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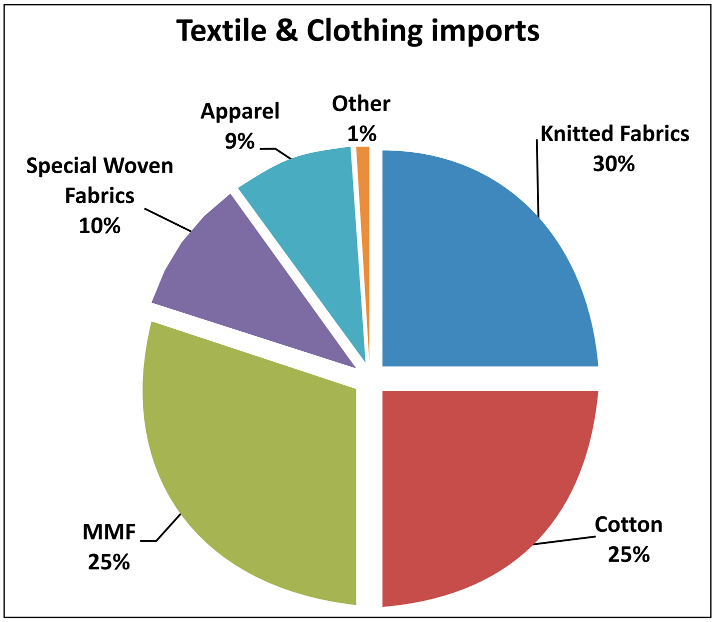
SRI LANKA – EXPORT OPPORTUNITIES

The Textiles industry occupies a pre-eminent position in Sri Lankan economy. Apparel is the largest contributor to industry growth accounting for 66% of the country's industrial growth. Sri Lanka's garment industry exports were US $ 4.68 billion in 2014. The clothing industry in Sri Lanka has seen rapid expansion and investments have been made in sustainability, innovation creativity and design. However, the textile industry in Sri Lanka does not have the capacity to meet the domestic clothing industry's demand for yarns and fabrics. Particularly Sri Lanka's spinning and weaving sectors are weak and as a result, Sri Lanka's clothing exports rely heavily on import of textiles including Man-made fibre, yarns, and fabrics. In 2014, textile imports constituted 91% of Sri Lanka's total Textile and Clothing, thus giving its clothing exports a high import intensity of 55%. This significant market continues to offer opportunities for fabric and yarn suppliers since Sri Lankan apparel manufacturers import also 90% of their fabrics. Sri Lanka's major producers service some of the biggest apparel brands in the world such as Nike, Victoria's Secret, Ann Taylor and Marks and Spencer.Among the Lankan clients, United States is the main importer of textile goods, accounting for 76 percent of the total textile exports from Lanka. EU is Lanka's second most important client, absorbing 36 percent of its exports.



Sri Lanka's imports of MMF Textiles were around US$ 591 million.

HIGHLIGHTS:

- Imports of Textile & Clothing by Sri Lanka from the world were US$ 2.4 billion during 2014.
- India's share in total imports of Textile & Clothing of Sri Lanka is 20%, worth US$ 508.75 million in 2014.
- Textile imports of Sri Lanka from the world account for nearly 91% (US$ 2.26 billion) of its total T&C imports.
- Clothing imports of Sri Lanka from the world account for nearly 8.6% (US$ 214.97 million) of its total T&C imports.
- Imports of Made-ups from the world reached over US$ 18.70 million with a share of nearly 1%.
- Sri Lanka's total imports of MMF textiles from the world during 2014 stood at US$ 1640.27 Million, of which India's share was only US$ 201.81 Million (12.30%).
- Hence, there is tremendous scope to increase India's exports to Sri Lanka and enhance our market share.

Sri Lanka's Textile & Clothing Imports from World

Product Code	Product label	Value in 2014, US$ thousand	Annual growth in value between 2010-2014, %, p.a.
50	Silk	6118	26.96
51	Wool, animal hair, horsehair yarn and fabric thereof	10879	-17.86
52	Cotton	581776	-0.39
53	Vegetable textile fibres nes, paper yarn, woven fabric	19469	-15.42
54	**Manmade filaments**	**161941**	**27.91**
55	**Manmade staple fibres**	**429933**	**64.76**
56	Wadding, felt, nonwovens, yarns, twine, cordage, etc	33142	48.96
57	Carpets and other textile floor coverings	7408	37.16
58	Special woven or tufted fabric, lace, tapestry etc	227877	34.83
59	Impregnated, coated or laminated textile fabric	66474	32.74
60	Knitted or crocheted fabric	720907	50.29
61	Articles of apparel, accessories, knit or crochet	55230	36.08
62	Articles of apparel, accessories, not knit or crochet	159740	234.43
63	Other made textile articles, sets, worn clothing etc	18707	202.16
Total	**Textiles & Clothing**	**2499601**	

Source: ITC

Although there is a small number of sophisticated dyeing facilities and textile mills, local manufacturers do not have the capacity to meet the demand for fabric. The industry requires imported raw materials input, including fabrics worth US$ 2 billion, yarn US$ 195 million and non-textile products worth US$ 241 million.

Sri Lanka's Textile and Clothing Imports from India during 2014

Chapter	Product Description	Imports from India value in US$ thousand	India's Share (%)
50	Silk	268	4.38
51	Wool, animal hair, horsehair yarn and fabric thereof	1,776	16.33
52	Cotton	199,658	34.32
53	Vegetable textile fibres nes, paper yarn, woven fabric	3,823	19.64
54	Manmade filaments	16,256	10.04
55	Manmade staple fibres	**63,225**	**14.71**
56	Wadding, felt, nonwovens, yarns, twine, cordage, etc	2,004	6.05
57	Carpets and other textile floor coverings	3,098	41.82

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Editor: **V. ANIL KUMAR**

Dear Member,

The continued fall of the Country's exports for the last twelve months is quite disturbing, despite certain recent measures to stimulate exports. The merchandise exports fell 24.43 percent in November from the same month last year. India's cumulative value of exports for April-November 2015-16 has shown a negative growth of 18.46 percent in dollar terms and 13.07 percent in Rupee terms over the same period last year. Overall textile and garment exports rose 0.6% to almost US$18 billion in the first half of the current fiscal from a year before, indicating that it would be difficult to reach the annual target of US$ 47.5 billion for 2015-16.

As per the DGCI&S data the exports of MMF textiles during April-October 2015 has shown a decline of 7.28 percent in dollar terms. The exports of Indian MMF Textiles during April-November, 2015-16 has declined 6.04 percent compared to the same period of the previous year, as per the Port data. The decline was severe in the case of yarn (-10.59) and fibre (-21.29), while for fabrics (-1.21) and made-ups (-4.31) it was marginal during the same period. It is disappointing to see that in the past 8 months, the total MMF exports has reached only US$ 3187 Million against a target of US$ 5.9 billion for the period 2015-16. However, on the production front, according to IIP data, textiles have shown a growth of 2.9 percent and wearing apparel has shown a growth of 11.6 percent during April-October, 2015 as compared to the previous year, a positive sign.

We are happy to inform you that the Textile Ministry has been taking various steps to address the precarious situation to encourage various stakeholders. You may recall that they have recommended for a reduction in the Excise duty for Man-made fibres to 6% from 12% to enhance export competitiveness and unleash its potential growth. They have also suggested greater flexibility in labour laws including doubling of the overtime limit for workers from 50 to 100 hours and easing restrictions for women to work at night in factories and the overtime wage be raised to one and a half times the regular rate in accordance with the ILO convention. These will definitely help boost growth and exports in the sector.

We are glad to inform you that the Government has announced the much awaited Interest Equalization@ 3 percent per annum on Pre and Post Shipment Rupee Export Credit which will be effective for a period of five years from April 1st, 2015. The Scheme will be available to all exports under 416 tariff lines which include readymade garments and made-ups (Chapter 61-63) and fabric of all types of exports made by MSMEs. The Scheme has excluded merchant exporter's; however, the Council has represented to the concerned in the Ministry for considering them in the Scheme in view of their significant role in encouraging exports and value addition to a limited extent.

It is heartening to know that the Government is expediting the GST implementation, which will have a multiplier effect on the GDP growth. According to the recent Report of a Committee headed by the CEA, Dr. Arvind Subramanian, GST will facilitate 'Make in India by Make in One India' through eliminating all taxes on inter-state trade (including the 1% additional duty) and replacing them by one GST. It will set a global standard for a Value Added Tax (VAT) in federal set up in the long- term. The Report highlights that bringing electricity and petroleum within the scope of the GST could make Indian manufacturing more competitive. Further, eliminating exemptions on health and education would make tax policy more consistent with social policy objectives. GST would eliminate the cascade of multiple taxes on products and allow manufacturers to claim credit for the taxes paid on inputs across the value chain, thus creating an incentive to pay tax and also help widen tax base.

We are certain that GST will be a positive reform for textile industry too. It could help in introducing an even taxation at every value addition stage, the much needed step for growth of its various potential verticals. We are aware that the textile industry suffered ever since its value chain has got broken way back in 2004. The industry lost its most valuable decade. However, it is important that now the industry needs to grab for a lower GST rate of 15 percent across its value chain, an impetus for its overall growth, which is imperative considering its employment, fiscal and foreign exchange contributions to the Nation. The short-term loss in this respect would definitely help India to take the growth wave in textiles, similar to countries like Bangladesh, Vietnam, Thailand and China, compensate in the long-run benefits. GST will bring greater transparency and help grow the textile industry by unblocking input taxes, which is the need of the hour for its organic growth, all stakeholders need to have a cohesive view for it.

Given the unabated slump in the global economy, India need to explore other immediate measures to re-energize exports and help boost trade. At this juncture, it is important for India to re-look at its various trade agreements, viz. RTAs and PTAs with key countries and have a road map to revise them with a long-term strategic vision. These Trade Agreements have innate potential to re-structure our trade growth, especially in the wake of launching of mega trade agreements like Trans Pacific Partnership (TPP) lead by US and the China backed Free Trade Area of the Asia-Pacific (FTAAP) aimed at exclusively revive their block's manufacturing and trade. India needs to play its role in re-balancing the global trade flow, with its focus on Africa region.

The Government has also been stressing that exporters need to be bold and exploit the newer markets in Africa and LAC for which the Government has revised incentives. The Council on its part has encouraged exporters to venture in to the non-traditional markets through their various Export Promotion Programmes. We have organized Exhibitions in Honduras and El Salvador and participated in International Exhibitions in potential markets like Egypt, Turkey and China. Our Morocco programme has received overwhelming response and we hope this will give the necessary impetus for exports in the coming period. The Council has ambitious plans to continue with its Export Promotion Programmes to new and prospective markets in future too, aimed to facilitate member exporters.

I would also like to inform you that the Council will be holding its Annual Export Award Function on Saturday 23rd January 2016, The Hon'ble Union Minister of State for Textiles (IC) has been invited for gracing the occasion as the Chief Guest and give the awards to the Outstanding Performers of MMF textiles. I once again seek your support and assistance to make the Function a memorable one.

Let me take this opportunity to wish you all a VERY HAPPY AND PROSPEROUS NEW YEAR. Hope the year 2016 will bring a well spring of good times for the Indian economy and the exports.

With warm regards,

Yours sincerely,

ANIL RAJVANSHI
CHAIRMAN
The Synthetic & Rayon Textiles Export Promotion Council

TAIWAN

Exports of textiles and clothing drop 5.28% during January-September 2015

Taiwanese textile and apparel exports fell 5.28 per cent year-on-year to US$8.226 billion during the period from January-September 2015.

According to the data, Taiwan exported US$661.315 million worth of fibres during the eight-month period, which accounted for 8.04 per cent of all textile exports from the country.

Yarn exports earned US$1.23 billion for Taiwan, while fabric exports fetched US$5.575 billion, accounting for 14.96 per cent and 67.77 per cent share in all Taiwanese textile and apparel exports during the period under review.

Apparel exports from Taiwan were valued at US$496.208 million, whereas made-ups accounted for US$262.794 million.

Vietnam and China were the major markets for Taiwanese textiles with these countries importing goods worth US$1.629 billion and US$1.534 billion, respectively, during the period under review.

Region-wise, the EU-28 nations imported US$368.711 million worth of textiles and garments, accounting for 4.48 per cent share of all textile and clothing exports made by Taiwan during the period, while the US imported goods valued at US$669.181 million, contributing 8.13 per cent to Taiwanese exports.

Bulk of Taiwanese textile and garment exports were directed to the neighbouring ASEAN region, which imported US$2.983 billion worth of products, accounting for 36.26 per cent share in all Taiwanese exports.

During the same period, Taiwan's textile and clothing imports stood at US$2.567 billion, registering a growth of 2.3 per cent year-on-year. More than half or US$1.318 billion worth of imports belonged to the apparel category, whereas fibre imports accounted for US$358.811 million, yarn US$316.427 million, fabric US$345.191 million, and made-ups US$229.311 million.

Source : Fibre2fashion 21.11.2015

VIETNAM

US the major market for fabric and apparel from Vietnam during January-October 2015

Fabric and garment exports from Vietnam grew at 9 per cent year-on-year to US$18.952 billion in the first ten months of 2015.

Destination-wise, the US alone accounted for almost 50 per cent or US$9.151 billion worth of fabric and apparel exported from Vietnam during January-October 2015, followed by Japan and South Korea with exports to these countries valued at US $2.279 billion and US$1.851 billion, respectively.

Vietnam also exported 796,060 tons of yarn earning US$2.119 billion during the ten-month period, registering an increase of 12.9 per cent and 0.4 per cent year-on-year, respectively, according to the data.

Thus, Vietnam's total earnings from yarn, fabric and garment exports stood at US$21.071 billion during the period under review. On the other hand, Vietnam imported 883,699 tons of cotton and 649,623 tons of yarn, valued at US$1.419 billion and US$1.264 billion, respectively.

Vietnam's fabric imports soared by 7.9 per cent year over year to US$8.394 billion, over half of which were imported from China (valued at US$4.297 billion) during the first ten months of this year.

In 2014, Vietnam's fabric and garment exports grew at 16.8 per cent year-on-year to US$20.948 billion.

Source : Fibre2fashion 19.11.2015

Exports of textiles and garment expected to grow

The textile and garment sector expects its exports to grow at an average of 11.5 per cent per year between now and 2020.

It has been reported that the sector is expected to generate export revenue of US$27.5 billion this year, and increase this value to US$31 billion next year and US$45 billion to US$50 billion by 2020.

In the first nine months of this year alone, Viet Nam's garment and textile exports totalled US$20 billion, an increase of 10 per cent over the same period last year.

It is learnt that global integration will facilitate Vietnamese garment and textile products over the next five years.Tariffs for these products will reduce from 18 per cent to zero per cent following the Trans-Pacific Partnership (TPP), and from an average 11 per cent to zero per cent following the Viet

Nam-European Union Free Trade Agreement.

Vietnam's exports to the United States are likely to reach US$51.4 billion, with textile products and garment alone touching US$15.2 billion by 2020. Exports of textile and garment to this market may hit US$20 billion by 2025.

Vietnam has been among the top 10 garment and textile exporters in the world for the last 10 years. Last year, it ranked fifth after China, Turkey, Bangladesh and India.

The country exports its products to 180 countries and territories, with the United States, the European Union, Japan and South Korea being major markets. It is also exploring emerging markets such as Russia and Australia.

Source : Vietnam News 01.12.2015

PAKISTAN

Government allocates Rs.65 billion for the textile industry

The Pakistan government has allocated Rs 65 billion for the textile sector under a new policy. The Government is also determined to put the economy on right track and all resources are being utilized to develop industrial sector.

Pakistani businessmen have been urged to cooperate with the government for the revival of economy and suggest remedial measures for the solution of problems related to the industrial sector.

It has been informed that the interest rate has been reduced and several power projects are underway to speed up industrialization in the country.

Source : Fibre2fashion 26.11.2015

Government asked to intervene as exports of textile and clothing drops

With exports of textile and clothing have been declining sharply during the first four months (July-Oct) of 2015-16 the value-added textile industry has cautioned the government to address the problems of the sector, as the current drop in exports may widen further in the next quarter.

It has been suggested for making a policy for reduction in all input costs otherwise the export-oriented industries would not only close down their operations but millions of workers would also lose their jobs. It is learnt that the PM had committed to hold meetings with export-oriented industries on quarterly basis but no such meeting was held so for.

The government has also imposed 10% regulatory duty on yarn imports from India, mostly used by knitwear and woven apparel segments, to further increase the cost of doing business. Thus, price of domestically produced yarn increased manifold.

Exports have dropped by 10.63% to US $1.051 billion monthly in October 2015 from US $1.176 billion in the same month last year in spite of GSP plus status granted to Pakistan. Exports of value-added textile sector, after increasing for three consecutive months, also witnessed a negative growth due to harsh decisions against the value-added sector. The sector exports had grown by 3% in July-Sept 2015-16. But during October 2015, readymade garments exports fell by 0.36%, knitwear 9.5% and bedwear by 8.92%. The textile exports of Pakistan got a boost of 13% due to import duty concessions under the European Union's (EU) Generalised System of Preferences (GSP) scheme in the outgoing fiscal year.

It is observed that the value-added textile sector is not against spinning sector but it wants that whole textile chain be safeguarded because the sector has a tough competition in garments with regional competitors like Bangladesh, China and India.

It is that import of yarn should be totally tax-free besides the imports of garments and unstitched clothes should be banned, so that the local industry could be boosted. When Pakistan was granted GSP Plus status by the EU the Indian government immediately announced incentives for its exporters to compete Pakistan. And again the Indian government announced rebate for its yarn exporters when Pakistan imposed additional 10 percent duty on import of yarn from the neighbouring country.

Source : The Nation 28.11.2015

Import of MMF yarns hits local textile industry

Pakistan local textile industry has been badly affected by the surge in import of man-made fibre (MMF) yarns, including polyester, acrylic and fabric. The import of MMF yarns has surged to 72,300 tonnes in 2014-15 against 47,700 tonnes in 2012-13. Similarly, the import of fabric made from MMF yarns has also reached to 562,000 square metres in 2014-15 against 180,000 square metres in 2012-13.

Source : Yarnsandfibers 01.12.2015

EGYPT

Ban on air cargo affects clothing exports to US

Egypt export of spinning, weaving and garment sector has been affected by the decision of Egypt's state-owned airline Egypt Air to suspend the shipping of commercial cargo on passenger flights bound for New York and Canada.

The textile, garments and furniture top the list of Egypt's exports to the US. It is learnt that between January and August 2015, Egyptian exports to the US totalled US$974 million, of which US$446 million came from export of textiles and cotton products.

The value of Egyptian exports to the US through the Qualitying Industrial Zone (QIZ)agreement was about US$824.2 million in 2014, of which US$816.7 million from the spinning, weaving and garments sector.

Exporters are now apprehensive that they will now have to rely on the few shipping companies which are expected to raise prices that will increase the exporters' production cost and slash profits.

MALAYSIA

Textile sector to benefit from TPP

The textile sector, which contributes only 1.4 per cent of total exports last year, will register the largest gains in exports within the first decade of the implementation of the Trans Pacific Partnership agreement (TPP).

The TPP agreement, which was recently concluded in the US, will take effect from mid-2018. The TPP grouping consists of 12 countries Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States and Vietnam.

The yarn-forward rule of origin under the TPP is expected to increase the export competitiveness of Malaysia's textile industry. The yarn-forward rule applies to textiles which originate from TPP member countries only.

It is learnt that higher demand for yarn produced in TPP countries is also expected to spur textile companies to expand their upstream yarn operations in Malaysia, which are higher value-added than downstream garment production.

The reduction in tariff lines for textile products is expected to benefit Malaysia's downstream garment producers, as 59 per cent of the country's garment exports were to TPP countries last year.

Exports to the US are expected to benefit the most, given that 34 per cent of the sale of made-up garments were to the US in 2014. A 10 per cent reduction in tariffs across all textile products exported to the US could result in savings of RM190 million per annum, assuming the yarn-forward rule is fulfilled.

The removal of non-tariff barriers, particularly in Mexico and Peru, was also expected to increase Malaysia's textile exports. Presently, these countries impose special sector registry requirements for the import of textiles, which increase the cost of customs clearance.

Malaysia exported RM83 million worth of textiles to Mexico and Peru last year.

Source : New Straits Times Online 04.12.2015

USA

TPP to open vistas for US apparel and textile exporters

The Trans-Pacific Partnership will prove to be beneficial for the US apparel and textiles exporters as it will open gates of new markets like Brunei, Japan, Malaysia, New Zealand, and Vietnam.

The key market access benefits for the US apparel industry under TPP will be the elimination of import taxes. While Japan will eliminate import taxes on 99.2% of US textiles and apparel products exports right away, Vietnam will do away with import taxes on 98.4% of US textiles and apparel exports immediately and 100% within 4 years. Going in sync with the change, Malaysia too will remove import taxes on 79.2% of US textiles and apparel exports. New Zealand will also eliminate import taxes on 50.0% of US textiles and apparel exports immediately and 100% within 7 years.

As per the figures reported, 54% of total US textiles and apparel exports went to TPP markets in 2014 worth US $ 835 Million, with exports tariffs as high as 34% in new TPP markets. An estimated US $ 48 Million in duties are levied on us exports of textiles and apparel products in TPP markets every year.

Source: CCFGroup.com 07.12.2015

SRI LANKA

Textile and clothing exports regains in September 2015

Textile and clothing exports from Sri Lanka showed a positive trend in September 2015 after showing a downfall in the last few months.

During the month, export earnings from textiles and garments, which account for around 48 per cent of total exports increased by 1.8 per cent year-on-year to US$411.2 million.

The increase in export earnings reflect "a considerable expansion in garments exports to non-traditional markets such as Canada, Australia, India, United Arab Emirates and Hong Kong.

Cumulative textile and garment exports for January-September 2015 stood at US$3.629 billion, registering a decline of 0.8 per cent compared to exports of US$3.659 billion during the corresponding period of last year, the data showed.

Textiles and apparel accounted for about 59.67 per cent of all industrial exports and about 45.39 per cent of all exports made by the South Asian nation during the nine-month period.

Meanwhile, Sri Lanka's expenditure on import of textiles and textile articles increased by 2.8 per cent year-on-year to US$1.715 billion during the nine-month period under review. However, September imports dropped significantly by 15.5 per cent to US$168.2 million, as against imports of US$199.1 million during the same month last year.

In 2014, Sri Lankan textiles and garments exports increased by 9.4 per cent year-on-year to US$4.929 billion.

Source : Fibre2fashion 09.12.2015

BANGLADESH

Textile exports up in November 2015

Bangladesh registered healthy export earnings of 13.73 percent totaling US$2,749.34 million in this November as against US$2,417.43 million during the corresponding period last year. This has been attributed mainly to moderate performance of knitwear, woven garment, jute and jute-made goods, agricultural and leather products.

Export earnings in the first five months (July-Nov) showed a moderate growth of 6.71 percent totaling US$12,879.83 million, which was a mere 0.01 percent higher than the strategic target of US$12,879 million.

During the period July-November 2015, knitwear export maintained its positive trend fetching US$5,236.73 million, which showed 4.78 percent growth over the same period of the last fiscal while woven garment accounted for US$5,226.03 million having a growth of 11.35 percent.

During the five-month period, export of home textiles totaled US$276.73 million with a fall of 7.33 percent and cotton and cotton products together earned US$40.58 million.

The export of jute and jute goods maintained their positive trend during the July-November period of the current fiscal fetching US$358.60 million, registering 2.86 percent growth. Raw jute exports fetched US$73.61 million with 70.35 percent rise; while jute yarn and twine accounted for US$206.18 million and other items some US$28.49 million.

The export of manmade filaments and staple fibres totaled US$43.48 million; specialised textiles, including terry towel also showed a positive growth of 12.88 percent, earning US$43.29 million, while export of handicrafts totaled US$3.62 million during the July-November period of the current fiscal.

Source : Yarnsandfibers 08.12.2015

India keen to sign Trade Agreement with Iran

India is keen on signing a preferential trade agreement with Iran once international sanctions are lifted. This will be India's first trade agreement with a country in West Asia and offer it a foothold to tap other markets in the region.

It is learnt that Iran is working towards WTO accession. In the build up to that, they have shown interest. There are no negotiations at present. From India's perspective, the sooner the better that we sign an agreement. This is a logical step forward in Delhi's trade relations with Tehran, which has accorded India priority status for trade and investment in acknowledgement of its support during the hard times when the country was reeling under tough US and European Union imposed economic and military sanctions on it.

Iran is looking at cooperation in agro processing, IT, steel and hotels/tourism with India, while India plans to invest ₹ 2 lakh crore in Iran's Chabahar port and develop a gas-based urea manufacturing plant there.

In 2014-15, India's exports to Iran stood at US$4.17 billion while imports amounted to US$8.95 billion, an increase from US$1.44 billion and US$7.61 billion, respectively, in 2006-07.

India has been exporting automobile components, tools, motors and chemicals to Iran besides Basmati rice, sugar and other agricultural commodities. It imports mainly oil from Iran.

Iran could serve as an outlet for Indian goods to countries in Central Asia and Afghanistan.

It is believed that exporters would expect greater market access in sectors among others synthetic textiles and garments.

Source : The Economic Times 01.12.2015

Talk on FTA with EU on the anvil

India and the European Union will resume talks on a Free Trade Agreement soon after a lengthy break, raising hopes of a speedy completion to the long drawn process. Talks on the India-EU Broadbased Investment and Trade Agreement have stalled amid the prolonged downturn in Europe and its focus on concluding the Transatlantic Trade and Investment Partnership agreement with the US.

EU's negotiators are now expected to be in India next month. The development comes a month after the 28 nation bloc offered to discuss the ban as a separate legal matter so that the free trade agreement talks can be resumed. India and the EU have missed at least four deadlines to clinch a free trade accord, even after 15 rounds of talks.

The two sides have been negotiating the proposed free trade agreement since 2007 but differences over the lack of access for Indian professionals to EU's labour market and high taxes imposed by New Delhi on liquor and car imports from Europe have thwarted efforts to reach an accord that is expected to boost trade. India's exports to the EU amounted to US$49.3 billion in FY15, while imports stood at US$49.2 billion. In the April-August period, these were US$18.5 billion and US$18.4 billion, respectively. The EU is destination to almost 18% of India's exports with products among others textiles.

On the other hand, the EU is one of the largest sources of overseas investment in India. With the free trade pact talks getting a new lease of life, it is expected value added exports such as those of textiles and garments could get a boost. The EU is a large market, which is willing to pay the price for value-added goods.

Source : The Economic Times 04.12.2015

Maharashtra Government to take steps to push the textile industry

The Maharashtra Government has initiated measures to revive the textile industry.

The Hon’ble Chief Minister Shri Devendra Fadnavis has said that the textiles industry has the potential to offset unrest in the agriculture sector on which almost 55 per cent population depend for livelihood. He dismissed the argument that the textiles industry is dying and said his Government plans to promote textile industry as the second largest sector. He said big players would have to share social responsibilities and not just see the sector in terms of profit and loss.

The Chief Minister has also asked Power Minister Shri Chandrakant Bawankule to ascertain the financial implications of extending any subsidy to high intensity powerlooms. A delegation of big textile industrialists, sought subsidies in power tariff on high-intensity operating machinery in their powerlooms during a meeting with Shri Fadnavis recently.

The Maharashtra Government provides power subsidy to small and medium powerlooms operations and handloom sectors, but those units which operate on high intensity large machinery to produce yarn have to pay commercial rates between ₹ 8.50 to ₹ 9 per unit.

The Finance Ministry is against extending power subsidies to looms on high intensity machinery that could entail an additional burden of ₹ 300 to ₹ 350 crore.

Maharashtra has almost 11 lakh powerlooms. There are 300 textile units which operate on 70,000 machines.

Shri Fadnavis stressed that he was committed to rationalising power tariff to promote the textile sector, and planned to evolve an overall policy for rural development and employment in the textile industry. He urged textile industries to factor in socio-economic aspects and rural development through textile revival.

Textile sector has not been in the pink of health in Maharashtra. But a private and public partnership to adopt modern technology to revive the textile sector under an integrated plan of the ministries of textile, power and industries, is expected to bring ₹ 50,000 crore and generate employment for 15 lakh people.

The integrated plan will entail policy changes to facilitate the setting up and upgradation of powerlooms while the decision to promote textile parks is expected to bring greater investments.

The Chief Minister, Shri Devendra Fadnavis, has also said that a comprehensive new policy for development of ports in the state would be unveiled soon. This is expected to help the state further strengthen its position as a significant import and export hub of the country.

Even the Hon'ble Prime Minister, Shri Narendra Modi, had given the state government his backing for infrastructure upgradation, especially for the development of ports which he considers a priority.

Shri Fadnavis said there was urgent need for an integrated transport network that would be interlinked with all the ports across Maharashtra.

He disclosed that the state government and the Ministry of Railways were working out multiple models port-wise that would ease traffic congestion.

Source : Fibre2fashion 05.12.2015/Exim News 06.12.2015

India's proposal for FTA with the African Union shelved

India's proposal for a free trade agreement (FTA) with the African Union has been rejected by the group for the time being as it wants to form its own union first and then negotiate as a bloc.

The African Union, which comprises 54 countries in the continent, accounted for almost 11 per cent of India's total exports in 2014-15 with shipments growing at 5.17 per cent to US$32.84 billion even as exports to India's top markets in the EU and the US declined.

However, there is immense untapped potential for India's exporters and investors. India's total trade with Africa worth US$71 billion in 2014-15 in insignificant when compared with China's total trade with the region worth over US$200 billion.

India will have to wait for at least two years to get into FTA talks with the African Union as the Continental Free Trade Area (CFTA) Forum, which aims to integrate Africa's markets and establish an African Economic Community, will conclude its negotiations at the earliest by 2017.

It is learnt that at the same time, the Commerce Ministry will examine individual countries in the African continent that hold reasonable export interest for India so that it could initiate FTA negotiations with them.

Kenya, Tanzania, Egypt and Algeria are some of the other African countries which account for exports over US$2 billion from India.

Source : Business Line 06.12.2015

Efforts to push up textile exports

The Textile and the Commerce ministries both are engaged in formulating new strategies to boost exports in the textile and clothing sector as it is the largest employment provider after agriculture, accounting for some 45 million jobs. The government is also likely to renew focus on some of the segments that are already doing relatively well so that India's dominance is further entrenched in those areas.

The Centre is seeking to make it more attractive for exporters to tap markets with immense potential for outbound shipments of textile and clothing items, notably Africa, to widen the geographical spread of the export market and reduce dependence on the developed world mainly the US and the EU.

Although it wouldn't be easy to reduce the dependence on such markets meaningfully in the near future and remain unaffected to any slowdown there, given the scale of exports to these nations, the diversification to Africa will help India in the long run.

The need to tap new markets has also arisen more than ever, as China's economy is set for a prolonged slowdown and the developed world is still struggling with a fragile recovery.

The government has also raised support to outbound shipments of more textile products under the Merchandise Exports from India Scheme (MEIS). Most of the textile and garment items, which were earlier not availing much of a benefit, are now granted 3% duty credit scrip under the MEIS to tap markets such as those in Africa.

Recently, the government introduced 110 new tariff lines, includes textile in the MEIS and increased the duty benefit rates or the country coverage, or both, for 2228 existing tariff lines. The commerce ministry's move to partially tweak the MEIS came after the finance ministry had agreed to raise the allocation for the scheme to ₹ 21,000 crore for the current fiscal from ₹ 18,000 crore announced earlier.

Under the MEIS, the government provides exporters duty credit scrip at 2%, 3% and 5% of their export turnover, depending upon the product and the country, as envisaged in the foreign trade policy 2015-20. The scrip can be transferred or used for payment of a number of duties, including the basic customs duty.

According to the latest data, overall textile and garment exports rose 0.6% to almost US$18 billion in the first half of the current fiscal from a year before, while the country's overall exports plunged by 17.6% during the period. Consequently, the share of such textile and clothing exports in the country's overall exports have risen to 13.5% in the April-September period this fiscal from 11.1% a year before.

The Textile Ministry plans to further intensify focus on segments like handicrafts that have witnessed good growth in exports and have immense employment potential.

China is the biggest market for textiles, accounting for over 70% of India's cotton and 40% of yarn supplies, the US and the EU are the largest markets for Indian apparel, and making up for roughly 65% of garment exports.

Source : Yarnsandfibers 04.12.2015

No MFN status to India by Pakistan

Pakistan has not yet granted the most favoured nation (MFN) status to India.

The Hon'ble Union Minister of State for Commerce & Industry informed that during the seventh round of talks on trade and economic cooperation between commerce secretaries of India and Pakistan in Islamabad in September 2012, it was agreed that Pakistan would transition fully to MFN (non-discriminatory) status for India by December 2012.

Pakistan, however, did not adhere to the timelines. She also said Pakistan has not been able to honour its commitments of removing trade restrictions on the land route and granting MFN status to India.

During the meeting between Prime Ministers of India and Pakistan in May last year, it was decided that the two countries could move immediately towards full trade normalisation. Grant of the MFN status to India would help in boosting trade between the two countries.

India granted the MFN status to Pakistan way back in 1996. During April-October this year, the bilateral trade between the countries stood at US$1.14 billion. For 2014-15, it came in at US$2.35 billion. India's main exports to Pakistan include among others man-made filaments.

Source : Hindustan Times 09.12.2015

Light emitting textile

With interest growing in eco-friendly home deco (such as the fashion for plants with depolluting properties), a team of researchers at the CNRS research center in French city of Lyon have developed a new type of light emitting textile that could absorb the pollution in our homes. This new type of textile could find a place in sofas, cushions, curtains, blankets, etc.

The original idea is to seamlessly integrate optical fibers, in the form of LEDs, into fabric without using an external lamp. A photocatalyst — a mixture of titanium dioxide and various solvents — is soaked into the textile and activated by light.

This innovative technology is based on a chemical reaction called photocatalysis, which was discovered in the 1990s. This process enables pollutants to be neutralized using light. The construction sector already uses it in self-cleaning paint and concrete.

This chemical process, which is an industrial secret, has been developed in the Brochier Technologies Research & Development lab in Villeurbanne, France. One of Brochier Technologies' core businesses is to develop optic fiber weaving solutions for applications in the lighting, communication, security, depollution and medical spheres.

The researchers are still studying the textile's effectiveness on different types of pollutant such as fine particles. In the industrial field, the invention is currently being tested onsite as a means of removing residual pharmaceutical and pesticide molecules found in water to prevent them from being discharged into the environment.

With the international climate change conference underway in Paris, this discovery by a CNRS research team in Lyon could be a big step forward for the quality of our environment by removing certain pollutants from homes and, on a global level, by removing pollution from the air and water and neutralizing odors, particularly in industry.

Source : Yarnsandfibers 07.12.2015

New Yarn dyeing machine by Thies

The new yarn dyeing machine iCone is ideal for bleaching and dyeing fibres in different forms such as packages, warp beams, combed tops or flock. The latest forms of flow analysis allow the piping system, the pump and the pump impellers to be optimized, reducing pressure losses and therefore lowering power consumption. iCone offers the possibility to dye in a traditional manner using reciprocating liquor circulation and also to opt for ultra-short liquor circulation from one side only, with a liquor ratio of 1:3:6.

The machine is therefore very practical as it can be matched to the requirements of each application. The delivery spectrum of the iCone is complemented by the very latest, user friendly control systems. These integrate the in-house developed "green functions" which provide users with standardized programs for exploiting the optimization potential in different process steps. iCone can be integrated without problems into existing dyeing houses. Existing dryers and material carriers can be adapted after consultation.

Source : Melliand International October 2015

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SRTEPC/FE04/Lebanon/15-16

M/s.Michael Fenici SARL
Bechara El-Khoury,
Damascus Road,
Achmoun Bldg., 4th floor,
Beirut, LEBANON
Contact: Mr.Michael Fenici
Phone : +961-3-811302
E-mail : michael@michaelfenici.com
Web : www.michaelfenici.com

Items of Interest :

- Suitings : 98% wool & 2% lycra
- Shirtings : 100% Cotton

SRTEPC/FE05/Turkey/15-16

M/s.Kuteks Tekstil
Osmanage Mah.Halitaga Cad.
Eksioglu, Merkezi No.18/47
34714 Kadikoy, Istanbul, TURKEY
Contact: Mr.Harun Kuten
Phone : +90-216-3388506
Fax : +90-216-3388507
GSM : +90-542-5235156
E-mail : kuteks@superonline.com

Items of Interest :

- 100% Cotton Yarn (for denim & tower)
- Denim Fabrics.

If interested, you may directly contact the concerned buyer/agent along with the details of your products, price quotes, terms of trade, etc. at the earliest under intimation to the Council for necessary follow-up, if required.

As is the practice, members are advised to verify the financial standing of the overseas firms while finalizing business deals.

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Colombo International Yarn and Fabric Show (CIFS) in Colombo, Sri Lanka 10th-12th March 2016

The Council is organizing participation of its member-companies in "Colombo International Yarn and Fabric Show" (CIFS) in Colombo, Sri Lanka between 10th to 12th March 2016. The Show is being organized by Conference & Exhibition Management Services (CEMS).

The participation fee for the Exhibition is ₹ 1.80 lakhs. Selected participants will be provided with individual stalls – admeasuring 9 sq. mtrs. with the necessary furnitures and standard accessories for display of products (one discussion table, three chairs, one fabric display stand/one yarn shelf, one waste-paper basket, power socket, name on the facia). Any extra requirement may be arranged by participants with additional payments to the Organizers.

The above Exhibition has recently been proposed to the Ministry of Commerce, Government of India as a replacement for a cancelled programme for its approval for giving MDA grant, if approved, an amount of ₹ 1.25 lakhs may be availed by eligible member-companies towards reimbursement of a part-costs towards participation charges in the Exhibition, subject to the fulfillment of certain conditions.

For more details kindly contact Ms. Kalavathi/Ms. Ramitha, Tel : 022-22048797, 22048690, Fax : 022-22048358, E-mail : srtepc@srtepc.in/tp@srtepc.in.

SRI LANKA – EXPORT OPPORTUNITIES

(Continued from Page 2)

Chapter	Product Description	Imports from India value in US$ thousand	India's Share (%)
58	Special woven or tufted fabric, lace, tapestry etc	9,189	4.03
59	Impregnated, coated or laminated textile fabric	3,029	4.56
60	Knitted or crocheted fabric	108,115	15.00
61	Articles of apparel, accessories, knit or crochet	23,610	42.75
62	Articles of apparel, accessories, not knit or crochet	70,773	44.31
63	Other made textile articles, sets, worn clothing etc	3,927	20.99
	Total	508,751	20.35

Sri Lanka's Textiles & Clothing Exports to the World

Chapter	Product label	Value in 2014, US$ thousand	Annual growth in value between 2010-2014, %, p.a.
50	Silk	6	-97
51	Wool, animal hair, horsehair yarn and fabric thereof	155	3000
52	Cotton	40349	143
53	Vegetable textile fibres nes, paper yarn, woven fabric	138349	38
54	**Manmade filaments**	**8289**	**26**
55	**Manmade staple fibres**	**47391**	**80**
56	Wadding, felt, nonwovens, yarns, twine, cordage, etc	34950	84
57	Carpets and other textile floor coverings	7166	34
58	Special woven or tufted fabric, lace, tapestry etc	35820	43
59	Impregnated, coated or laminated textile fabric	11343	185
60	Knitted or crocheted fabric	45235	119
61	Articles of apparel, accessories, knit or crochet	2624340	54
62	Articles of apparel, accessories, not knit or crochet	2057125	28
63	Other made textile articles, sets, worn clothing etc	57837	21
Total	**Textile & Clothing**	**5108355**	

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

HS Code	Product Description	Value in US$ Mn
551219	Woven fabrics,containg>/=85% of polyester staple fibres,o/t unbl or bl	137.40
551511	Woven fab of polyester staple fib mixd w viscose rayon staple fib,nes	48.82
550410	Staple fibres of viscose, not carded or combed	33.44
551319	Woven fabrics of oth syn staple fib,<85%,mixd w/cot,<=170g/m2,unbl/bl	24.60

551011	Yarn,>/=85% of artificial staple fibres, single, not put up	20.53
550922	Yarn,>/=85% of polyester staple fibres, multiple, not put up, nes	19.23
540233	Textured yarn nes,of polyester filaments,not put up for retail sale	18.31
540245	Filament yarn of nylon or other polyamides, incl. monofilament of < 67	18.21
540249	Yarn of synthetic filaments, single, untwisted, nes, not put up	15.59
540244	Synthetic filament elastomeric yarn, single, untwisted or with a twist	15.06
551329	Woven fabrics of oth syn staple fib,<85% mixd w/cotton,<=170g/m2,dyed	13.21
540231	Texturd yarn nes,of nylon/oth polyamides fi,<=50tex/s.y.,not put up	10.98
550490	Artificial staple fibres, o/t viscose, not carded or combed	10.84
551519	Woven fabrics of polyester staple fibres, nes	9.36
550921	Yarn,>/=85% of polyester staple fibres, single, not put up	8.51
551311	Plain weave polyest stapl fib fab,<85%,mixd w/cottn,<=170g/m2,unbl/bl	8.08
551419	Woven fabrics of oth syn staple fib,<85%,mixed w/cot,>170 g/m2,unbl/bl	8.04
551211	Woven fabrics, containing>/=85% of polyester staple fibres, unbl or bl	8.04
540261	Yarn of nylon or other polyamides fi, multiple, nes, not put up	7.71
540239	Textured yarn of synthetic filaments, nes, not put up	7.20
540710	Woven fab of high tenacity fi yarns of nylon oth polyamides/polyesters	7.04
540742	Woven fabrics,>/=85% of nylon/other polyamides filaments, dyed, nes	6.33
551611	Woven fabrics,containg>/=85% of artificial staple fibres,unbleached/bl	6.15
551090	Yarn of artificial staple fibres, not put up, nes	5.90
551339	Woven fab of oth syn staple fib,<85% mixd w/cot,<=170g/m2,yarn dyd	5.87
540262	Yarn of polyester filaments, multiple, nes, not put up	5.43
540761	Woven fabric >85% non-textured polyester filaments	5.28
550953	Yarn of polyester staple fibres mixed with cotton, not put up, nes	4.93
540810	Woven fabrics of high tenacity filament yarns of viscose rayon	4.54
540824	Woven fab,>/=85% of artificial fi or strip of art tex mat,printd,nes	4.33
551349	Woven fab of oth syn staple fib,<85%,mixed w/cot,<=170g/m2,printed	4.00
551321	Plain weave polyester staple fib fab,<85%,mixd w/cotton,<=170g/m2,dyd	3.97
540220	High tenacity yarn (o/t sewg thread),of polyester filaments,not put up	3.89
551612	Woven fabrics, containing>/=85% of artificial staple fibres, dyed	3.47
550320	Staple fibres of polyesters, not carded or combed	3.46
540232	Texturd yarn nes,of nylon/oth polyamides fi,>50 tex/s.y.,not put up	3.42
551229	Woven fabrics,containing>/=85% of acrylic staple fibres,o/t unbl or bl	3.31
540490	Strip&the like of syn tex material of an apparent width nt exceedg 5mm	2.97
540269	Yarn of synthetic filaments, multiple, nes, not put up	2.72
540822	Woven fab,>/=85% of artificial fi or strip of art tex mat,dyed,nes	2.70
551614	Woven fabrics, containing>/=85% of artificial staple fibres, printed	2.61
551323	Woven fab of polyester staple fib,<85%,mixd w/cot,<=170 g/m2,dyd,nes	2.10

Import Duty structure of Sri Lanka

	HS Chapter/Subheading	Tariff Rate Range (%)
Yarn		
-silk	5003-5006	0
-wool	5105-5110	0
-cotton	5204-5207	0
-other vegetable fiber	5306-5308	0
-man-made fiber	5401-5406/5501-5511	0
Woven Fabrics		
-silk	5007	0
-wool	5111-5113	0
-cotton	5208-5212	0
-other vegetable fiber	5309-5311	0
-man-made fiber	5407-5408/5512-5516	0 - 15
Knit Fabric	60	0
Non Woven Fabric	5603	0
Industrial Fabric	59	0 - 15
Apparel	61-62	0 - 15
Home Furnishings	63	15 - 30
including: bed, bath, kitchen linens, etc.		
Carpet	57	15

Additional Import Taxes and Fees

An Export Development Board (EDB) Levy (Cess), ranging from 1 to 35 percent is applied on the customs value calculated in rupees plus a 10% margins applied on a range of imports identified as nonessential, such as shoes, bags, textile products. Apparel is subject to a levy of 30 percent or Rs 75 ($0.65) per unit--whichever levy is higher. A charge of 50 Rupees (approximately $0.5) per kilogram is assessed on imported textiles not intended for use by the apparel export industry.

A Ports and Airports Development Levy (PAL) of 5 percent is applied on all dutiable imports. Locally manufactured products are not subject to the Ports and Airports Development Levy.

A Nation Building Levy of 2 percent

Samples/Temporary Entry-Temporary entry for exhibition material is allowed under the ATA Carnet system.

Exports of MMF textiles from India to Sri Lanka during last five years

Value in US$ Mn

	Fabrics	Made-up	Yarn	Fibre	Total	%Gr/Dec
2010-2011	80.53	3.58	18.52	0	102.63	
2011-2012	92.7	6.66	19.56	0.67	119.59	16.53
2012-2013	87.24	7.27	21.4	0.13	116.04	-2.97
2013-2014	109.84	5.74	23..28	6.71	145.57	25.44
2014-2015	125.80	8.54	21.47	0.35	156.16	7.27

Source: MOC

India's MMF Exports to Sri Lanka have increased during the year 2014-15 after declining over the past three years. Fabrics were the dominant items in the export basket with a share of nearly 81%, followed by yarn 14% and Made-ups 5%. Exports of MMF Fabrics to Sri Lanka followed a similar trend in line with the India's MMF exports to Sri Lanka. Exports of MMF Yarn have shown a mixed trend while MMF Fibres have been declining since last 3 years. India's exports of Made-ups to Sri Lanka have been relatively constant over the period.

SRTEPC PROMOTIONAL PROGRAMME

In view of the immense scope for further increasing exports of Indian textiles products including Man-made fibre textiles to Sri Lanka, the Synthetic and Rayon Textiles Export Promotion Council (SRTEPC) is mobilising participation of its members-companies in the "Colombo International Yarn and Fabric Show (CIFS)" scheduled to be held in Colombo during 10th-12th March 2016

In view of this, the Council requests all its member-exporters to take advantage of this excellent opportunity, and participate in Yarn and Fabric Show which is likely to help the participating companies to negotiate fruitful business, get quality Sri Lankan buyers and even opportunity to book spot business orders.

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Attention: Members

INDIAN TRADE CLASSIFICATION (HS) CODES FOR MAN-MADE FIBRE TEXTILES

A detailed ITC HS Code Book for Indian Man-made Fibre Textiles is available with the Council. The Book contains Chapter-wise (54 to 63) HS Codes for the following Products.

- Fabrics
- Yarns
- Made-ups
- Fibre

The Book is available for ₹ 115 (including Service Tax), which can be obtained from the Head office or Regional Offices of the Council at Delhi and Surat on payment by cash or on the receipt of Demand Draft (in favour of "The Synthetic & Rayon Textiles Export Promotion Council, Mumbai) for the requisite amount. Please add ₹ 50/- for mailing charges, if you require the Book through courier.

GST REPORT BY CHIEF ECONOMIC ADVISER DR. ARVIND SUBRAMANIAN

A Committee headed by the Chief Economic Adviser Dr. Arvind Subramanian on possible Tax rates under GST submitted its Report recently to the Finance Minister. The Committee in its concluding observations has stated that this is a historic opportunity for India to implement a game-changing tax reform. Domestically, GST will help improve governance, strengthen tax institutions, facilitate "Make in India by Making One India," and impart buoyancy to the tax base. It will also set the global standard for a value-added tax (VAT) in large federal systems in the years to come.

The key highlights of the GST Report are as follows:

- The GST has been an initiative that has commanded broad consensus across the political spectrum. It has also been a model of cooperative federalism in practice with the Centre and states coming together as partners in embracing growth and employment-enhancing reforms.
- Getting the design of the GST right is critical. Specifically, the GST should aim at tax rates that protect revenue, simplify administration, encourage compliance, avoid adding to inflationary pressures, and keep India in the range of countries with reasonable levels of indirect taxes.
- There is some ambiguity in the need to clarify terminology. The term revenue neutral rate (RNR) will refer to that single rate, which preserves revenue at desired (current) levels. In practice, there will be a structure of rates, but for the sake of analytical clarity and precision it is appropriate to think of the RNR as a single rate. It is a given single rate that gets converted into a whole rate structure, depending on policy choices about exemptions, what commodities to charge at a lower rate (if at all), and what to charge at a very high rate. The RNR should be distinguished from the "standard" rate defined as that rate in a GST regime which is applied to all goods and services whose taxation is not explicitly specified. Typically, the majority of the base (i.e., majority of goods and services) will be taxed at the standard rate, although this is not always true, and indeed it is not true for the states under the current regime.

Against this background, the Committee drew a few important conclusions which are as follows:

- Because identifying the exact RNR depends on a number of assumptions and imponderables; therefore, this task is as much soft judgement as hard science; and finally also because the prerogative of deciding the precise numbers will be that of the future GST Council. The Committee has decided to recommend not one but a few conditional rate structures that depend on policy choices made on exemptions, and the taxation of certain commodities such as precious metals. On the RNR, the Committee's view is that the range should be between 15 percent and 15.5 percent (Centre and states combined).
- On structure, in line with growing international practice and with a view to facilitating compliance and administration, India should strive toward a one-rate structure as the medium-term goal. Meanwhile, the Committee recommends a two-rate structure. In order to ensure that the standard rate is kept close to the RNR, the maximum possible tax base should be taxed at the standard rate. The Committee would recommend that lower rates be kept around 12 per cent (Centre plus states) with standard rates varying between 17 and 18 per cent.
- It is now growing international practice to levy sin/demerit rates in the form of excises outside the scope of the GST on goods and services that create negative externalities for the economy. As currently envisaged, such demerit rates other than for alcohol and petroleum (for the states) and tobacco and petroleum (for the Centre) will have to be provided for within the structure of the GST. The Committee recommends that this sin/demerit rate

be fixed at about 40 percent (Centre plus states) and apply to luxury cars, aerated beverages, paan masala, and tobacco and tobacco products (for the states).

- This historic opportunity of cleaning up the tax system is necessary in itself but also to support GST rates that facilitate rather than burden compliance. Choices that the GST Council makes regarding exemptions/low taxation (for example, on gold and precious metals, and area-based exemptions) will be critical. The more the exemptions that are retained the higher will be the standard rate.
- The GST also represents a historic opportunity to rationalize the tax system that is complicated in terms of rates and structures and has become an "Exemptions Raj," rife with opportunities for selectivity and discretion. A rationalization of exemptions under the GST will complement a similar effort already announced for corporate taxes, making for a much cleaner overall tax system.
- The rationalization of exemptions is especially salient for the center, where exemptions have proliferated. Indeed, revenue neutrality for the center can only be achieved if the base for the center is similar to that of the states (which have fewer exemptions 90 products versus 300 for the center). If policy objectives have to be met, instruments other than tax exemptions such as direct transfers could be deployed.
- The Committee's recommendations on rates summarized are all national rates, comprising the sum of central and state GST rates. How these combined rates are allocated between the center and states will be determined by the GST Council.
- Implementing the GST will lead to some uncharted waters, especially in relation to services taxation by the states. Preliminary analysis in this report indicates that there should not be large shifts in the tax base in moving to the GST, implying that overall compensation may not be large.
- The GST also represents a historic opportunity to Make in India by Making One India. Eliminating all taxes on inter-state trade (including the 1 percent additional duty) and replacing them by one GST will be critical to achieving this objective;
- Analysis in the report suggests that the proposed structure of tax rates will have minimal inflationary consequences. But careful monitoring and review will be necessary to ensure that implementing the GST does not create the conditions for anti-competitive behavior.
- Complexity and lags in GST implementation require that any evaluation of the GST and any consequential decisions should not be undertaken over short horizons (say months) but over longer periods say 1–2 years.
- Finally, the report has presented detailed evidence on effective tax burdens on different commodities which highlights that in some cases they are inconsistent with policy objectives. It would be advisable at an early stage in the future, and taking account of the experience of the GST, to consider bringing fully into the scope of the GST commodities that are proposed to be kept outside, either constitutionally or otherwise. Bringing electricity and petroleum within the scope of the GST could make Indian manufacturing more competitive; and eliminating the exemptions on health and education would make tax policy more consistent with social policy objectives.

The nation is on the cusp of executing one of the most ambitious and remarkable tax reforms in its independent history. Implementing a new tax, encompassing both goods and services, to be implemented by the Centre, 29 States And 2 Union Territories, in a large and complex federal system, via a constitutional amendment requiring broad political consensus, affecting potentially 2-2.5 million tax entities, and marshalling the latest technology to use and improve tax implementation capability, is perhaps unprecedented in modern global tax history. The time is ripe to collectively seize this historic opportunity.

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INTEREST EQUALISATION SCHEME ON PRE & POST SHIPMENT RUPEE EXPORT CREDIT

The much awaited Interest Subsidy Scheme for the textile industry has been announced by the Government. This move by the Government has been welcomed by the MMF Textile industry as it has widened the scope.

The new Interest Equalisation Scheme, which was earlier termed as the Interest Rate Subvention Scheme, on pre-shipment and post-shipment of garments, will boost MMF Textile exports, as many categories of fabrics and made-ups have been covered. Exporters were eagerly looking forward to this, as they are facing depressed market conditions and declining exports.

Interest Equalisation Scheme on Pre and Post Shipment Rupee Export Credit has been announced by the Government vide RBI Notification No. RBI/2015-16/259 dated December 4, 2015

The scheme is effective from April 1, 2015 for a period of 5 years.

The details of the scheme are as follows :

(a) The rate of interest equalisation @ 3% per annum will be available on Pre Shipment Rupee Export Credit and Post Shipment Rupee Export Credit.

(b) The scheme would be applicable w.e.f 01.04.2015 for 5 years. Government, however, reserves the right to modify/amend the Scheme at any time.

(c) The scheme will be available to all exports under 416 tariff lines [at ITC (HS) code of 4 digit] including Readymade Garments & Made ups(Ch 61-63) and Fabric of all types as per Annexure given and exports made by Micro, Small & Medium Enterprises (MSMEs) across all ITC(HS) codes

(d) Scheme would not be available to merchant exporters.

(e) Banks are required to completely pass on the benefit of interest equalisation, as applicable, to the eligible exporters upfront and submit the claims to RBI for reimbursement, duly certified by the external auditor.

(f) Ministry of Commerce and Industry will place funds in advance with RBI for a requirement of one month and reimbursement would be made on a monthly basis through a revolving fund system.

(g) All eligible exports under the scheme would have to meet the criteria of minimum processing for the goods to be called as Originating from India and would be governed by provision of Paragraph 2.108 (a) (Rules of Origin [Non preferential]) of Handbook of Procedures of Foreign Trade Policy 2015-2020

(h) A study may be initiated on the impact of the scheme on export promotion on completion of 3 years of the operation of the scheme. The study may be done through one of the IIMs.

(i) RBI shall send a monthly report to Deptt of Commerce/DGFT indicating reimbursement made commodity wise/bank wise, as per their prescribed format.

(j) Accordingly, RBI has advised scheduled commercial banks to adhere to the following operational procedure for claiming reimbursement:

    (A) Procedure for passing on the benefit of interest equalisation to exporters:

    (B) Procedure for claiming reimbursement of interest equalisation benefit already passed on to eligible exporters

For more details regarding the Interest Equalisation Scheme and List of HS Lines (all products) covered under the scheme will be available by clicking on the link given (https://rbi.org.in/Scripts/NotificationUser.aspx?Id=10159&Mode=0)

Members are requested to go through the guidelines and follow the instructions given in the above Notification and do the needful.

Note: Definition of MSME :- The Government of India has enacted the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 in terms of which the definition of micro, small and medium enterprises is provided as per RBI's Master Circular - Lending to Micro, Small & Medium Enterprises (MSME) Sector vide Notification No. RBI/2015-16/74 FIDD.MSME & NFS.BC.No.07/06.02.31/2015-16 dated July 1, 2015.

(https://rbi.org.in/scripts/NotificationUser.aspx?Mode=0&Id=9877)

NOTICE

DGFT

Sr. No.	Heading No.	Date	Subject	Description	Download the Link
(1)	Public Notice No. 47/2015-2020	08.12.2015	Declaration of intent under Merchandise Exports from India Scheme (MEIS) - reg.	Shipping bills, where declaration of intent 'Y' has not been marked and 'N' has been ticked inadvertently in the 'reward item box' while filing shipping bills in Customs for exports made between 01.06.2015 to 30.09.2015, shall be transmitted by CBEC to DGFT.	http://dgft.gov.in/Exim/2000/PN/PN15/PN47.pdf
(2)	Trade Notice No.09/2015	08.12.2015	Interest Equalisation Scheme on Pre and Post Shipment Rupee Export Credit w.e.f. 1st April, 2015	DGFT has issued Trade Notice No. 09/2015 dated 8th December, 2015 notifying the members of Trade and Industry that the Interest Equalisation Scheme on Pre and Post Shipment Rupee Export Credit has been announced by the Government vide RBI Circular No. DBR.Dir.BC.No.62/04.02. 001/2015-16 dated December 4, 2015. Details of the Scheme are available on the website of RBI www.rbi.org.in.	http://dgft.gov.in/Exim/2000/TN/TN15/Trade%20Notice.pdf

CBEC - CUSTOMS

Sr. No.	Heading No.	Date	Subject	Description	Download the Link
(1)	**Notification No.**53/2015-Cus	23.11.2015	Seeks to amend Notification No. 10/2008 – Customs, dated 15th January 2008, so as to deepen the tariff concessions in respect of specified goods under the Comprehensive Economic Co-operation Agreement (CECA) between India and Singapore, when imported from Singapore	**(Relevant extract of the Notification)** Tariff concessions in respect of goods imported from Singapore. In the said notification, for the Table, the following Table shall be substituted, namely: - (table below)	http://www.cbec.gov.in/htdocs-cbec/customs/cs-act/notifications/notfns-2015/cs-tarr2015/cs53-2015.pdf

Table S. No.	Tariff item of the First Schedule	Description of goods	Rate (%)
(1)	(2)	(3)	(4)
248	54023100	All goods	0.00
249	54023200	All goods	0.00
250	54023300	All goods	0.00
251	54024900	All goods	0.00
252	54025100	All goods	0.00
253	54041100	All goods	0.00
254	55020010	All goods	0.00
255	55020020	All goods	0.00
256	55020090	All goods	0.00
294	63079011	All goods	0.00
295	63079012	All goods	0.00
296	63079013	All goods	0.00
297	63079019	All goods	0.00
298	63079020	All goods	0.00
299	63079090	All goods	0.00

<table>
<tr><td>(2)</td><td>Notification No.111/2015-Cus(NT)</td><td>18.11.2015</td><td>Notification notifying Shahebganj and Haldibari in Cooch Behar as Land Customs Stations (LCSs).</td><td>The Central Board of Excise and Customs hereby appoints the places in column (2) of the TABLE below as Land Customs Stations for the purpose of clearance of baggage of Indian enclave dwellers coming from Bangladesh to India.</td><td>http://www.cbec.gov.in/htdocs-cbec/customs/cs-act/notifications/notfns-2015/cs-nt2015/csnt111-2015</td></tr>
<tr><td>(3)</td><td>Notification No.134 /2015 -Customs (N.T.)</td><td>30.11.2015</td><td>Amends Notification No. 83/2004-Customs (N.T) dated 30th June 2004</td><td>The Central Board of Excise and Customs makes following amendments further to amend the notification. In the said notification, for the Sl. No. (1) and the entries relating thereto, the following shall be substituted, namely:-

“(1) the Principal Director General of Revenue Intelligence, New Delhi or Director General of Revenue Intelligence to be the Principal Chief Commissioner of Customs or Chief Commissioner of Customs, who shall have jurisdiction over the whole of India;”.</td><td>http://www.cbec.gov.in/htdocs-cbec/customs/cs-act/notifications/notfns-2015/cs-nt2015/csnt134-2015</td></tr>
<tr><td>(4)</td><td>Notification No.137/2015-Cus (NT),</td><td>07.12.2015</td><td>Amendment in Principal Notification No. 12/97- Customs (N.T.) dated 02.04.1997</td><td>In the said notification, in the Table, against serial number 5 relating to the State of Haryana, after item (vii) and the entries relating thereto, in columns (3) and (4), the following item and the entries shall respectively be inserted, namely:-<table><tr><td>(3)</td><td>(4)</td></tr><tr><td>(viii) Village Janoli-Bhagola, Tehsil Palwal.</td><td>Unloading of imported goods and loading of export goods.</td></tr></table></td><td>http://www.cbec.gov.in/htdocs-cbec/customs/cs-act/notifications/notfns-2015/cs-nt2015/csnt137-2015</td></tr>
<tr><td>(5)</td><td>Circular No.30/2015</td><td>04.12.2015</td><td>Regarding amendment to Board Circular No. 18/2015-Cus dated 9.06.2015</td><td>DRI has pointed out difficulty being faced in implementing guidelines and accordingly has suggested suitable amendments. The matter has been examined in Board. Accordingly, it has been decided that the following cases investigated by DRI shall be assigned to Additional Director General(Adjudication), DRI:

(i) Cases involving duty of Rs. 5 Crores and above;

(ii) Group of cases on identical issues involving aggregate duty of Rs. 5 crore and more;</td><td>http://www.cbec.gov.in/htdocs-cbec/customs/cs-circulars/cs-circulars-2015/circ30-2015cs</td></tr>
<tr><td>(6)</td><td>60/2015-Cus (ADD)</td><td>10-12-2015</td><td>Seeks to levy provisional anti-dumping duty on Purified Terephthalic Acid, originating in, or exported from the People’s Republic of China, Iran, Indonesia, Malaysia and Taiwan for a period not exceeding six months</td><td>The anti-dumping duty imposed under this notification shall be effective for a period not exceeding six months (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.</td><td>http://www.cbec.gov.in/htdocs-cbec/customs/cs-act/notifications/notfns-2015/cs-add2015/csadd60-2015</td></tr>
</table>

NOTICE

CBEC – CENTRAL EXCISE

Sr. No.	Heading No.	Date	Subject	Description	Download the Link
(1)	**Notification No. 25/2015-Central Excise (N.T)**	09.12.2015	Amendment of Central Excise Rules, 2002	the Central Government hereby makes the following rules further to amend the Central Excise Rules, 2002, namely:– 1. (1) These rules may be called the Central Excise (Second Amendment) Rules, 2015. (2) They shall come into force on the date of their publication in the Official Gazette.	http://www.cbec.gov.in/htdocs-cbec/excise/cx-act/notifications/notfns-2015/cx-nt2015/cent25-2015
(2)	Circular No.1012/19/2015-CX	02.12.2015	Suspension of benefits under North East Industrial and Investment Promoton Policy (NEIIPP), 2007 by DIPP and its bearing on Central Excise duty Exemption	Doubts have been raised regarding availability or otherwise of central excise duty exemption under notification No.20/2007-CEx. dated 25.04.2007 to new units or units undertaking substantial expansion after 01.12.2014 in the North Eastern Region including Sikkim pursuant to the suspension of fresh registrations by the Department of Industrial Policy & Promotion (DIPP) for the schemes under North East Industrial and Investment Promotion Policy (NEIIPP), 2007 with effect from 1.12.2014 vide OM No.10(1)/2014-DBA-II/ER dated 1.12.2014.	http://www.cbec.gov.in/htdocs-cbec/excise/cx-circulars/cx-circulars-2015/circ1012-2015cx.pdf

CBEC – SERVICE TAX

Sr. No.	Heading No.	Date	Subject	Description	Download the Link
(1)	**Notification No. 26/2015-Service Tax**	9.12..2015	Amendment of Service Tax Rules, 1994	The Central Government hereby makes the following rules further to amend the Service Tax Rules, 1994, namely:- 1. (1) These rules may be called the Service Tax (Third Amendment) Rules, 2015. (2) They shall come into force on the date of their publication in the Official Gazette. 2. In the Service Tax Rules, 1994, in rule 6, in sub-rule (1), after the third proviso, the following shall be inserted, namely:- “Provided also that in the case of an assessee in the State of Tamil Nadu, the service tax payable for the month of November, 2015, shall be paid to the credit of the Central Government by the 20th day of December, 2015 ”.	http://www.cbec.gov.in/htdocs-servicetax/st-notifications/st-notifications-2015/st26-2015

NOTICE

JNPT CUSTOMS					
Sr. No.	**Heading No.**	**Date**	**Subject**	**Description**	**Download the Link**
(1)	Facility Notice No. 88 /2015	16.11.2015	Customs Setting up of "Tax Payer Service Centre" reg.	It is brought to the notice of all Importers, Exporters, Customs Brokers and other members of the Trade that a "Tax Payer Service Centre" for Jawaharlal Nehru Custom House is set up on 1st Floor, Jawaharlal Nehru Custom House, Nhava Sheva for all the 6 Commissionerates (Nhava Sheva General/I/II/III/IV/V). The said "Tax Payer Service Centre" is a single window system for accepting/ handling all taxpayer's queries, complaints, grievances etc. and a unique acknowledgement number will be generated on the spot for future reference of the taxpayer and the disposal of the query/complaint/grievance etc. filed at the Tax Payer Service Centre shall be monitored by the Commissioner of Customs, Nhava Sheva III so as to ensure prompt and effective disposal. The "Tax Payer Service Centre" will start functioning with immediate effect.	http://www.jawaharcustoms.gov.in/index.php/public-notices-for-2015/facility-notice-no-88-2015
(2)	**Public Notice No.90/2015**	**02.12.2015**	Ease of doing Business – Proposal to introduce 24 x 7 Customs Examination and clearance Work facility at Import Docks (CFSs) for non RMS facilitated (Group assessed Bills of Entry) – invitation of suggestions / comments – Reg.	Attention of all the importers, Exporters, Customs Brokers and other stake holders is invited to the Central Board of Excise and Customs Circular No.19/2014-Customs dated 31.12.2014, whereby 24 x 7 Customs clearance facility has been introduced in respect of specified imports & specified exports. It is now proposed to extend 24 x 7 Customs Clearance at JNCH to other categories of imports & exports on experimental basis as part of Ease of doing Business.	http://www.jawaharcustoms.gov.in/index.php/public-notices-for-2015/public-notice-no-902015
(3)	**Public Notice No. 91/2015**	**03.12.2015**	**Monitoring of realisation of export proceeds for the Drawback EDI Shipping Bills – Submission of certificates/ negative statements for the shipments having LEO dates from 1.4.2013 to 31.3.2014- reg.**	Attention of all exporters is hereby invited to the CBEC's Circular No. 5/2009 Cus. dated 2.2.2009 and Public Notice No. 11 dated 22.11.2009 issued by this Custom House. 2. In pursuance to the CBEC's Instructions dated 27.11.2015 issued vide F. No. 609/59/2012-DBK, all exporters are hereby advised to submit the certificates/negative statements issued by the competent authorities in respect of their drawback EDI shipping bills having LEO dates from 1.4.2013 to 31.3.2014. The submission of the certificates/ negative statements should be made in the office of Shri D. V. Kanse, Deputy Commissioner of Customs, Drawback Special BRC Cell, JNCH, [Nodal Officer] latest by 27.1.2016.	http://www.jawaharcustoms.gov.in/index.php/public-notices-for-2015/public-notice-912015

(4)	**Standing Order No. 47/ 2015**	**05.11.2015**	**Procedure for Registration and Monitoring of DEEC/ADVANCE AUTHORISATION SCHEME- Reg**	Attention of all the officers concerned is invited to the **Standing Order No. 53/2009** dated 09.11.2009, **Standing Order No. 09/2011** dated 10.02.2011, **Public Notice No. 78/2009** dated 21.10.2009, **Public Notice No. 11/2011** dated 10.02.2011 and **Notification Nos. 18/2015-Cus** dated 01.04.2015, 20/2015-Cusdated 01.04.2015, **21/2015-Cus** dated 01.04.2015 and 22/2015-Cus dated 01.04.2015, issued to operationalize the Advance Authorization scheme, Advance Authorization scheme for Annual requirement, Advance Authorization scheme for Deemed Export and Advance Authorization scheme for export of Prohibited Goods respectively under the Foreign Trade Policy 2015-2020. Keeping in view the changes that have been brought over by the new Foreign Trade Policy and Notifications issued by the Board in this regard, following procedure shall henceforth be followed in respect of imports made under Advance Authorisation Scheme.	http://www.jawaharcustoms.gov.in/index.php/standing-orders/standing-orders-for-2015-2/standing-order-no-47-2015
(5)	**Facility Notice No. 92 /2015**	**07.12.2015**	**Closure of EP Copy Printing Facility at D'Node –reg.**	Considering the lesser volume of workload, it has been decided to do away with the facility of printing EP Copy at D'Node with immediate effect. Henceforth, the work of printing of EP Copy at D'Node will be looked after by other CFSs, earmarked for the purpose.	http://www.jawaharcustoms.gov.in/index.php/public-notices-for-2015/facility-notice-92-2015
(6)	**Public Notice No. 93/ 2015**	**10.12.2015**	**Use of digital signature for submission of documents – regarding.**	Attention of all Custom House Agents, Importers, Exporters, Shipping Agents, Members of Regional Advisory Committees and Members of the Trade is invited to the **Public Notice No. 37/2015** dated 01.05.2015 regarding use of digital signature certificates for submission of customs process documents viz. Bill of Entry, Shipping Bill, Import General Manifest (IGM), Export General Manifest (EGM) through remote EDI system by importers, exporters, Customs brokers, airlines and their agents, with effect from 01.04.2015.	http://www.jawaharcustoms.gov.in/index.php/public-notices-for-2015/public-notice-no-93-2015

SAHAR AIR CARGO CUSTOMS

Sr. No.	Heading No.	Date	Subject	Description	Download the Link
(1)	Public Notice No. 19 /2015	2/12/2015	Submission of (Negative Statement / certificate' for export proceeds realized in respect of shipping bills with LEOdate between 01/04/2013 to 31/03/2014.	1. Attention is invited of all the exporters, Custom Brokers and all members of Trade to Public Notice No. OS/2009 dated 07/03/2009 issued from F. No. S/3-Misc-1/2009 DBK/ACC(XOS) ACC, wherein it was stipulated that the exporters will submit a certificate from the authorized dealer (s) or-Chartered Accountant providing details of shipment which remain outstanding beyond the prescribed time-limit including the extended time, if any, allowed by the authorized dealer / RBI on a 6 monthly basis. Such certificates shall be furnished by the exporter, authorized dealer wise for each port.	http://accmumbai.gov.in/aircargo/miscellaneous/public_notices/2015/PN-19-of-2015-16.pdf

(2)	Public Notice No.20/2015	1.12.2015	Procedure to be followed in case of registration of duty credit Scrips issued under Merchandise Exports from India Scheme (MEIS) and Service Exports from India Scheme (SEIS)-reg.	Attention is invited to Public Notice No. 17j2015 dated 28.09.2015 regarding the procedure to be followed in manual registration of Duty Credit Scrips issued under MEIS. Now since MEIS/SEIS issued by DGFT are electronically transmitted to ICES 1.5 system and can be viewed online, the following procedure for registration of MEIS/SEIS Scrips would be followed.	http://accmumbai.gov.in/aircargo/miscellaneous/public_notices/2015/PN-20-of-2015-16.pdf
(3)	Public Notice No. 21/2015	08.12.2015	First time merchant Exporters Verification of document regarding	It has been observed that some unscrupulous/ fly- by – night merchant exporters are exporting /attempting to export various goods using the IEC No. of other persons, who, on verification, have been found in many cases to be fictitious in the sense that they do not exist at the given address or do not have any knowledge about the consignment under export and in fact they are dummies. Such exports are affected/ attempted to be effected with an intention to avail ineligible benefit under various export promotion/ duty exemption/ remission schemes. The said unscrupulous/fly- by – night exporters set a chain of customs offences, besides hawala and money laundering.	http://accmumbai.gov.in/aircargo/miscellaneous/public_notices/2015/public-notice-21-2015.pdf

RESERVE BANK OF INDIA

Sr. No.	Heading No.	Date	Subject	Description	Download the Link
(1)	RBI/2015-16/248 A.P. (DIR Series) Circular No. 29	26.11.2015	Import of Goods into India – Evidence of Import	Attention of the Authorised Dealers is invited to para A.10.1 of A.P. (DIR Series) Circular No. 106 dated June 19, 2003 in terms of which an importer has to submit as evidence of import, (a) the exchange control copy of the Bill of Entry for home consumption; (b) the exchange control copy of the Bill of Entry for warehousing, in the case of 100% Export Oriented Units (EOUs); or (c) Customs Assessment Certificate or Postal Appraisal Form as declared by the importer to the Customs Authorities.	https://rbi.org.in/Scripts/NotificationUser.aspx?Id = 10142 & Mode=0
(2)	RBI/2015-16/259 DBR. Dir. BC.No.62/ 04.02. 001/ 2015-16	4.12.2015	Interest Equalisation Scheme on Pre and Post Shipment Rupee Export Credit	The Government of India has announced the Interest Equalisation Scheme on Pre and Post Shipment Rupee Export Credit to eligible exporters. The scheme is effective from April 1, 2015. The details of the scheme are enclosed in the Notification. 2. Accordingly, scheduled commercial banks are advised to adhere to the following operational procedure for claiming reimbursement:	https://rbi.org.in/ Scripts/ Notification User.aspx?Id=10159 & Mode=0

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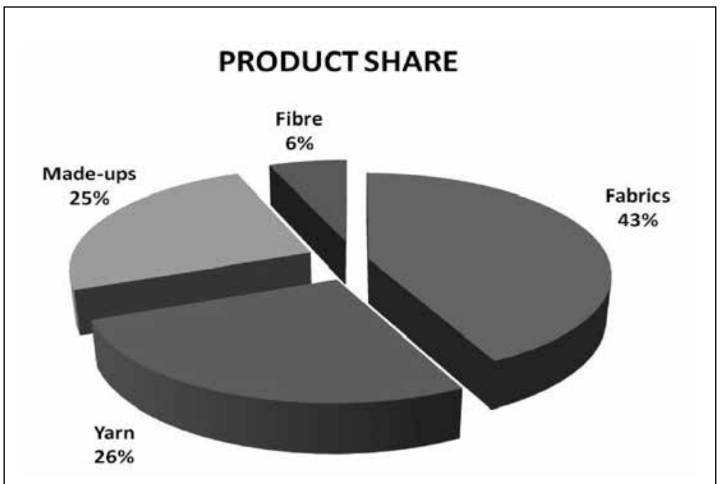
EXPORTS OF INDIAN MAN-MADE FIBRE (MMF)TEXTILES DURING APRIL – NOVEMBER 2015-16

Exports of Indian MMF textiles during April-November 2015-16 were US$ 3186.79 Million against US$ 3391.56 Million during the same period of the previous year witnessing a decline of over 6%. (SOURCE: Port Data)

Value in US$ Mn

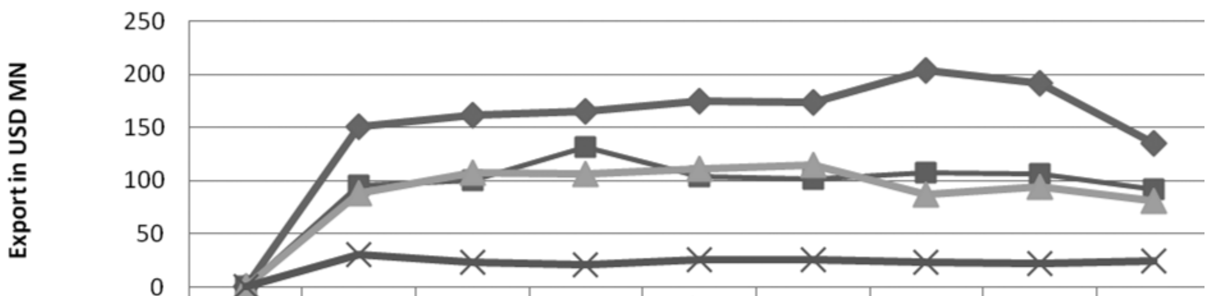
	April-November 2015-16	April-November 2014-15	Grw/decline (%)
Fabrics	1358.63	1375.24	-1.21
Yarn	841.16	940.77	-10.59
Made-ups	791.28	826.90	-4.31
Fibre	195.72	248.65	-21.29
Total	**3186.79**	**3391.56**	**-6.04**



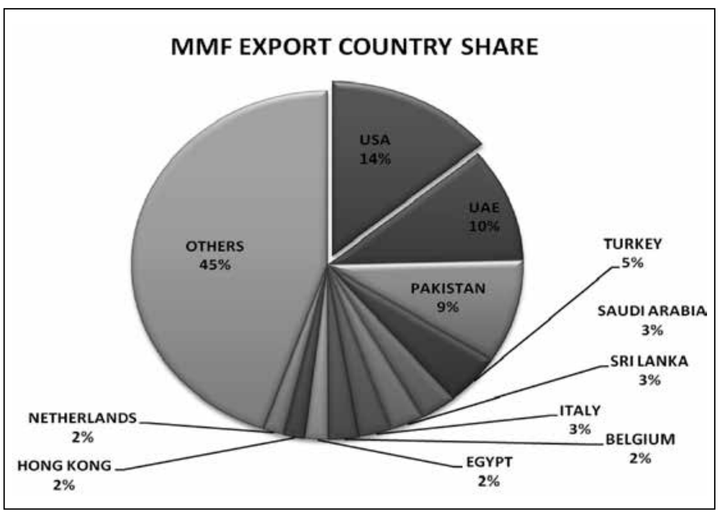
HIGHLIGHTS

- Overall exports in April-November 2015-16 declined by 6.04% as compared to the same period of the previous year.
- Exports of Fabrics dominated with 43% share followed by Yarn 26%, Made-ups 25% and Fibre 6% in the Indian MMF textile exports.
- Share of the value added segments like fabrics and Made-ups have increased to 67% of total exports.
- However, all the four segments witnessed decline in export like fibre (-21.29%), yarn (-10.59%), made-ups (-4.31%) and fabrics (-1.21%).
- In the fabrics segment Polyester Filament Fabrics (US$ 374.73 Mn) remained the top exported product in India's MMF textile exports followed by Synthetic Filament Fabrics (US$ 353.26 Mn) and Polyester Viscose Fabrics (US$ 245.30 Mn) during the period.
- In case of MMF yarn exports, Polyester Filament Yarn was the leading item with exports worth US$ 428.98 Mn followed by Polyester Cotton Yarn (US$ 92.37 Mn) and Polyester Viscose Yarn (US$ 79.01 Mn).
- In Made-ups, exports of Bulk Containers was the leading item with exports worth US$ 193.88 Mn followed by Muffler and Shawls/Scarves worth US$ 132.30 Mn and US$ 84.17 Mn respectively.
- Viscose Staple Fibre (US$ 91 Mn) was the leading item in the MMF category followed by Polyester Staple Fibre (US$ 77.14 Mn) and Acrylic Staple Fibre (US$ 23.05 Mn).
- Exports of Viscose Blended Fabrics and Acrylic Spun fabrics which accounted for share of nearly 1% in the Indian MMF fabrics exports, have witnessed excellent growth of 103.71% and 42.25% respectively.

PRODUCTWISE GROWTH TRENDS DURING APR-NOV 2015-16



	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sept-15	Oct-15	Nov-15
Fabrics	0	151.25	162.22	165.62	175.03	173.68	203.92	192.04	134.87
Yarn	0	95.84	100.80	132.30	104.31	101.49	107.84	106.30	92.27
Made-ups	0	88.35	107.89	106.34	111.20	115.41	87.32	93.86	80.91
Fibre	0	30.29	23.07	21.44	26.04	25.62	22.85	21.91	24.48



HIGHLIGHTS

- USA continued to be the leading market for Indian MMF textiles with 14% share in total exports followed by UAE 10%, Turkey 5% and Saudi Arabia 3%.
- Neighbouring country Pakistan has emerged as the 3rd largest market for India's MMF textile export with a share of 9% during April-November 2015-16.
- Other major markets during April-November 2015-16 were Sri Lanka, Italy with share of 3% and Belgium, Egypt with a share of 2% each in the Indian MMF Textiles exports.
- From in the Euro Zone, Italy has emerged as the leading market for our exports during April–November 2015-16 with exports US$ 88.66 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 230.44% during April–November 2015-16.
- Pakistan with a share of 1% in the Indian MMF Made-ups export has grown by 133.43% during April-November 2015-16.
- Major markets for Indian MMF yarn were Turkey and USA. However, exports to USA showed a growth of 15% while exports to Turkey declined 19% during April-November 2015-16.
- Brazil emerged as the 3rd largest market for Indian MMF Yarn exports but has witnessed a decline of 29.31% during April–November 2015-16 as compared to the same period of last year.
- Yarn exports to Argentina witnessed impressive growth of 121%, while export to Costa Rica declined nearly 43% during April-November 2015-16.

PRODUCT-WISE EXPORT PERFORMANCE APRIL–NOVEMBER 2015-16

Value in USD Mn

Products	April-Oct 2015-16	April-Oct 2014-15	Net Change	% Change
FABRICS (Woven+non-woven+knitted)				
Polyester Filament	374.73	460.32	-85.59	-18.59
Synthetic Filament	353.26	326.68	26.58	8.14
Polyester Viscose	245.3	218.04	27.26	12.50
Polyester Blended	139.39	107	32.39	30.27
Synthetic Non Specified	65.54	68.42	-2.88	-4.21
Synthetic Cotton	31.36	31.52	-0.16	-0.51
Polyester Wool	31.19	31.64	-0.45	-1.42
Polyester Cotton	24.22	25.61	-1.39	-5.43
Polyester Spun	17.2	24.92	-7.72	-30.98
Synthetic Blended	14.47	17.24	-2.77	-16.07
Nylon Filament	12.66	15.22	-2.56	-16.82
Acrylic Spun	9.09	6.39	2.7	42.25
Viscose Blended	8.78	4.31	4.47	103.71
Viscose Spun	8.57	10.76	-2.19	-20.35
Viscose Filament	7.92	6.01	1.91	31.78
Artificial Filament	4.53	10.53	-6	-56.98
Synthetic Spun	4.24	5.83	-1.59	-27.27
Other	6.2	4.8	1.4	29.17
Total Fabrics	**1358.65**	**1375.24**	**-16.59**	**-1.21**
YARN				
Polyester Filament	428.98	445.61	-16.63	-3.73
Polyester Cotton	92.37	135.42	-43.05	-31.79
Polyester Viscose	79.01	91.82	-12.81	-13.95
Polyester Spun	61.12	64.03	-2.91	-4.54
Viscose Spun	46.31	46.79	-0.48	-1.03
Viscose Filament	35.43	36.35	-0.92	-2.53
Acrylic Spun	21.79	27.25	-5.46	-20.04
Synthetic Spun	19.13	21.76	-2.63	-12.09
Polyester Wool	15.45	16.17	-0.72	-4.45
Synthetic Non Specified	9.4	7.69	1.71	22.24
Acrylic Cotton	5.9	6.9	-1	-14.49
Artificial Spun	5.56	16.05	-10.49	-65.36
Nylon Filament	5.06	7.59	-2.53	-33.33
Polypropylene Filament	3.9	3.01	0.89	29.57
Other Synthetic Filament	2.59	2.34	0.25	10.68
Artificial Cotton	2.03	1.14	0.89	78.07
Viscose Cotton	2	5.43	-3.43	-63.17
Synthetic Wool	5.13	5.43	-0.3	-5.52
Total Yarn	**841.16**	**940.78**	**-99.62**	**-10.59**

Products	April-Oct 2015-16	April-Oct 2014-15	Net Change	% Change
MADE-UPS				
Bulk Containers*	193.88	237.99	-44.11	-18.53
Muffler	132.3	88.44	43.86	49.59
Shawls/Scarves	84.17	128.02	-43.85	-34.25
Motifs	46.42	50.35	-3.93	-7.81
Fishing Net	28.63	25.82	2.81	10.88
Blanket	25.67	29.71	-4.04	-13.60
Bed Linen	14.91	18.58	-3.67	-19.75
Bedsheet	13.03	17.7	-4.67	-26.38
Sacks and Bags	12.49	10	2.49	24.90
Rope	11.67	14.45	-2.78	-19.24
Dress Material	9.81	25.61	-15.8	-61.69
Braids	7.81	7.68	0.13	1.69
Dish-cloths/Dusters	6.65	7.14	-0.49	-6.86
Curtains	6.28	4.96	1.32	26.61
Tulles	4.7	1.68	3.02	179.76
Life Jacket	4.6	6.59	-1.99	-30.20
Furnishing Articles	4.22	5.39	-1.17	-21.71
Lace	2.78	2.82	-0.04	-1.42
Bed Spreads	2.17	0.33	1.84	557.58
Table Linen	1.84	1.74	0.1	5.75
Other Made-ups	177.27	141.92	35.35	24.91
Table Linen	1.84	1.74	0.1	5.75
Other Made-ups	**177.27**	**141.92**	**35.35**	**24.91**
FIBRE				
Viscose Staple	91.00	85.79	5.21	6.07
Polyester Staple	77.14	122.06	-44.92	-36.80
Acrylic Staple	23.05	32.56	-9.51	-29.21
Other Fibre	4.54	8.26	-3.72	-45.04
Total Fibre	**195.73**	**248.67**	**-52.94**	**-21.29**

* 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

Sr. No.	Country	April-Nov 2015-16	April-Nov 2014-15	Net Change	%Grw/ Decline
1	USA	451.80	387.07	64.73	16.72
2	UAE	345.76	321.27	24.49	7.62
3	PAKISTAN	309.77	324.99	-15.22	-4.68
4	TURKEY	155.93	186.28	-30.35	-16.29
5	SAUDI ARABIA	97.19	84.77	12.42	14.65
6	SRI LANKA	90.01	129.37	-39.36	-30.42
7	ITALY	88.66	105.30	-16.64	-15.80

Sr. No.	Country	April-Nov 2015-16	April-Nov 2014-15	Net Change	%Grw/ Decline
8	BELGIUM	80.95	99.79	-18.84	-18.88
9	EGYPT	62.21	57.25	4.96	8.66
10	HONG KONG	56.44	61.00	-4.56	-7.48
11	NETHERLANDS	55.93	60.67	-4.74	-7.81
12	BRAZIL	55.29	75.04	-19.75	-26.32
13	SPAIN	53.86	65.03	-11.17	-17.18
14	KOREA, DEM REP	45.10	55.11	-10.01	-18.16
15	BENIN	38.95	64.33	-25.38	-39.45
16	JAPAN	36.34	36.42	-0.08	-0.22
17	VIETNAM, DEM	36.15	40.02	-3.87	-9.67
18	GERMANY	35.95	29.49	6.46	21.91
19	BANGLADESH	33.97	36.84	-2.87	-7.79
20	FRANCE	33.95	37.10	-3.15	-8.49

MAJOR MARKETS FOR MMF FABRICS

Value in USD Mn

Markets	April-Nov 2015-16	April-Nov 2014-15	Net Change	%Grw/ Decline
USA	312.38	268.69	43.69	16.26
UAE	219.81	219.27	0.54	0.25
SAUDI ARABIA	80.07	84.67	-4.6	-5.43
PAKISTAN	78.49	67.33	11.16	16.58
SRI LANKA	47.19	50.58	-3.39	-6.70
HONG KONG	45.28	58.19	-12.91	-22.19
VIETNAM, DEM	30.09	34.57	-4.48	-12.96
EGYPT	29.65	25.72	3.93	15.28
SPAIN	23.57	24.8	-1.23	-4.96
BANGLADESH	22.8	24.06	-1.26	-5.24
ITALY	21.01	22.89	-1.88	-8.21
KOREA, DEM REP	20.78	27.24	-6.46	-23.72
KUWAIT	16.4	18.44	-2.04	-11.06
COTE D IVOIRE	16.02	14.85	1.17	7.88
VIETNAM, DEM REP	15.7	12.89	2.81	21.80
SINGAPORE	14.65	19.54	-4.89	-25.03
SOUTH AFRICA	14.26	14.33	-0.07	-0.49
NIGERIA	14	11.28	2.72	24.11
BELGIUM	13.24	17.92	-4.68	-26.12
SUDAN	12.71	10.13	2.58	25.47
PANAMA	11.35	11.54	-0.19	-1.65

MAJOR MARKETS FOR MMF YARN

Value in USD Mn

Markets	April-Nov 2015-16	April-Nov 2014-15	Net Change	%Grw/ Decline
TURKEY	138.64	171.97	-33.33	-19.38
USA	96.25	83.62	12.63	15.10
BRAZIL	48.14	68.1	-19.96	-29.31
PAKISTAN	37.69	40.25	-2.56	-6.36
BELGIUM	36.85	39.6	-2.75	-6.94
EGYPT	27.02	25.16	1.86	7.39
PERU	21.66	28.36	-6.70	-23.62
KOREA,REP	21.33	18.53	2.80	15.11
NETHERLANDS	18.52	18.93	-0.41	-2.17
GUADELOUPE	17.64	21.22	-3.58	-16.87
KOREA, DEM	17.46	21.74	-4.28	-19.69
COSTA RICA	16.34	28.52	-12.18	-42.71
UAE	15.86	23.57	-7.71	-32.71
MOLDOVA,REP	14.71	20.63	-5.92	-28.70
ITALY	13.76	13.19	0.57	4.32
SAUDI ARABIA	12.41	12.27	0.14	1.14
SRI LANKA	11.87	12.14	-0.27	-2.22
JAPAN	11	12.62	-1.62	-12.84
ARGENTINA	10.19	4.61	5.58	121.04

MAJOR MARKETS FOR MMF MADE-UPS

Value in USD Mn

Markets	April-Nov 2015-16	April-Nov 2014-15	Net Change	% Change
USA	150.21	126.44	23.77	18.80
SAUDI ARABIA	124.93	104.82	20.11	19.19
ITALY	45.32	53.34	-8.02	-15.04
BENIN	29.43	52.16	-22.73	-43.58
UAE	28.4	46.95	-18.55	-39.51
SPAIN	26.98	35.57	-8.59	-24.15
CROATIA	24.63	33.81	-9.18	-27.15
NETHERLANDS	24.29	25.05	-0.76	-3.03
FRANCE	21.72	19.04	2.68	14.08
GERMANY	19.76	13.11	6.65	50.72
BELGIUM	17.52	23.4	-5.88	-25.13
AUSTRALIA	15.31	15.64	-0.33	-2.11
NIGERIA	14.87	4.5	10.37	230.44
UNITED KINGDOM	13.32	12.61	0.71	5.63
CANADA	12.59	12.7	-0.11	-0.87
ZAMBIA	10.42	7.92	2.5	31.57
NEW ZEALAND	9.21	6.56	2.65	40.40
PAKISTAN	8.03	3.44	4.59	133.43
DENMARK	7.24	5.29	1.95	36.86

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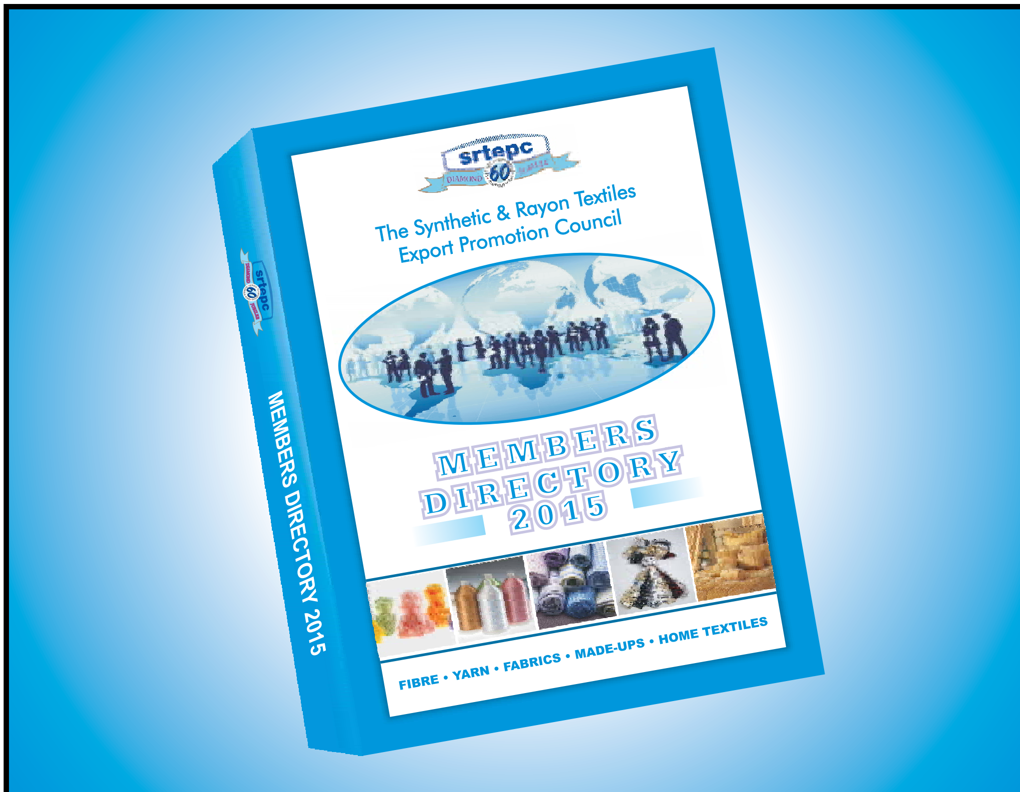

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