme for EOUs for import of goods and opening Para of Circular No. 19/2007 shall be taken as modified to the above extent.	CBEC has modified the referred circulars in tune with the new Policy to make the turnover limit as ₹ 10 crore instead of ₹ 15 crores.	http://www.cbec.gov.in/customs/cs-circulars/cs-circ15/circ-19-2015cs.pdf

CBEC – CENTRAL EXCISE

Sr. No.	Heading	Date	Subject	Description	Effect	Download the Link
(1)	Circular No. 1003/10/2015-CX	Dated 05.05.2015	Clarification regarding Cenvat Credit in transit sale through dealer - reg.	On amending Central Excise Rules, 2002 (CER) vide Notification No. 8/2015 (NT) dated 1-3-2015, CBEC has received representations from trade regarding the scope and purpose of third and fourth proviso inserted in sub-rule (2) of rule 11 particularly with reference to procedural requirement after the amendment where an indenting or unregistered dealer negotiates transit sale.	Various specific issues referred to by the trade are clarified	http://www.cbec.gov.in/excise/cx-circulars/cx-circ15/circ1003-2015cx.htm

MUMBAI CUSTOMS

Sr. No.	Heading	Date	Subject	Description	Effect	Download the Link
(1)	Public Notice No. 25/2015	21st May, 201 5	Implementation of Document Management System at New Custom House, Mumbai-Reg.	Proposed Document Management System (DMS) is ready for being commissioned at New Custom House, Mumbai for the entire Mumbai Zone-1 including ICD Mulund. Customs documents under the jurisdiction of Mumbai zone -1 viz. , Bills of Entry, Shipping Bills and connected document s will be stored both in digit al as well as physical/ hard form under DMS	The success of the DMS would signify Customs continual commitment to providing value added services and also to improve the facilitation of cargo clearances.	http://www.mumbaicustomszone1.gov.in/writereaddata/Public-Notice/1123_DMS%20Public%20Notice%2025-2015.pdf

SAHAR AIR CARGO CUSTOMS

Sr. No.	Heading	Date	Subject	Description	Effect	Download the Link
(1)	Public Notice No. 06/2015-16	June, 2015	Implementation of the document management system at Air Cargo Complex, Mumbai	Proposed Document Management System (DMS) is ready for being commissioned at Sahar Air Cargo Customs and for the entire Mumbai Zone-III. Customs documents viz. , Bills of Entry, Shipping Bills and connected documents will be stored both in digital as well as physical/ hard form under DMS	The success of the DMS would signify our cont inual commitment to providing value added services and also to improve t he facilitat ion of cargo clearances.	http://www.ac-cmumbai.gov.in/aircargo/miscellaneous/public_notices/2015/public_notice_06_2015_16.pdf

NOTICE

JNPT CUSTOMS

Sr. No.	Heading	Date	Subject	Description	Effect	Download the Link
(1)	Public Notice No.44/2015	01.06.2015	Facility for suo moto payment of customs duty in case of bona fide default in export obligation under the Advance / EPCG authorisations – reg.	Attention is invited to the Boards Circular No. 11/2015-Customs dated 01.04.2015 on the above mentioned subject. The Ministry has considered the issue of increased interest cost for authorization holders (AH) who come forward to the Regional Authority (RA) of DGFT for regularization of their cases of bona fide default in export obligation (EO) under the Advance Authorization or EPCG Schemes but have to wait for the detailed calculations in this regard before being able to deposit the duty involved. It was decided to provide for a procedure that would enable quicker payment thereby reducing the avoidable interest cost for such exporters. After consulting the DGFT, and certain field formations, the Board has prescribed the following facilitation procedures	This would provide a procedure that would enable quicker payment thereby reducing the avoidable interest cost for such exporters.	http://www.jawaharcustoms.gov.in/index.php/public-notices-for-2015/public-notice-no-44-2015

RESERVE BANK OF INDIA (RBI)

Sr. No.	Heading	Date	Subject	Description	Effect	Download the Link
(1)	RBI//2014-15/599 A.P. (DIR Series) Circular No.101	May 14, 2015	Export of Goods and Services-Declaration of Exports of Goods/ Software	To further liberalise and simplify the procedure, it has been decided to dispense with the requirement of declaring the export of Goods / Software in the SDF in case of exports taking place through the EDI ports, as the mandatory statutory requirements contained in the SDF have been subsumed in the Shipping Bill format.	Simplify the procedure.	https://rbi.org.in/Scripts/NotificationUser.aspx?Id=9723 & Mode=0
(2)	RBI/2014-15/603 A. P. (DIR Series) Circular No. 102	May 21, 2015	Rupee Drawing Arrangement - Increase in trade related remittance limit	On a review of the permitted transactions under the Rupee Drawing Arrangements (RDAs), RBI has decided to increase the limit of trade transactions from the existing ₹ 5,00,000/- (Rupees Five Lakh only) per transaction to ₹ 15,00,000/- (Rupees Fifteen Lakh only) per transaction, with immediate effect. Further, RBI has decided to permit AD banks to regularise payments exceeding the prescribed limit under RDA provided that they are satisfied with the bonafide of the transaction. AD banks are requested by RBI to take additional steps as given in the Circular		https://rbi.org.in/Scripts/Notification User.aspx?Id=9730 & Mode=0
(3)	RBI/2014-15/639 FIDD. CO.Plan. BC. No.58/ 04.09.001/ 2014-15	June 11, 2015	Priority Sector Lending - Revised Reporting System	Reserve Bank of India (RBI) on 23rd April, 2015 had issued revised guidelines on Priority Sector Lending, wherein it was advised that separate guidelines relating to priority sector data reporting system will be issued in due course. Accordingly, it has been decided to revise RBI Circular dated January 7, 2013.		https://rbi.org.in/Scripts/Notification User.aspx?Id=9783 & Mode=0

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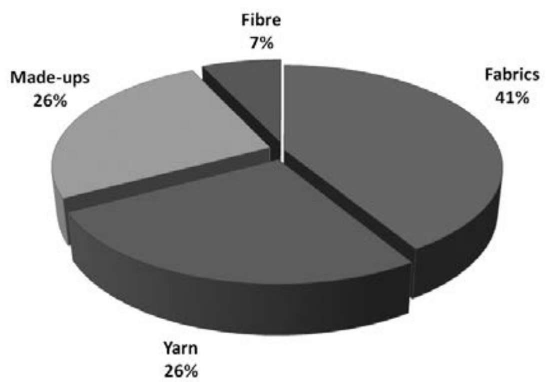
EXPORTS OF INDIAN MAN-MADE FIBRE TEXTILES DURING APRIL – MAY 2015-16

Exports of Indian MMF textiles during April-May 2015-16 were US$ 759.72 Million against US$ 808.49 Million during the same period of the previous year, witnessing a decline of 6.03% as compared to the same period of the previous year. (SOURCE: Port Data)

Value in US$ Mn

	April-May 2015-16	April-May 2014-15	Grw/decline (%)
Fabrics	313.47	336.47	-6.84
Yarn	196.64	227.41	-13.53
Made-ups	196.24	182.86	7.32
Fibre	53.36	61.75	-13.58
Total	**759.72**	**808.49**	**-6.03**

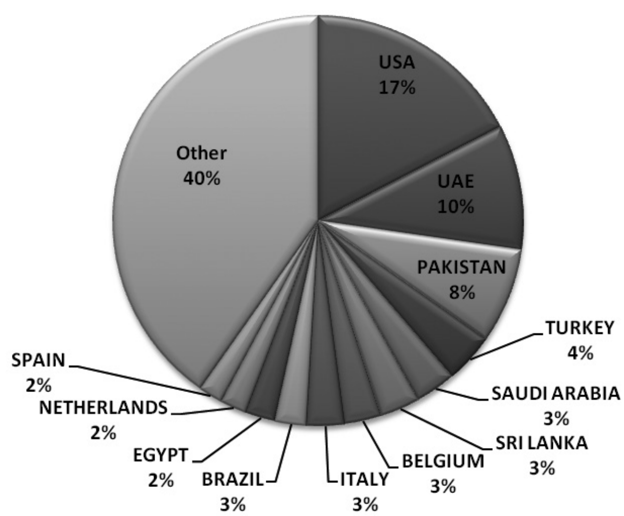
MMF PRODUCT SHARE

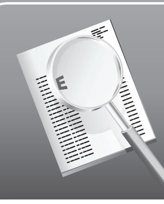


HIGHLIGHTS

- Exports of Fabrics dominated with 41% share followed by Yarn and Made-ups 26% each and Fibre 7% in the Indian MMF textile exports.
- Value added segments like fabrics and Made-ups have shared 67% of total exports.
- However, except Made-ups export (a growth of 7.32%) all the three segments witnessed decline in export like fibre (-13.58%), Yarn (-13.53%) and fabrics (-6.84%).
- In the fabrics segment Polyester Filament Fabrics (US$ 94.96 Mn) remained the top exported product in India's MMF textile exports followed by Synthetic Filament Fabrics (US$ 79.59 Mn) and Polyester Viscose Fabrics (US$ 50.60 Mn) during the period.
- In case of MMF yarn exports, Polyester Filament Yarn was the leading item with exports worth US$ 105.84 Mn followed by Polyester Cotton Yarn (US$ 20.54 Mn) and Polyester Spun Yarn (US$ 14.03 Mn).
- In Made-ups, exports of Bulk Containers was the leading item with exports worth US$ 53.50 Mn followed by Muffler and Shawls/Scarves worth US$ 42.50 Mn and US$ 17.74 Mn respectively.
- Polyester Staple Fibre (US$ 22.76 Mn) was the leading item in the MMF category followed by Viscose Staple Fibre (US$ 18.97 Mn) and Acrylic Staple Fibre (US$ 9.08 Mn).
- Exports of Viscose Filament fabrics which accounted for share of nearly 1% in the Indian MMF fabrics exports, have witnessed excellent growth of 85.31%.
- Exports of Sacks and Bags (1.37% share in made-ups) grew by 98.53%.

MMF EXPORT COUNTRY SHARE





HIGHLIGHTS

- USA continued to be the leading market for Indian MMF textiles with 17% share in total exports followed by UAE 10%, Turkey 8%.
- Neighbouring country Pakistan has emerged as the 3rd largest market for India's MMF textile export with a share of 8% during April-February 2014-15.
- Egypt, which contributed a share of only 2%, has witnessed an excellent growth of 32.09% during this period.
- Other major markets during April-May 2014-15 were Saudi Arabia, Belgium, Italy, Brazil with a share of 3% in the Indian MMF Textiles.
- From in the Euro Zone, Italy has emerged as the leading market for our exports during April–May 2015-16 with exports US$ 21.51 Mn.
- USA was also the leading market for Indian MMF made-ups and Fabrics during the period.
- Nigeria with a share of 1% in the Indian MMF Made-ups export has grown by 99% during April–May 2015-16.
- Brazil emerged as the 3rd largest market for Indian MMF Yarn exports but has witnessed a decline of 18.33% during April–May 2015-16 as compared to the same period of last year.

PRODUCT-WISE EXPORT PERFORMANCE APRIL–MAY 2015-16

Value in USD Mn

Products	April-May 2015-16	April-May 2014-15	Net Change	% Change
FABRICS (Woven + non-woven + knitted)				
Polyester Filament	94.96	125.74	-30.78	-24.48
Synthetic Filament	79.59	79.15	0.44	0.56
Polyester Viscose	50.60	45.19	5.41	11.97
Polyester Blended	29.12	21.10	8.02	38.01
Synthetic Non Specified	16.22	15.71	0.51	3.25
Polyester Wool	7.64	8.12	-0.48	-5.91
Synthetic Cotton	7.43	7.57	-0.14	-1.85
Polyester Cotton	5.94	6.61	-0.67	-10.14
Polyester Spun	4.30	5.74	-1.44	-25.09
Synthetic Blended	4.02	5.9	-1.88	-31.86
Nylon Filament	3.03	3.46	-0.43	-12.43
Viscose Filament	2.65	1.43	1.22	85.31
Other Fabrics	7.98	10.74	-2.76	-25.70
Total Fabrics	**313.48**	**336.46**	**-22.98**	**-6.83**

Products	April-May 2015-16	April-May 2014-15	Net Change	% Change
YARN				
Polyester Filament	105.84	111.19	-5.35	-4.81
Polyester Cotton	20.54	27.06	-6.52	-24.09
Polyester Spun	14.03	15.66	-1.63	-10.41
Polyester Viscose	12.07	19.74	-7.67	-38.86
Viscose Spun	9.77	13.12	-3.35	-25.53
Viscose Filament	9.18	9.06	0.12	1.32
Acrylic Spun	6.43	6.93	-0.5	-7.22
Synthetic Spun	5.43	5.37	0.06	1.12
Polyester Wool	3.41	3.89	-0.48	-12.34
Synthetic Non Specified	1.98	1.13	0.85	75.22
Artificial Spun	1.67	4.53	-2.86	-63.13
Nylon Filament	1.52	1.77	-0.25	-14.12
Other Yarn	4.66	7.91	-3.25	-41.09
Total Yarn	**196.53**	**227.36**	**-30.83**	**-13.56**
MADE-UPS				
Bulk Containers (*)	53.50	51.99	1.51	2.90
Muffler	42.50	17.38	25.12	144.53
Shawls/Scarves	17.74	21.02	-3.28	-15.60
Motifs	10.58	10.53	0.05	0.47
Fishing Net	6.99	6.15	0.84	13.66
Blanket	5.98	8.24	-2.26	-27.43
Bed Linen	3.47	5.1	-1.63	-31.96
Bedsheet	3.13	5.66	-2.53	-44.70
Rope	3.12	4.64	-1.52	-32.76
Dress Material	3.11	8.95	-5.84	-65.25
Sacks and Bags	2.7	1.36	1.34	98.53
Braids	2.02	1.76	0.26	14.77
Dish-cloths/Dusters	1.65	2.17	-0.52	-23.96
Curtains	1.60	1.45	0.15	10.34
Life Jacket	1.44	1.35	0.09	6.67
Tulles	1.23	0.35	0.88	251.43
Furnishing Articles	1.11	1.20	-0.09	-7.50
Other Made-ups (**)	34.36	33.59	0.77	2.29
Total Made-ups	**196.23**	**182.89**	**13.34**	**7.32**
FIBRE				
Polyester Staple	22.76	33.56	-10.8	-32.18
Viscose Staple	18.97	19.83	-0.86	-4.34
Acrylic Staple	9.08	2.45	6.63	270.61
Synthetic Staple	2.07	5.11	-3.04	-59.49
Other Fibre	0.43	0.78	-0.35	-44.87
Total Fibre	**53.31**	**61.73**	**-8.42**	**-13.58**

* Flexible Intermediate Bulk Container (HS Code 63053200) / big bag/bulk bag or Super Sack is a standardized container in large dimensions for storing and transporting dry, flowable products, for example sand, fertilizers , and granules of plastics, most often made of thick woven polyethylene or polypropylene, either coated or uncoated.

** Other Made-ups include Tents, Sails, Rags, Embroidery (without visible ground) & Accessories.

LEADING MARKETS

Value in USD Mn

Markets	Apr-May 2015-16	Apr-May 2014-15	Net Change	% Change
USA	127.66	90.83	36.83	40.55
UAE	72.28	69.28	3.00	4.33
PAKISTAN	55.1	61.90	-6.80	-10.99
TURKEY	28.79	41.82	-13.03	-31.16
SAUDI ARABIA	23.39	33.35	-9.96	-29.87
SRI LANKA	22.98	18.19	4.79	26.33
BELGIUM	21.71	24.26	-2.55	-10.51
ITALY	21.51	30.55	-9.04	-29.59
BRAZIL	18.05	21.07	-3.02	-14.33
EGYPT	17.29	13.09	4.20	32.09
NETHERLANDS	15.36	14.58	0.78	5.35
SPAIN	14.12	16.9	-2.78	-16.45
HONG KONG	11.41	15.14	-3.73	-24.64
KOREA, DEM PEP	11.28	12.01	-0.73	-6.08
BANGLADESH	9.91	11.47	-1.56	-13.60
FRANCE	9.88	9.44	0.44	4.66
VIETNAM, DEM	9.87	11.61	-1.74	-14.99
GERMANY	8.29	7.36	0.93	12.64
BENIN	7.95	12.98	-5.03	-38.75
CANADA	7.66	6.93	0.73	10.53
CROATIA	7.50	9.73	-2.23	-22.92
VIETNAM, DEM REP. OF	7.35	5.59	1.76	31.48
UK	2.58	4.10	-1.52	-37.07
BELGIUM	2.57	4.80	-2.23	-46.46
BENIN	2.32	2.55	-0.23	-9.02

MAJOR MARKETS FOR MMF FABRICS

Value in USD Mn

Markets	Apr-May 2015-16	Apr-May 2014-15	Net Change	% Change
UAE	82.39	67.23	15.16	22.55
USA	31.56	42.13	-10.57	-25.09
SRI LANKA	18.85	14.33	4.52	31.54
PAKISTAN	18.82	18.44	0.38	2.06
SAUDI ARABIA	11.43	18.21	-6.78	-37.23
HONG KONG	9.38	12.72	-3.34	-26.26
EGYPT	9.36	5.87	3.49	59.45
VIETNAM, DEM	8.06	9.87	-1.81	-18.34
SPAIN	6.39	7.28	-0.89	-12.23
ITALY	5.94	6.82	-0.88	-12.90
BANGLADESH	5.81	7.63	-1.82	-23.85
KOREA, DEM	5.10	3.84	1.26	32.81
VIETNAM, DEM REP	4.50	2.19	2.31	105.48
SINGAPORE	3.83	5.65	-1.82	-32.21
IRAQ	3.75	5.02	-1.27	-25.30
COTE D IVOIRE	3.39	4.82	-1.43	-29.67
KUWAIT	3.28	4.30	-1.02	-23.72
SOUTH AFRICA	2.98	1.48	1.50	101.35
SUDAN	2.89	2.24	0.65	29.02

MAJOR MARKETS FOR MMF YARN

Value in USD Mn

Markets	Apr-May 2015-16	Apr-May 2014-15	Net Change	% Change
TURKEY	24.86	37.00	-12.14	-32.81
USA	18.86	18.85	0.01	0.05
BRAZIL	16.04	19.64	-3.60	-18.33
BELGIUM	8.91	9.60	-0.69	-7.19
PAKISTAN	7.89	11.68	-3.79	-32.45
EGYPT	6.34	5.45	0.89	16.33
NETHERLANDS	4.75	4.23	0.52	12.29
PERU	4.65	6.15	-1.50	-24.39
UAE	4.58	4.76	-0.18	-3.78
KOREA, DEM PEP	4.39	5.73	-1.34	-23.39
COSTA RICA	4.31	5.70	-1.39	-24.39
KOREA,REP OF	4.21	3.05	1.16	38.03
MOLDOVA,REP OF	3.58	6.68	-3.10	-46.41
SAUDI ARABIA	3.44	3.88	-0.44	-11.34
SRI LANKA	2.96	2.72	0.24	8.82
ITALY	2.92	5.04	-2.12	-42.06

MAJOR MARKETS FOR MMF MADE-UPS

Value in USD Mn

Markets	Apr-May 2015-16	Apr-May 2014-15	Net Change	% Change
USA	41.38	19.21	22.17	115.41
SAUDI ARABIA	29.65	24.25	5.40	22.27
ITALY	9.51	13.09	-3.58	-27.35
UAE	7.26	10.08	-2.82	-27.98
NETHERLANDS	7.13	6.22	0.91	14.63
SPAIN	6.87	8.20	-1.33	-16.22
CROATIA	6.30	7.89	-1.59	-20.15
BELGIUM	6.09	4.43	1.66	37.47
BENIN	5.57	10.37	-4.80	-46.29
FRANCE	5.47	4.65	0.82	17.63
GERMANY	4.82	3.18	1.64	51.57
AUSTRALIA	4.25	3.32	0.93	28.01
UK	3.35	3.36	-0.01	-0.30
CANADA	3.14	2.27	0.87	38.33
NIGERIA	2.21	1.11	1.10	99.10
BANGLADESH	2.06	2.28	-0.22	-9.65
ZAMBIA	1.91	1.42	0.49	34.51
NEW ZEALAND	1.76	1.41	0.35	24.82
DENMARK	1.56	1.07	0.49	45.79

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EGYPT: AN EMERGING MARKET FOR EXPORTS OF INDIAN TEXTILES AND CLOTHING PRODUCTS

(Continued from Page 2)

Major Products of MMF Textiles imported by Egypt from the World during 2014

Sr. No.	HS Code	Product Description	Value in US$ Mn
1	54024600	Yarn of polyester, prtly orntd, untwstd or with a twist <= 50 turns per mtr, single	37.18
2	55151130	Fbrc of polstr, mxd wth viscose rayon, dyed	29.07
3	55095300	Other yarn of polyester staple fibers mixed mainly/ solely with cotton	27.93
4	54023300	Textured yarn of polyesters	23.22
5	55092200	Multiple(Folded)/Cabled Yarn Cntng 85% Or More By Wt Of Polyester Staple Fibres	8.55
6	55032000	Staple fibres of polyester nt crd/cmbd	6.26
7	55151230	Fabric Of Polstr, Mxd Wth Man-Made Filament, Dyed	3.53
8	55101210	Viscose Rayon Spun Yarn	2.98
9	63053200	Flexible intermediate bulk containers of Man-made textile materials	2.96
10	54026200	Other yarn of polystrs, multpl or cabled	2.85
11	55095100	Other yarn of polystr stpl fibrs mixed mainly/solely with artificial staple fibrs	2.65
12	54033100	Other yarn of viscose rayon,sngl,untwstd/ with a twist nt excdng 120 turns per metre	2.42
13	55101110	Viscose Rayon Spun Yarn	2.29
14	54024700	Yarn Of Other Polyester , Single Untwstd/A Twist<=50 Turns Per Mtr	1.92
15	55151330	Fabric Of Polstr,Mxd Wth Wool/Fine Animal Hair, Dyed	1.77

SOURCE: ITC

Exports of MMF textiles from India to Egypt during last five years

(Value in US$ Mn)

Year	Fibre	Yarn	Fabrics	Made-ups	Total
2010-11	14.53	96.5	36.07	6.31	153.41
2011-12	22.97	205.86	40.87	6.66	276.36
2012-13	14.65	157.44	45.01	7.16	224.26
2013-14	9.66	121.91	33.38	5.62	170.57
2014-15	6.83	117.7	51.19	7.11	182.83

SOURCE: MOC

India’s MMF textiles exports to Egypt have increased during 2014-15 after declining over the past three years. Yarns were the dominant items in the export basket with a share of nearly 64%, followed by fabrics 28%, Made-ups 3.89% and Fibre 3.74%. Exports of MMF yarns to Egypt followed a similar trend in line with the India’s MMF exports to Egypt. Exports of MMF Fabrics have shown a mixed trend while MMF Fibres have been declining since last 4 years. India’s exports of Made-ups to Egypt have been relatively constant over the period.

IMPORT DUTY STRUCTURE OF EGYPT

	HS Chapter/ Subheading	Tariff Rate Range (%)
Yarn		
- silk	5003-5006	0 - 5
- wool	5105- 5110	5
- cotton	5204-5207	5
- other vegetable fiber	5306-5308	5
- man - made fiber / Yarn	**5401-5406/5501-5511**	**0 - 5**
Woven Fabric		
- silk	5007	10
- wool	5111-5113	10
- cotton	5208-5212	10
- other vegetable fiber	5309-5311	5 - 10
- man - made fiber	**5407-5408/5512-5516**	**5 - 10**
Knit Fabric	**60**	**10**
Non Woven Fabric	**5603**	**5**
Industrial Fabric	59	5 - 20
Apparel	61-62	5 - 30
Other made textile articles, sets, worn clothing etc.	63	5 - 30
Carpet	57	30

Additional Import Taxes and Fees All goods are subject to a sales tax of 5 - 25 percent.

ADVANTAGE OF EGYPTIAN MARKET

Egyptian economy is one of the most diversified economies in the region. The growing population together with increased per capita income has turned the country into a major consumer market. This in turn has led to an increase in retail market sales and in the number of multinational corporations operating in Egypt. Egypt's geographic location at the center of the world has placed it within reach of major international markets like European, Arabian, African and South Asian countries. The flourishing textile industry of Egypt is very promising; due to the country’s competitive cost of labour and its vast expertise in the textile manufacture industry.

EXPORT PROMOTIONAL INITIATIVE OF THE COUNCIL

In view of the scope for further increasing exports of Indian textiles products including Man-made fibre textiles to Egypt, the Synthetic and Rayon Textiles Export Promotion Council (SRTEPC) as the lead Council, is organizing an Indian Textiles Exhibition in Egypt co-located at the “The Cairo Fashion & Textiles” during early October 2015. In view of this, the Council requests all its member-exporters to take advantage of this excellent opportunity in Egypt and participate in the exhibition emerging to develop / expand their exports and develop trade contacts in this market.

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