

## SRTEPC ORGANIZES SUCCESSFUL EXHIBITIONS IN EL SALVADOR & HONDURAS

The Synthetic & Rayon Textiles Export Promotion Council (SRTEPC) for the first time organized exclusive Exhibitions of MMF Textiles in the Central American region at San

The Exhibition in El Salvador was inaugurated on 13<sup>th</sup> July 2015 in the presence of local Government officials viz. Mr. Kennedy Obed Reyes Lazo, Bureau for Asia, Africa and Oceania, Ms. Carolina E. Hernandez



Melgar, Director General of Economic Relations, Ministry of Foreign Exteriors, Ms. Flor De Maria Rodriguez, Economic Promotion Advisor of Director General of Economic Affairs, Mr. Rhina de Hernandez, Manager of Private Brands of Central America Trade Co (CATCO), Ms. Patricia Figueroa, Executive Director of El Salvador Textile, Apparel and Free Trade Zone Chamber (CAMTEX) Ms. Erika de Orellana, Partner Integration Manager, Camara De Comercio E Industria De El Salvador. The Exhibition in Honduras was inaugurated on 16<sup>th</sup> July 2015 amidst the presence of Buyers, local Dignitaries and Media persons. In his

H. E. Mr. Subrata Bhattacharjee, Ambassador of India to Guatemala inaugurating the INTEXPO in San Salvador, El Salvador

Salvador in El Salvador from 13 to 14<sup>th</sup> July, 2015 and at San Pedro Sula in Honduras from 16 to 17<sup>th</sup> July, 2015. The Exhibitions were organized in close association and active support of the Embassy of India in Guatemala, which is concurrently accredited to El Salvador & Honduras. Leading ten Member-companies of the Council participated in both these Exhibitions which were organized under the MDA scheme administered by the Ministry of Commerce, Government of India.

inaugural address the Ambassador highlighted the thrust being given by the Government of India to countries in the region for promoting textile trade for mutual benefit.

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### Inauguration:

Both the Exhibitions in San Salvador, El Salvador and San Pedro Sula, Honduras were inaugurated by H.E. Mr. Subrata Bhattacharjee, Ambassador of India to Guatemala.



H. E. Mr. Subrata Bhattacharjee, Ambassador of India to Guatemala inaugurating the INTEXPO in San Pedro Sula, Honduras



## SRTEPC MEETING WITH MEMBERS OF THE HIGH LEVEL DRAWBACK COMMITTEE

**S**hri Anil Rajvanshi, Chairman, SRTEPC welcomed the Drawback Committee and made a detailed presentation before the Drawback Committee on Thursday 23<sup>rd</sup> July, 2015 in Mumbai. In his opening remarks, the Chairman emphasized the need for enhancement in the Drawback Rates for all synthetic textile items, especially in the context of increase in the Excise Duty on Man-made Fibres and Filament Yarns.



The High Level Drawback Committee Meeting in progress.

The Chairman also brought to the notice of the members of the Drawback Committee, deep disappointment among the textile exporters especially MMF textile exporters as the New Foreign Trade Policy 2015-20 withdrew all the Chapter 3 Schemes like FMS, FPS, MLFPS and SFMS and introduced a New Scheme – MEIS Scheme, which hardly offered any support to MMF Textiles items to potential markets. He requested that the Committee may take note of the changed Economic Policy Scenario while recommending the Drawback Rates, especially in the case of MMF Textiles.

The Central Government (Ministry of Finance, Department of Revenue) has constituted a Committee for the purpose of formulation of All Industry Rates (AIRs) of Duty Drawback for the year 2015. As an annual exercise, the drawback rates are worked out and notified every year after taking into account the budgetary changes in the duty structure and the consumption of input materials and the duties suffered on these input materials.

The Drawback Committee members present at the Council's presentation meeting included Dr. Saumitra Chaudhuri, Chairman of the Drawback Committee, Shri G.K. Pillai, Member, Shri Gautam Ray, Member, Shri Y.G.Parande, Member, Shri Vinod Kumar Agrawal, OSD (DBK) and Shri Rajiv Shankar OSD (DBK).

The main objective of the Drawback Committee is to interact with the administrative Ministries, Export Promotion Councils, Commodity Boards, trade bodies and other stake holders so as to elicit their views on the existing Duty Drawback Scheme for All Industry Rate; and work out the modalities for calculation of duty drawback and suggest All Industry Rates (AIRs) of Duty Drawback for the year 2015 for the existing items as also for new items as may be suggested

by the stake holders. Based on the Presentation Meetings the Committee shall decide the modalities of holding deliberations and meetings with the stake holders; conduct field visits and study specific production processes as it may consider necessary for formulation of AIRs of Duty Drawback; work out the methodology for calculation of AIRs of Duty Drawback, interalia, on the basis of changes made in the duties in the Budget 2015-16.

The Drawback Committee was informed that as the New FTP did not have anything much for the MMF textile exporters. The Council urged the Drawback Committee to enhance the Drawback Rates for MMF Textiles, which has huge potential to grow given the conducive situations in India

and abroad.

The Chairman of the Council brought to the notice of the Drawback Committee that allowing duty free import of garments from Bangladesh without imposing sourcing obligations promotes the backdoor entry of Chinese textile material into India, and hurts the whole textile value chain in the country from fibre to yarn, fabrics and apparel.

The Chairman made a detail presentation of the calculations for various products such as – Polyester Staple Fibre, Viscose Staple Fibre, Polyester Spun Yarn (Grey & Dyed), Polyester Viscose Yarn (Grey & Dyed), 100% Viscose Spun Yarn (Grey & Dyed), Woven Fabrics made out of P/V - Dyed, 100% Polyester Filament Fabrics -Dyed, Non woven Fabrics, Made-ups made out of Man-Made Staple Fibre – Dyed.

In the presentation meeting many of the Committee Members of the Council participated and actively involved in the discussion. One of the Committee Members pointed out the issue of incidence of Taxes in fuel used for transportation of export containers to port. The Chairman of the Drawback Committee advised the Council to send the details of freight being paid by the units on transport of export cargo by containers to port to take a considerate view on DBK for the year 2015.





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

Editor: **V. ANIL KUMAR**



Dear Member,

The unabated decline of Indian exports for the seventh consecutive month is really worrying. In June it had fallen 16 % leading to contraction of 16.75 % in merchandise exports to US\$ 66.69 billion during the 1st quarter of FY 2015-16. The exports of MMF textiles during April-June had declined by almost 5%, while the exports of man-made yarn, fabrics and made-ups had shown a decline of 4.32%, that of man-made staple fibre declined 9% compared to the same period in the previous year. In this precarious situation, it is imperative that the Government need to act quickly to arrest the pessimistic sentiments by announcing the much needed policy stimulus like interest subvention, MEIS incentives for specific markets like LAC, CIS, and SAARC & Africa region.

On the manufacturing front the cumulative growth based on Index of Industrial Production (IIP) for Textiles sector during the April-June period has shown only a meager 1.5% growth compared to same period in the previous year, indicating that the industry is yet to come out of the recession sentiments, awaiting big policy boost.

As a double whammy to the burdened domestic man-made industry, the imports of man-made fabrics has been increasing in recent period and most of the fabrics are of Man Made Fibre and blended yarns and 90% of these are from China. Estimates indicate that the imports of fabrics have reached an alarming level of ₹ 6000 crores. The adverse impact of this is visible as low capacity utilization, layoffs, shutdown of plants at various locations across the country, as never occurred in recent past. Further, the socio-economic effect of employment loss emanating from this crisis and consequent demand lull as a long-term effect would affect the ambitious GDP growth.

Anticipating the severity of the situation, the Council has taken up the issue at various forums with the stakeholders including the industry and the Government. Specific initiatives like allowing imports against advance licence only, possibility of filing anti-dumping duty application by the industry group which are injured severely due to lower price of these increasing imports are being taken up in a co-ordinated manner to stop this damaging imports. Let us move in synergy and put all out efforts to meet these eminent challenges.

On the positive note, I am happy to inform that the Council along with FICCI panel has met the Hon'ble Finance Minister recently and requested for taking immediate measures to boost the textile industry and exports. We have apprised that in the wake of China vacating the textiles manufacturing space, India can gain and strive for higher growth in exports, provided we address important issues concerning the sector. It was brought to the attention of the Hon'ble Finance Minister that in order to reverse the recessionary phase, textile industry urgently needs a multi-pronged policy intervention including investment incentives, reduction in duties on Man-made Fibre and restoration of interest subvention which would boost growth, export promotion and employment promotion. It was also highlighted that in order to achieve US\$ 300 billion exports by 2024 -25 and generate additional 35 million jobs as envisaged in the new National Textile Policy, the Govt. need to take steps like reducing excise duty on Man-made fibre to 8% from the current rate of 12.5%. It was also pointed out that the revenue loss on account of this reduction would be compensated with increased demand and consumption. We are hopeful that the Government will consider steps to help this sunrise sector which employs more than 40 million skilled labour.

The Ministry of Textiles has taken up the issue of duty cut for the Man- made Textiles with the Finance Ministry, after our continued follow-up. The proposed reduction in duties would help the MMF textiles sector enhance its competitiveness and increase exports. This is imperative in the wake of declining exports and also lower capacity utilization across the various verticals in the MMF sector, if implemented immediately.

The Ministry of Textiles has recently released a Vision 2024-25 document highlighting various aspects of Strategy and Action Plan for Indian Textiles and Apparel to achieve 20% CAGR in exports to attain US \$ 300 billion exports. Though the document covers most of the aspects with dedicated narrations for cotton, jute, handlooms etc, it does not give the needed thrust to the Man made Fibre textiles, which have high potential for growth and also exports. We have suggested that in the vision a thought need to be given to how to increase the present fibre base of 10 billion kg to 20 billion kg to double the size of textile industry





## MESSAGE FROM THE CHAIRMAN

in India. This is important with given limitations of other segments like natural cotton fibre base, which obviously can't exceed beyond 8 billion kg, from the present 6.5 billion kg. and with the present MMF base of 5 billion kg, the total fibre base is only 13 billion kg. We hope the concerned policy thrust will be given to the man-made fibre textiles, considering its contributions including fiscal revenue and foreign exchange earnings apart from employment generation for skilled.

As you are aware, the global economic scenario is going through a uncertain period followed by one crisis after another, the Greece crisis affecting the EU zone, the Chinese economic slowdown and its consequent 3 continuous devaluations and of late, the news on slowing of the US economy. These would have an adverse impact especially on Indian textile exports. As assured, we hope the Government of India would urgently come out with innovative initiatives to confront this extra-ordinary global economic situation, which would be having far reaching impact on India, aiming for 7 % GDP growth.

After a long wait US has recently extended GSP benefits on retrospective basis from July 29, 2015. This would give India's merchandise exports a push as this renewal may enable duty-free entry of 3,500 product lines from India. US being one of the main markets for Indian textiles, this will give exports of textiles and MMF textiles in particular a big boost.

The Council recently made a detailed presentation on Duty Drawback rates for synthetic textiles for the year 2015-16 before the Drawback Committee and stressed the need for enhancement in the Drawback rates for all synthetic textile items. We argued that hike is essential in view of the increase in excise duty on man-made fibres and filament yarns, MMF Textiles bereft of the benefits provided to the cotton textiles, and the disappointing New Foreign Trade Policy, withdrawing the entire Chapter 3 Schemes and the new Scheme MEIS Scheme does not offer any support to the MMF textile items to the potential markets. I am hopeful that in face of the changed Economic Policy scenario, our proposals will be considered favourably by the Government and appropriate enhanced Drawback rates for synthetic textiles will be announced soon which will give exports of MMF textiles the necessary fillip.

I am glad to inform you that Council's recent exclusive Indian Textile Exhibitions – INTEXPO organized in El Salvador and Honduras were successful. This was the first ever Exhibitions in these two distant Central American countries. Ten Exhibitors were able to negotiate business orders in these two markets to the tune of ₹ 4.90 crores. It was indicated that yarns were having more enquires compared to other segments in these markets. I take this opportunity to extend wholehearted gratitude of the Council to H.E. Mr. Subrata Bhattacharjee, Ambassador of India to Guatemala and his highly motivated staff and officers for helping us to have successful event in both the Countries. As you are aware Council had lined up many promotional events for 2015-16, I am sure that members will take advantage of this opportunity and participate in these programmes in large numbers and make them a success.

I would like to take this opportunity to inform you that the Council will be holding its Annual General Meeting at 2.30 p.m. on Wednesday 30th September 2015 at The Ambassador Hotel in Mumbai. The Annual Report for the year 2014-15 is being sent to you. I request the members to be present on the occasion of the Annual General Meeting. I may also inform you that the Annual Elections of the Council will be held in September this year. I request all members to fill up the Member categorisation forms sent to you to enable all ordinary members to participate in the election process. I invite your valuable suggestions for enhancing the growth of MMF textiles exports.

With warm regards,

Yours sincerely,

ANIL RAJVANSHI  
CHAIRMAN

The Synthetic & Rayon Textiles Export Promotion Council

**CAMBODIA****CAMBODIA SEES SHARP RISE IN THE NUMBER OF GARMENT FACTORIES**

Cambodia has witnessed 21 percent rise in the number of garment and footwear factories, from 528 in late 2013 to 640 in March 2015, while exports are up by more than 10 percent in the past 16 months according to a recent International Labour Organisation (ILO) report, which claims the rapidly growing state of the industry has confounded those who suggested that increased minimum wages for workers would lead to a decline of the sector and the exit of inward investors. The buoyant state of the textile industry in Cambodia also offers a pointer for Myanmar where Korean investors are threatening to leave if new minimum wage legislation is implemented. The minimum wage in Cambodia has more than doubled since 2012, when it stood at US\$ 61. The monthly minimum wage level of US\$128 (effective as of 1 January 2015) is lower than the likes of China (US\$297), the Philippines (US\$269) and Thailand (US\$237), but above Sri Lanka (US\$66), Bangladesh (US\$71) and Pakistan (US\$99 to US\$119). The ILO said that the garment manufacturing sector now employs 600,000 workers in Cambodia, although this figure relates to the export sector only and does not include factories working as sub-contractors. This is not only good news for Cambodia's garment and footwear industry, but also for the workers in these sectors.

*SOURCE: Yarns & Fibers (30.07.2015)*

**CANADA****INDIA-CANADA FREE TRADE AGREEMENT LIKELY TO BE CONCLUDED**

The proposed free trade agreement between India and Canada, which aims to reduce or eliminate duties on a large number of products traded between the two nations, is likely to be concluded by March next year. "CEPA with Canada is at a very advanced stage. We expect that by December or latest by March it should take shape," a senior official told PTI. The negotiations for the agreement, which is officially dubbed as Comprehensive Economic Partnership Agreement (CEPA), were launched by both the countries in November, 2010 to further boost bilateral trade and investment. The proposed pact seeks to open services sector and facilitating investment proposals.

The ninth round of negotiations towards a Canada-India CEPA was held here in March this year. The negotiations focused on goods and services. Besides, apparel traders have sought restoration of concessions for exports to Gulf countries, Africa, Latin America and CIS nations, arguing that India's outbound shipments to non-traditional markets will be hit. "Under the new foreign trade policy, FMS and FPS scheme have been merged into Merchandise Exports from India Scheme (MEIS) and these 4 blocks of countries excluded in it.

*SOURCE: The Economic Times (14.07.2015)*

**CHINA****CHINA'S JUNE TRADE DATA BEATS FORECASTS, BUT IMPORTS SHRINK**

China's exports picked up unexpectedly in June but imports tumbled again, reinforcing expectations that the government may further loosen policy to lift the Chinese economy after a recent stock market rout. However, imports slid much less than analysts had forecast, leading some to see a silver lining in the latest data. China's June exports exceeded analyst expectations, rising 2.8 pct from a year earlier, while imports fell by 6.1 percent. That left the country with a trade surplus of US\$46.54 billion for the month, the General Administration of Customs said on Monday. Analysts polled by Reuters had expected exports to fall by 0.2 percent, and predicted imports would fall by 15.0 percent. China Customs said that the crisis in Greece was having "a certain effect" on trade, but also blamed weak external demand in general, rising labour costs and a stronger yuan for the weakness in exports. It said enduring industrial overcapacity continued to dampen import demand.

Persistent weakness in Chinese imports, which have fallen eight straight months, suggests that domestic consumption remained tepid even though the central bank has repeatedly loosened monetary policy in the past seven months to stoke activity. "There was quite a recovery in import growth and it looks like there's more going on than FX rate differences," said Julian Evans-Pritchard of Capital Economics in Singapore. "It suggests there was an improvement in domestic demand probably due to





previous policy easing.” A survey of factories earlier this month showed that China’s manufacturing sector grew slightly in June, though not as much as expected.

To boost the economy, China’s central bank in June cut lending rates for the fourth time since November and trimmed the amount of cash that some banks must hold as reserves, stepping up efforts to support an economy that is headed for its poorest performance in a quarter century.

*SOURCE: The Financial Express (13.07.2015)*

**CHINA STARTS ACRYLIC FIBER ANTI-DUMPING INVESTIGATION**

The Ministry of Commerce (MoC) on Tuesday began looking into allegations of the dumping of acrylic fiber imported from Japan, the Republic of Korea and Turkey. The MoC will try to determine whether the imports have damaged domestic producers’ interests and if their interests have been affected, the ministry said in a statement. The investigation started on July 14, the statement said. Acrylic fibers are widely used in the clothes manufacturing sector.

*SOURCE: The Global Textiles (20.07.2015)*

**EGYPT**

**EGYPT DECIDES TEMPORARILY BAN OF COTTON IMPORTS**

The Egypt’s agriculture ministry on Tuesday took a decision to temporarily ban cotton imports to improve and protect domestic cotton production and defend the interests of cotton producers, manufacturers and exporters of the country as it fear that its textile industry may end up paying the price. The decision dictates that all imported cotton will

not be allowed in the country for an indefinite period of time, excluding imports shipped before 4 July 2015.

However, in a country where textile manufacturing is highly dependent on imported short-staple cotton, a crop rarely grown in Egypt, the decision has sparked fears of a backlash on the domestic spinning and weaving industry. The Egyptian long-staple cotton, which over the years has become known as “white gold”, has an international reputation for being one of the finest in the world and is used in high-quality clothing. The luxurious cotton, however, is usually exported as raw material, due to the high expense and the difficulty of turning it into final products, while Egyptian manufacturers find it more profitable and are equipped to spin from short-staple varieties.

Egypt exported US\$83.8 million worth of raw cotton in 2013/14, down from US\$120.3 million the year prior, according to Central Bank data. Imports of raw cotton, however, grew to US\$117.8 million in the same year up from US\$51.3 million. Earlier this year, the government decided to end a decades-old system according to which the government guaranteed that it would buy cotton yields from farmers. In 2014, the last year it guaranteed farmers that they would sell their crops, the government paid LE1,400 per feddan (1.038 acres), or a total of LE420 million (US\$58m) nationwide. The government concluded that growing cotton, particularly the long-staple variety which has long been Egypt’s hallmark, was too costly at a time of declining demand for the crop locally and internationally.

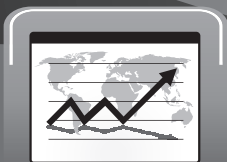
*Source : Yarns and Fibres (09.07.2015)*

**EU**

**EU AND US IN PROCESS OF NEGOTIATING TTIP MAY CREATE OPPORTUNITIES FOR TEXTILE AND CLOTHING SECTOR**

The European Union and the United States, two of the biggest economies in the world are going far beyond what has been done previously in any agreement except the EU’s single market. They are in the process of negotiating the Trans-Atlantic Trade and Investment Partnership (TTIP), a key bilateral trade agreement intended to further integrate the two economies. The two economic entities, which together account for around a third of world trade and half of world GDP, are already deeply integrated. Though in the long term it will have wider implications for the global macroeconomic dynamics, the agreement concerns bilateral trade between the European Union and the United States. This bilateral trade, which in 2011 accounted for 4.4 per cent of global trade, has declined sharply in this century. Since over half of all goods traded between the European Union and the United States are traded freely with no tariffs, the agreement is likely to have little to no direct impact for many sectors of the economy.

However, the tariffs are higher for some traditional manufacturers, such as clothing. For example, the average tariff on clothing in 2015 amounts to 11.5 per cent in the EU and 11.6 in the US. In addition, the clothing and textile market is one that continues to have minor divergences in technical standards. According to the research carried out by Centre d’Études Prospectives et d’Informations Internationales (CEPII) shows that, on current trends, the European Union and the



United States would jointly account for only 22 percent of world trade in 2035, compared to 37 percent for the ASEAN+6 block of countries.

According to Euratex, a European textile and apparel industry trade body, the EU imposes maximum duties of 12% for American made bed linen. Data from the US Association of Importers of Textiles and Apparel, indicates that only 3% of garment imports currently come from Europe. Trade between ASEAN+6 members (17 per cent) would dwarf that between transatlantic partners (2.4 percent). One of the most difficult issues on textiles and apparel in TTIP will be the rule of origin, given that the U.S. and EU have taken vastly different approaches on this issue in their existence.

*SOURCE: Yarns & Fibers (20.07.2015)*

## GERMANY

### KARL MAYER TO SHOW SEVEN NEW INNOVATIONS AT ITMA

Preparations for ITMA 2015 are in full swing at German knitting machine manufacture Karl Mayer, which is showcasing seven new warp knitting innovations in Milan. "Alongside, Karl Mayer will also display warp-knitted textiles, ideas for the after-sales sector and innovative warp preparation solutions

The European edition of the world's biggest textile machinery show will take place from November 12-19, 2015 in Italy on an area covering some 200,000 sq. metres. In keeping with and committed to the requirements of forward-looking production, the motto of this huge machine show is 'Source Sustainable Solutions'. ITMA 2015 will showcase the latest machine technology and services that take into account the aspects of environmental protection

and social responsibility. Roughly 1,500 exhibitors from more than 40 countries will be showing products and the organisers expect that more than 100,000 visitors from 140 countries will attend the trade show.

*SOURCE: Fibre2fashion (28.07.2015)*

## PAKISTAN

### INCENTIVES IN PAKISTAN TEXTILE SECTOR TO BOOST EXPORTS TO \$26B

The incentive of ₹ 64.15 billion cash subsidy to textile and clothing sector under textile policy would boost exports to \$ 26 billion by 2019. The package announced under the policy (2015-19) carries special duty-drawback rates, duty exemption on plants and machinery, subsidy on long-term loans and also development subsidies. Finance Division will provide ₹ 40.6 billion over five years for duty drawback, technology up-gradation and brand development etc. while another ₹ 23.5 billion will be provided for skill development, dedicated textile exhibitions, establishment of world textile centre, weaving city, incubators, apparel house, and mega textile awards.

Official sources said around 120,000 persons will be trained through skill development programme and 50 small companies from the sector will be picked each year for next three years for government support. The proposed measures will promote value-addition and generate employment for more than 5 million people. On the performance of textile industry, the sources said it is the most important manufacturing sector of Pakistan and has the longest production chain with inherent potential for value addition at each stage of processing, from cotton to ginning, spinning, fabric, dyeing and finishing, made -ups

and garments. They said the sector contributes nearly one-fourth of industrial value-added, provides employment to about 40 percent of industrial labor force, and consumes about 40 percent of banking credit to manufacturing sector.

*SOURCE: The Pak Observer (13.07.2015)*

### INDIA, PAKISTAN TRADE TALKS MAY RESUME AFTER NATIONAL SECURITY ADVISERS MEET

The India-Pakistan trade dialogue, stalled for over two years following brutal killing of soldiers at the Line of Control in January 2013, could start immediately if the national security advisers of the two countries hold their planned meeting. "The negotiating teams from both sides are ready to re-start our talks as soon as we get the green signal. Trade officials have been informally meeting from time to time to go over the remaining work programme on trade liberalisation and we know exactly where to pick up the threads from," a Commerce Ministry official told Business Line. In fact, even earlier this month, Commerce Ministry officials from both countries had met informally on the sidelines of a SAARC meeting in Pakistan to discuss pending trade issues.

### NDMA status

Since Pakistan has already removed import ban on more than 6,800 items since the trade normalisation process began in 2011, it will need to import just the 1,203 remaining banned items to grant the NDMA status to India. Since some of the banned items are sensitive like automobiles, textiles and chemicals, India is ready to give Pakistan additional concession in textiles by bringing down duties to below 5 per cent, once it gets the NDMA status. India exported goods worth





US\$1.9 billion to Pakistan in 2014-15 while its imports were to the tune of US\$500 million. According to estimates made by research body ICRIER, bilateral trade has the potential of increasing several times if trade relations are normalised.

*SOURCE: The Hindu Business Line (20.07.2015)*

**TAIWAN**

**TAIWAN TO MAKE ENERGY SAVING MANDATORY FOR TEXTILE SECTOR**

Beginning next year, the textile industry in Taiwan will have to mandatorily take energy conservation measures, as per a directive of the Ministry of Economic Affairs (MOEA), according to local media reports. In its effort to improve Taiwan's energy use efficiency, the MOEA has come out with a draft regulation, which if properly implemented can save up to 40,000 kilolitres of oil equivalent per year in the textile industry alone, the reports said. Textiles is categorised as one of the heavy energy users by the MOEA under the Energy Administration Act. The ministry is planning to give a tax cut to textile companies that invest in renewable energy, or take steps to reduce the overall energy consumption. The draft regulation includes rules governing steam's temperatures and oxygen content. Moreover, textile manufacturers will need to keep a close watch on water outflow, water temperature, etc.

*SOURCE: Fibre2fashion (21.07.2015)*

**VIETNAM**

**VIETNAM'S EXIMBANK TO HANDLE INDIA'S \$300 MILLION TEXTILE LOAN**

Vietnam's Exim Bank will disburse any loans under India's \$300

million credit for projects which use Indian-made equipment with value of up to 75% of the project's total investment, the Vietnamese government's website reported. Each loan carries a 10-year span and an interest rate of 2% per annum, the website cited a Vietnam Textile and Apparel Association report as saying. Textile and garment exports are Vietnam's second-biggest cash earner after phones and accessories. The credit comes ahead the Trans-Pacific Partnership (TPP) free trade pact being negotiated among 12 countries - including Vietnam but not India - which requires raw materials to be made locally or sourced from 12 TPP members.

*SOURCE: The Business Standard (17.07.2015)*

**ZIMBABWE**

**ZITMA DEMANDS COMPLETE BAN ON POLYESTER KNITTED FABRIC AND FINISHED BLANKETS**

The Zimbabwe Textile Manufacturers Association (ZITMA) demands complete ban on polyester knitted fabric and finished blankets entering the country. The moves comes to protect the local textile industry from collapsing as cheap imports, mainly from China are flooding the market. Industry players told the Parliamentary Portfolio Committee on Industry and Commerce that cheaper imports made local products uncompetitive.

The association urged the Committee that with immediate effect the tariff codes that carry duty of 10% should be aligned with the tariffs codes that carry duty of 40% plus \$2.50 per kg or a complete ban on polyester knitted fabric and finished blankets

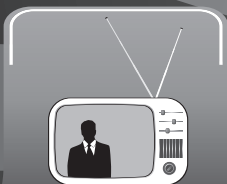
entering Zimbabwe. This will enable the manufacturers to create more employment for Zimbabweans.

The chief executive officer of Tanzi Zimbabwe (Private) Limited Derek Beauchamp told legislators that the main challenges are cheaper imported materials coming into the country through traders where they got large amounts of overheads in the business. They employ 160 people in Twine and Cordage and this product is affecting their jobs, their existence, and the business as a whole. Waverly Blankets chief executive officer Victor Cohen said that the influx of cheap products has resulted in employment reduction from 54000 in 2008 to 3000 in the sector. They are having the worst blanket season in the history of Waverly. All imported products are coming in from China and they are having difficulty competing with them.

The main issues with the Zimbabwe entrepreneurs is the cheap imports from China have been allowed to flood the market making it impossible for the local industry to compete as they were being sold at prices which were sometimes below the local cost. This has seen the closure of many textile companies as most people now prefer to import rather than to support the local industry. Chinese manufacturers are in a position to produce goods at cost or slightly above and still retain profitability as China gives 14 percent to 20 percent export incentives. Committee concerned has agreed that imports are flooding the country and has proposed that there must be control at the borders. The committee would go through their findings and present them before the next parliamentary meeting.

*Source : Yarns & Fibres (10.07.2015)*





## GOVERNMENT SETS UP CCFCs AT PORTS TO EXPEDITE CUSTOMS CLEARANCE

The government has set up Customs Clearance and Facilitation Committees (CCFCs) at ports to ensure expeditious customs clearance of goods to improve ease of doing business for traders. "Ease of doing business: Customs Clearance and Facilitation Committees in ports bringing in systemic improvements. It will facilitate trade at all the major customs seaports and airports. These committees will help in resolving matters related to clearances. The CCFC will be headed by the chief commissioner of customs/commissioner of customs in charge of the seaport and airport concerned. It will have the senior-most functionary of Food Safety Standards Authority of India/port health officer, plant quarantine and animal quarantine authorities, Drug Controller of India, Port Trust/Airport Authority of India/Custodians, and Railways/CONCOR, among others as its members. The CCFC has been tasked with monitoring and ensuring speedy clearance of imported and export goods in accordance with the timeline. It has also been asked to identify and resolve bottlenecks, if any, in the clearance procedure. The CCFC would meet once a week or more frequently, if considered necessary. The government, in recent times, has taken a number of steps to create a more friendly business environment and trade facilitation, and setting up of the CCFC is a step in that direction.

SOURCE: *The Economic Times* (08.07.2015)

## GST WILL SIMPLIFY TAXATION

The government has sought to allay fears of traders over "complexities" of the Goods and Services Tax (GST) with finance minister Shri Arun Jaitley saying that the proposed taxation system will end the cobweb of various taxes and "miseries" being faced by the trading community, according to an agency report.

The Confederation of All India Traders (CAIT), delegation informed that Minister of Finance has promised that the GST will end the cobweb of various taxes levied at different stages from production to distribution and will also bring an end to multiple authority taxation regime.

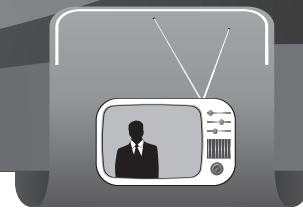
The Minister also told the delegation that GST will give every opportunity to traders and other stakeholders to make a voluntary compliance which will widen the tax base. The GST Bill is currently being scrutinised by a select committee of the Rajya Sabha. At a meeting of the select committee last week, the Congress demanded that alcohol, tobacco and electricity be included within the ambit of the GST. The party wants petroleum products to be under GST from the first year itself instead of a gradual inclusion over five years. It has also opposed the 1 per cent additional tax that states were allowed to levy to be collected by the Centre and eventually devolved to them.

Source: *Fibre2fashion* (09.07.2015)

## INDIAN SYNTHETIC YARN INDUSTRY REELS UNDER CHINESE GLOOM

With the Chinese economy dwindling further, export potential for synthetic yarn in the Indian industry has fallen sharply again. China, which imports synthetic yarn from India to convert it into fabric and garment, has seen production being cut drastically. "The recent market crash in China has a lot to do with bleak outlook of domestic production in almost all sectors, including textiles. Units in China have been cutting down on production due to decline in the world's buying capacity for textiles. This has resulted in synthetic yarn exports especially that of texturised yarn, falling steeply.

The analysts and industry experts have predicted a negative outlook for the synthetic textile sector for FY 2015-16, which had been impacted in the recent past due to decline in the Chinese demand. However, apart from China, the sector could also see an impact from lower export competitiveness of Indian synthetic yarn due to continued import and central excise duty continue on man-made fibres. According to a recent report by India Ratings & Research, a Fitch Group company, the industry also estimates price of polyester fibres to decline due to oversupply of cotton and cotton yarn over FY'16, coupled with lower crude prices. Revising its outlook for the synthetic textile sector to negative for FY'16, the report stated, "Unfavourable cotton-polyester staple fibre (PSF) spreads have hurt domestic synthetic yarn demand. Lower export competitiveness of Indian synthetic yarn also contributes to the subdued outlook as import and



central excise duty continue on man-made fibres."

According to industry sources, global demand for synthetic yarn in recent times has fallen by 60 per cent. "China had already begun reducing its import from India. But the scenario has aggravated to such an extent that Indian synthetic units have cut production by almost 40 per cent.

Prices of major raw materials like purified terephthalic acid (PTA) and mono-ethylene glycol (MEG) have also touched multi-year lows on account of lower crude prices, with PTA falling 19 per cent q-o-q to \$ 628 per MT and MEG falling 5 per cent q-o-q to \$ 783 per MT in the quarter ended March 2015, the India Ratings & Research report stated.

*Source: Global Textiles (10.07.2015)*

### ONLINE FEE PAYMENT FACILITY FOR EXPORTERS, IMPORTERS LAUNCHED

Exporters and importers can now pay application fees for various schemes and facilities online through debit and credit cards, thus obviating the need for them to visit government offices and banks. The online payment facility, which also allows electronic fund transfer from 53 banks, was launched by the Directorate General of Foreign Trade (DGFT), under the Commerce Ministry, on Thursday. The facility was inaugurated by Commerce Secretary Rita Teotia. "The facility of online payment is in keeping with the Prime Minister's vision of 'Digital India', and is another small, but crucial, step towards a paperless, online environment," the DGFT office said. Exporters' Association pointed out that the new procedure also envisages streamlining of the refund of application fee, where payment was made erroneously, which under the manual mode would take months.

#### Doing business

This, along with the steps taken in reducing export-import documents from 7 and 9 respectively to 3 and the various initiatives on digitalisation and EDI will definitely help in improving India's ranking in the 'Doing Business Report' of the World Bank, the FIEO release added. Recently, the DGFT operationalised the facility of online filing of various applications by exporters/importers under the Foreign Trade Policy (2015-20). It also implemented the facility of online submission

of applications for issue of online Importer Exporter Code in digital format or e-IEC. "Now with the online payment facility being available, it would be possible to not only apply online for benefits under various schemes under the FTP, but also make payment of the required application fee online, thus obviating the need to visit the offices of DGFT or banks for submission of applications,"

Meanwhile, Pravir Kumar, Director-General, DGFT, said at a open house meet in Chennai, fee payments using Visa, Master and Rupay cards have been enabled. This truly makes the operations 24x7 and is among the initiatives to ease transactions related to exports. Also in the pipeline is a single window clearance for customs related paper work. This will be ready in about six months, he said.

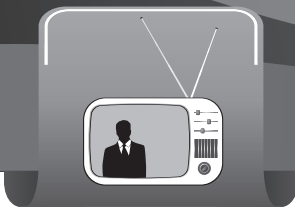
*SOURCE: The Hindu Business Line (13.07.2015)*

### GOVERNMENT TO SET UP TRADE FACILITATION COUNCIL TO PROMOTE EXPORTS

Concerned over declining exports, the government will soon set up a Trade Facilitation Council comprising members of Centre and states to promote India's overseas shipments. The council will be chaired by Commerce and Industry Minister Smt. Nirmala Sitharaman and secretaries of key ministries and state ministers will be the members. The main objective of the council will be facilitating trade from states in a bid to boost the country's exports. "The real work happens in states. We are setting up this council. We will also ask and encourage them to formulate their own State Trade Policy," an official said. To discuss the issue, Commerce Secretary Smt. Rita Teotia will hold meetings with officials from the states tomorrow. The other issues which will come up in the meeting include problems related with infrastructure and governance; local tax issues and its refund; and states' regulatory environment. The commerce ministry is also working on other measures including dis-segregation of exports data state-wise. "We will give access to DGCI&S window for their (states) own data to see where they are going," the official added.

The Directorate General of Commercial Intelligence and Statistics (DGCI&S), under the Ministry of Commerce, is an official organisation for collection, compilation and dissemination of India's trade statistics





and commercial information. The Commerce Ministry will encourage every states for a State Trade Policy in order to streamline procedures and increase exports. As many as 21 states have appointed export commissioners while 14 states including Madhya Pradesh and Gujarat have framed strategies for outward shipments. The move is aimed at achieving the US\$900 billion exports target by 2019-20. The ministry is also working with the states to prepare a list of infrastructure projects which would ensure full potential of growth in exports.

*SOURCE: The Economic Times (15.07.2015)*

### GOVT TO SOON ANNOUNCE INTEREST SUBVENTION SCHEME FOR EXPORTERS

"The interest subvention scheme is to be announced soon, which will give encouragement to sectors that have high potential," Commerce and Industry Minister Smt. Nirmala Sitharaman said here at a function. She said that exports are largely suffering because international demand is not picking up and currencies, particularly euro, are depreciating. "So, the triggers for improving the export performance are not really happening," she said, adding that the ministry is discussing the matter with industry groups to find ways to push exports and explore new markets.

Under the interest subvention scheme, exporters get loans at affordable rates. Loans at subsidised rates will help exporters boost shipments as the country's exports were in the negative zone during the past seven months. The interest subvention scheme of 3 per cent ended on March 31 last year. For the seventh month in a row, India's exports fell 15.82 per cent in June to US\$ 22.28 billion due to global slowdown and decline in crude oil prices that impacted shipments of petroleum products.

*SOURCE: The Economic Times*

### TEXTILE EXPORT TARGET FOR 2015-16 UP 14 PERCENT

The export target of textiles for the current financial year (2015-16) has been fixed at US\$47.5 billion, up 14 percent from 2014-15, parliament was told on Thursday. "The export target for the current year has been fixed at US\$47.5 billion from actual exports of US\$41.6 billion in 2014-15 targeting a growth of

14 percent," Textiles Minister, Shri Santosh Kumar Gangwar told the Lok Sabha in a written reply. He also said the government is encouraging exports through Merchandise Exports from India Scheme (MEIS), which has recently been modified to include the markets of Bangladesh and Sri Lanka. On technology upgradation in the sector, he said: "There is a budget provision of ₹ 1,520.79 crore under Technology Upgradation Fund Scheme for 2015-16, out of which ₹ 437.58 crore have been released till date. Request has been made for increasing the outlay."

*SOURCE: The Economy Lead (24.07.2015)*

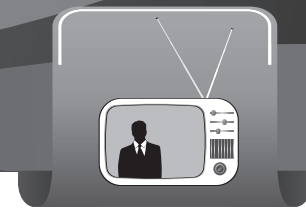
### FOCUS ON BRANDING

The Reserve Bank of India regional director S Ramaswami said here on Thursday that the Ichalkaranji textile sector should look towards branding to add value. "The textile sector from Ichalkaranji should go for branding itself across the country and abroad. There are several schemes of the government and banking sectors for starting business, they will not only benefit through such branding but prosper as well," Ramaswami said. Outsourcing the jobs of international brand is a good thing, but branding would add more value to it, he added. The regional director was speaking at a Town Hall Meeting organized by the RBI and Bank of India. It was the first such meeting to be held in the city. The purpose of the meeting was to bring together banking officials, businessmen and RBI officials to impart new policies of the Union government to promote business in the country. Ramaswami said, "Some clothes are made in Ichalkaranji but they are sold by the branded company at a much higher price. Why not create Ichalkaranji as a brand of ready-made clothes. The banks are there to assist with funds and credit supply as per the requirement."

*SOURCE: The Times of India (24.07.2015)*

### GOVT OKAYS GST CHANGES

The Union Cabinet on has cleared important changes to the government's constitutional amendment Bill on the proposed national goods and services tax (GST). However, exact modalities of a crucial change to limit up to one per cent tax over GST to inter-state sale of goods would be decided later, a move taken to woo dissenting parties. The cabinet decided to defer



determining the details of the mechanism to restrict the tax of up to one per cent over GST on inter-state movement of goods for a consideration. It may come up either in the GST law or GST rules later.

The Rajya Sabha panel had also suggested that compensation to states should not decline from the fourth year. The current Bill said states would be fully compensated for their losses for the first three years after the switch; this would fall to 75 per cent in the fourth year and 50 per cent in the fifth. The panel wanted full compensation for five years, not a tapering one. The suggestion has been cleared by the Cabinet. Sources said the government believes it would take two days for the Rajya Sabha to clear the revised Bill. It would have to go to the Lok Sabha. The bill's passage requires a two-thirds majority of those present and voting in each of the two Houses.

*SOURCE: The Business Standard (30.07.2015)*

### GOVT READIES 3-TIER OFFER FOR RCEP

The government has readied its strategy on goods trade under the Regional Comprehensive Economic Partnership (RCEP). The next round of talks is scheduled to take place in Nay Pyi Taw, Myanmar, on August 24-26. RCEP, being spearheaded by China, is seen as an answer to the US-led Trans-Pacific Partnership talks. It is being negotiated among the 10-member Asean economies -Singapore, Malaysia, Thailand, Vietnam, Indonesia, Philippines, Myanmar, Laos, Cambodia and Brunei and six of its free trade partners - China, Australia, Japan, South Korea, New Zealand and India. After a lackluster period since these started in 2012, member-countries have been having frequent negotiations to close a deal by December. After the talks in Myanmar, the countries will have a round in Busan, South Korea. So far, there have been eight rounds of talks. The strategy is very clear. Government will offer a certain set of tariff lines for Asean (Association of Southeast Asian Nations), South Korea and Japan, with whom they have an FTA (free trade agreement) and our other non-FTA partners.

According to the official, India had already informally put forward the proposal during the inter-ministerial session on RCEP at Kuala Lumpur, Malaysia, earlier this month. It was decided that India would offer 80-85 per cent of

tariff lines for duty cuts to South Korea and Japan, 70-75 per cent of tariff lines to Asean economies and 40-50 per cent to China, Australia and New Zealand. Indian industry, especially the automobile, steel, textile, dairy and rubber sectors, is concerned that a trade deal that includes China could wipe them off from the markets.

*SOURCE: The Business Standard*

### Global technical textile market to touch US\$ 193.7 billion by 2020

The global technical textiles market is expected to reach US\$ 193.7 billion by 2020, increasing at a compound annual growth rate (CAGR) of 4.5% during the forecast period 2015-2020

According to reports, the key factors fuelling the growth of the technical textiles market include robust growth of the automotive sector in emerging markets and increase in number of end-use industries across various regions.

The key challenges for the global technical textile market are high pricing of finished products and concerns about toxic waste production.

It is learnt that demand for e-textiles is also growing in emerging economies, and it is estimated that this trend may become more pronounced in the near future. Key players are focusing on research and development (R&D) activities to enhance the wearability of such textile materials.

The technical textiles industry is witnessing rapid innovations to meet the changing preferences of consumers. It is also expected that government support programmes will provide an impetus to the manufacture of technical textiles.

The global technical textiles market can be segmented on the basis of product type into nonwovens, composite, and others (knitting, braiding, and weaving). According to reports, the nonwovens segment has the largest share in the technical textiles market, accounting for 52.6% share in 2015. FMI expects this segment to expand at a CAGR of 5.1% during the forecast period 2015-2020.

The composite segment held a 14.7% share of the global technical textiles market in 2015 but FMI estimates it will account for 14.4% market share by 2020.



The others segment, which includes knitting, braiding, and weaving, accounted for 32.7% share of the technical textiles market in 2015. FMI estimates this segment to expand at a CAGR of 3.8% during the forecast period and reach a valuation of US\$ 61 Bn.

Source : [www.innovationtextiles.com](http://www.innovationtextiles.com) (10<sup>th</sup> August 2015)

### New visa norms for SAARC countries

As per extant provisions, Business Visa can be granted for a period up to 5 years or for a shorter duration as per the requirement to nationals of South Asian Association for Regional Cooperation (SAARC) countries except in the case of nationals of Nepal, Bhutan and Pakistan.

It is learnt that while citizens of Nepal and Bhutan do not require any visa for visiting India, certain category of Pakistan nationals are presently eligible for grant of

a multiple entry Business Visa for a maximum period of one year restricted to 10 places. Instructions have been issued by the Government on 7<sup>th</sup> July, 2015 regarding grant of multiple entry Business Visa for a period up to 3 years to Pakistan nationals restricted to 15 places to special category of Pakistani Businessmen of assured financial standing and credentials. Out of the SAARC countries, eTourist Visa facility is presently available only for nationals of Sri Lanka. Indian nationals do not require any visa to visit Nepal and Bhutan. All other SAARC countries are extending the facility of Business Visa to Indian nationals. Presently eTourist Visa scheme is available to nationals of 77 countries. The inclusion of additional countries in eTourist Visa scheme is a continuous process which is done after consultation with all stakeholders.

Source : Press Information Bureau (4<sup>th</sup> August 2015)



## SRTEPC MEMBERS DIRECTORY

The Synthetic & Rayon Textiles Export Promotion Council in commemoration of its 60 years service to the industry, presents the 1<sup>st</sup> edition of Members Directory with over 3400 entries covering the details of manufacturers/exporters of MMF textiles and blended textile items including Fibre, Yarn, Fabrics, Made-ups, Home textiles, etc. Directory also includes information on members contact details, Authorized representatives, products, export destinations, etc.

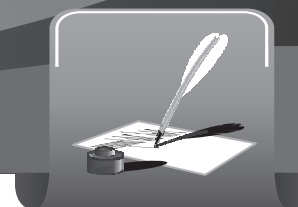
The publication will serve as a useful reference book and sourcing guide for the industry, importers, buying Houses and Agents of textile products. The cost of the Members Director is as follows:

Printed Copy – ₹ 1,000/- - US\$50/- (Including delivery Charges)

CD – ₹ 500 & 25\$. (Including delivery Charges)

For further information and request for supply of Directory may be sent to Shri Anand Haldankar, Joint Director : E mail [anand@srtepc.in](mailto:anand@srtepc.in)





## RENEWAL OF US GSP TO BENEFIT INDIAN EXPORTS

We are glad to inform our member-exporters that after a prolonged 18-month wait, India has finally got extension of the Generalised System of Preferences (GSP) from the US government. With the US renewing GSP benefits on retrospective basis from July 29, 2015, India's merchandise exports may witness a jump in the present fiscal of 2015-2016. Further this renewal may enable duty-free entry of 3,500 product lines from India.

The US GSP, which expired in July 2013, has been extended with retrospective effect from August 2013 till December 2017. The move is expected to benefit exporters of textiles, engineering, gems and jewellery, and chemical products, among others, as their biggest market is the US.

The renewal of the GSP by US has come at a very crucial time, when India's exports have dipped for the last six to seven consecutive months. One of the plausible reasons for this decline is a slowdown of demand in the US market, which has been India's long-established export market. The renewal of GSP is likely to help in boosting exports from India to the US market. This may help Indian exporters regain some of the lost ground and thereby making Indian products more competitive in the US market.

### Main Features of the Generalized System of Preferences (GSP) –

- Eligible textile & clothing items eligible for US GSP (Annexure - I)
- The Generalized System of Preferences (GSP) is a renewable preferential trade program that allows the eligible products of designated beneficiary developing countries to directly enter the United States free of duty.
- The GSP program expired on July 31, 2013, but has been renewed through December 31, 2017, effective July 29, 2015, with retroactive effect between August 1, 2013 to July 28, 2015, by a provision in the Trade Preferences Extension Act of 2015.

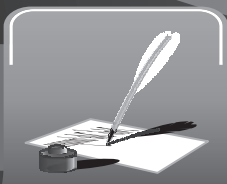
- Effective July 29, 2015, filers are entitled to file GSP-eligible entry summaries, utilizing the Special Program Indicator (SPI) "A," "A+," or "A\*," without the payment of duty for shipments entered or withdrawn from warehouse for consumption.
- In the GSP a wide range of industrial and agricultural products originating in certain developing countries are given preferential access to American market. This is given in the form of reduced or zero rates of customs duties.

Members are requested to take note of the above and obtain the benefits of US GSP.

### (ANNEXURE – I)

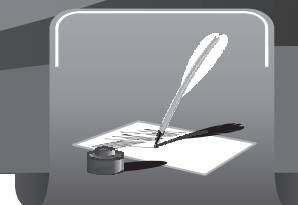
#### GSP-eligible Textile and Apparel Products

HTS8	Brief Description	MFN Rate	GSP Indicator
54041210	Polypropylene monofilament of 67 decitex or more (not racket strings), and with no cross-sectional dim. > 1 mm, not over 254 mm in length	6.9%	A
54041910	Racket strings of synthetic monofilament of 67 decitex or more and of which no cross-sectional dimension exceeds 1 mm	2.7%	A
54050060	Strip and the like of artificial textile materials of an apparent width not exceeding 5 mm	5.8%	A
56072900	Twine (except binder or baler twine), cordage, rope and cables of sisal or other textile fibers of genus Agave	3.6%	A
56074110	Binder or baler twine of wide nonfibrillated strip, of polyethylene or Polypropylene	2.7%	A
56074910	Twine (other than binder or baler twine), cordage, rope and cables of wide nonfibrillated strip, of polyethylene or polypropylene	2.7%	A



HTS8	Brief Description	MFN Rate	GSP Indicator
56079035	Twine, cordage, rope & cables of abaca or other hard (leaf) fibers, other than stranded construction or stranded n/o 1.88 cm in diameter	3.4%	A
56089023	Hammocks, of cotton	14.1%	A
56089030	Knotted netting of twine, cordage or rope or other made-up nets (not fish netting and nets) of textile materials (not otton/manmade mat.)	5%	A
57025020	Carpets & other textile floor coverings, not of pile construction, woven but not on a power-driven loom,not made up,of wool/fine animal hair	4.3%	A*
57029130	Floor coverings,not of pile construction, woven not on power-driven loom, made up, of wool or fine animal hair,nesi	4.3%	A*
57029210	Hand-loomed carpet & other textile floor coverings, not of pile construction, woven, made up, of man-made textile materials,nesi	2.7%	A
57029905	Hand-loomed carpets and other textile floor coverings, not of pile construction, woven, made up, of cotton	6.8%	A*
57029920	Carpets & other textile floor coverings, not of pile construction, woven, made up, of other textile materials neso	2.7%	A*
57031020	Hand-hooked carpets and other textile floor coverings, tufted, whether or not made up, of wool or fine animal hair	6%	A
57032010	Carpets and other textile floor coverings, tufted, whether or not made up, of nylon or other polyamides, hand-hooked	5.8%	A

HTS8	Brief Description	MFN Rate	GSP Indicator
57033020	Hand-hooked carpets & other textile floor coverings, tufted, whether or not made up, of man-made materials (not nylon/other polyamides)	6%	A
57039000	Carpets and other textile floor coverings, tufted, whether or not made up, of other textile materials neso	3.8% *	A*
59031010	Textile fabrics of cotton, impregnated, coated, covered or laminated with polyvinyl chloride	2.7%	A
59039010	Textile fabrics of cotton, impregnated, coated, covered or laminated with plastics neso, other than those of heading 5902	2.7%	A
59061000	Rubberized textile fabric adhesive tape of a width not exceeding 20 cm (other than fabric of heading 5902)	2.9%	A
59100010	Transmission or conveyor belts or belting of man-made fibers	4%	A
59114000	Straining cloth of a kind used in oil presses or the like, of textile material or of human hair	8%	A
61161008	Other gloves, mittens and mitts, the foregoing specially designed for sports use, incl. ski and snowmobile gloves, mittens and mitts	2.8%	A
61169208	Gloves, etc., specially designed for sports, including ski and snowmobile gloves, mittens and mitts, knitted or crocheted, of cotton	2.8%	
61169308	Gloves, mittens & mitts, for sports use, (incl. ski nd snowmobile gloves, etc.), of synthetic fibers	2.8%	A

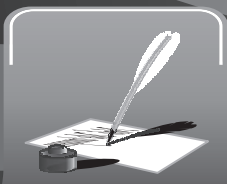


HTS8	Brief Description	MFN Rate	GSP Indicator
61169935	Gloves, mittens & mitts specially designed for sports, including ski and snowmobile gloves, mittens and mitts, of artificial fibers	2.8%	A
61171040	Shawls, scarves, etc., knitted or crocheted, containing 70% or more by weight of silk or silk waste	1.5%	A
61178085	Headbands, ponytail holders & similar articles, of textile materials other than containing 70% or more by weight of silk, knitted/crocheted	14.6%	A
62043960	Women's or girls' suit-type jackets and blazers, not knitted/crocheted, of textile materials nesoi, cont. 70% + of silk or silk waste	1%	A
62044910	Women's or girls' dresses, not knitted or crocheted, containing 70% or more by weight of silk or silk waste	6.9%	A
62101020	Garments, not knitted or crocheted, made up of fabrics of heading 5602 or 5603 formed on a base of paper or covered or lined with paper	2.8%	A
62139005	Handkerchiefs, not knitted or crocheted, containing 70% or more by weight of silk or silk waste	1.1%	A
62141010	Shawls, scarves, mufflers, mantillas, veils and the like, not knitted or crocheted, containing 70% or more silk or silk waste	1.2%	A
62160008	Gloves, mittens & mitts, for sports, including ski & snowmobile gloves, etc., not knitted/ rocheted, impreg. or cov. with plastic/rubber	0.8%	A

HTS8	Brief Description	MFN Rate	GSP Indicator
62160035	Gloves, mittens & mitts, all the foregoing for sports use, including ski & snowmobile gloves, mittens & mitts, of cotton	2.8%	A
62160046	Gloves, mittens & mitts, for sports use, incl. ski & snowmobile, of man-made fibers, not impregnated/ coated with plastics or rubber	2.8%	A
62171085	Headbands, ponytail holders and similar articles, of textile materials containing < 70% by weight of silk, not knit/crochet	14.6%	A
63029910	Toilet and kitchen linen of textile materials nesoi, containing 85% or more by weight of silk or silk waste	2.7%	A
63049910	Wall hangings, not knitted or crocheted, of wool or fine animal hair, the foregoing certified hand-loomed and folklore products	3.8%	A
63049925	Wall hangings of jute, excluding those of heading 9404	11.3%	A
63049940	Certified hand-loomed and folklore pillow covers of wool or fine animal hair, not knitted or crocheted	3.8%	A
63064049	Pneumatic mattresses of textile materials other than of cotton	3.7%	A
63079085	Wall banners, of man-made fibers	5.8%	A
63079098	National flags and other made-up articles of textile materials, nesoi	7%	A







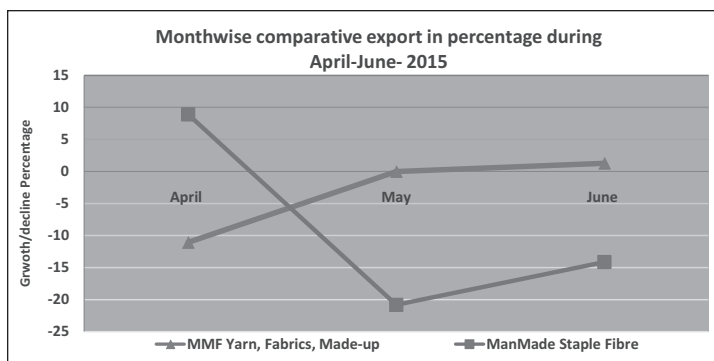
## BRIEF ANALYSIS OF MAN-MADE FIBRE TEXTILES DURING APRIL-JUNE 2015-16

Exports of Indian Man-made textiles were US\$ 1,352.26 million (₹ 8,528.69 crores) during 1st Quarter (April-June) 2015-16, showing decline of nearly 5% in dollar terms as compared to the same period of previous year.

Product	Value	June 2015	June 2014	Apr-June 2015-16	Apr-June 2014-15
MANMADE YARN, FABRICS, MADE-UPS	₹ Crs.	2680.81	2445.72	7809.80	7684.97
	USD Mill.	420.85	415.59	1238.27	1294.20
MANMADE STAPLE FIBRE	₹ Crs.	222.72	234.89	718.89	740.33
	USD Mill.	34.96	39.91	113.98	124.68
Grand Total	₹ Crs.	2903.53	2680.61	8528.69	8425.30
	USD Mill.	455.81	455.50	1352.26	1418.88
Growth Rate (%)		In Terms of ₹		In Terms of US\$	
April-June 2015 over April-June 2014		1.23		-4.70	
June 2015 over June 2014		8.32		0.07	

Source : DGCI&S, Provisional

- Export of Indian Man-made Yarn, Fabrics and Made-ups together were US\$ 1,238.27 million during April-June 2015 as against the performance of US\$ 1,294.20 million during April-June 2014 showing decline of 4.3% in dollar terms.
- Export of Man-made Staple Fibre was US\$ 113.98 million during April-June 2015-16 showing decline of 8.58% as against the performance of US\$ 124.68 million during April-June 2014-15.
- Exports during June 2015 were US\$ 455.81 million, which was 0.07% decline as compared to the same period of last year.



Product	% Grw/ Decline April 2015	% Grw/ Decline May 2015	% Grw/ Decline June 2015	% Grw/ Decline April-May 2015	% Grw/ Decline April-June 2015
MMF Yarn, Fabrics, Made-up	-11.08	-0.03	1.26	-6.94	-4.7
ManMade Staple Fibre	8.91	-20.82	-14.15	-6.68	-8.58

### REASONS FOR DECLINE IN EXPORTS

- The main reasons for negative performance of Man-made fibre textiles during April-June 2015, may be due to the following reasons :
- The negative growth of exports of fabrics may be due to lack of demand in European market because of economic uncertainty prevailing in the EU and Euro Zone and most other international markets.
- Export of both Indian Man-made fibres, yarn and fabric face stiff competition in overseas market from countries like China, Taiwan, Indonesia, etc. which could impact exports in certain months to a less significant level as it happened above.
- Exports of fibres were affected because of less global demand (this was due to shift of the buyers to cotton as cotton prices declined due to lack of demand from China).
- Yarn exports have been hit because of Anti-Dumping duties imposed by major markets like Turkey.
- Decline in exports may be due to lack of adequate policy stimulus to the MMF Textile industry textile sector, especially withdrawal of the Chapter 3 benefits in the FTP 2015-20 where all the export encouraging schemes to the African and LAC region have also been withdrawn.





## SRTEPC EXHIBITIONS DURING 2015-16

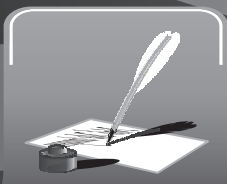
The Council has drawn up an extensive programme for organizing Exhibitions/Fairs in various markets for the year 2015-16. The programme consists of exclusive Textile Exhibitions to be organized directly by the Council, and participation in select international Textile Fairs. The details of the programmes for the year 2015-16 are given below. Members are requested to indicate the Exhibition of their interest to the Council to enable us to do the needful.

Sr. No.	Name of the Exhibitions / Fairs	Dates
1.	INTEXPO VIETNAM (Vietnam Saigon Fabric & Garment Industry Expo)	9 to 12 April, 2015 (Already organized)
2.	INTEXPO El Salvador	13 to 14 July, 2015 (Already organized)
3.	INTEXPO Honduras	16 to 17 July, 2015 (Already organized)
4.	INTEXPO EGYPT (Cairo Fashion & Tex)	1 to 4 October 2015
5.	International Shanghai Apparel Fabrics, China	13 to 15 October, 2015
6.	TEXWORLD Istanbul, Turkey	3 to 5 November, 2015
7.	INTEXPO Morocco	November / December 2015
8.	INTEXPO Senegal	November / December 2015
9.	TEXWORLD PARIS, France	15 to 17 February 2016
10.	INTEXPO Pakistan	March 16
11.	INTEXPO Afghanistan	March 16

Members may please note that Market Development Assistance (MDA) is available to the exporters for participation in Exhibitions / Fairs abroad. As per the MDA Guidelines. However, due to limited MDA funds available with the Council, the eligible member-companies will receive reimbursement of expenses incurred towards participation fee and traveling as per the prevailing terms & conditions on First-come-first-served basis.

As for the Exhibitions, which will be organized under Market Access Initiative (MAI) scheme, though member-exporters will not get any direct re-imburements for their participation in the Exhibitions, the costs of participation in the those Events under the MAI Scheme will be highly be subsidized as per the assistance provided under MAI Scheme.





## HIGHLIGHTS OF INDEX INDUSTRIAL PRODUCTION (IIP) (APRIL-JUNE 2015)

India's Index of Industrial Production (IIP), the most important parameter to judge performance of industrial sector grew by 3.8% in June 2015 compared to 2.7% in May 2015 due to rise in growth of manufacturing sector as per the data released by Central Statistics Office (CSO).

### GROWTH BASED ON IIP INDEX

- Industrial production in the month of June grew at a high of 3.8% on improved mining and manufacturing activities coupled with larger off take of capital goods.
- The Index of Industrial production for the month of June 2015 for the Textiles, Apparels and Manufacturing Sector grew by 1.1%, 27.6% and 4.6% respectively as compared to June 2014.

- The cumulative growth rates in Textiles, Apparels and manufacturing sector for the period of April-June 2015 stands at 1.5%, 17.3% and 3.6% respectively as compared to April-June 2014. The high growth in apparel is due to a low base.
- The cumulative overall growth of the IIP for the period of April-June 2015-16 is 3.2% as compared to of 4.5% in April-June 2014-15.

The Statement below gives the Quick Estimates of growth rate of the Index of Industrial Production at 2 digit level of National Industrial Classification (NIC-2004) for the period of April-June 2015, along with the cumulative growth rates over corresponding month of previous year:

Industry code	Description	Percentage growth				
		April '15	May'15	June '15	Apr-May 2015-16	Apr-June 2015
17	Textiles	4.40	-0.80	1.10	1.90	1.50
18	Wearing apparel	10.10	15.80	27.60	12.80	17.30
15-36	Manufacturing	5.10	2.20	4.60	3.20	3.60
	General	4.10	2.70	3.80	3.00	3.20

Source : Ministry of Statistics & Programme Implementation (MOSPI) [www.mospi.nic.in](http://www.mospi.nic.in)



### India Sourcing Fair, Almaty, Kazakhstan

September 25-29, 2015

India Trade Promotion Organisation (ITPO) is organizing exclusive "India Sourcing Fair" in Almaty, Kazakhstan from September 25-29, 2015.

The participation charges has been fixed at ₹ 11,000/- per sq. mtr., extra ₹ 2000/- per sq. mtr. for a corner booth. Minimum booth size should be 9 sq. mtrs. The Fair is being organized under the MAI Scheme.

For further details contact Shri Brij Lal, Dy. General Manager Mobile 09818514779, E-mail : [brijlal@itpo.gov.in](mailto:brijlal@itpo.gov.in) or Shri Ashok Kumar, Manager, Tel : 23371688/Mobile : 9999885677, E-mail [ashokkumar@itpo.gov.in](mailto:ashokkumar@itpo.gov.in).





## DGFT

Sr. No.	Heading	Date	Subject	Description	Download the Link
1.	Public Notice No. 27 /2015-2020	July 14, 2015	Merchandise Exports from India Scheme (MEIS) — Additions/amendments in Table 1 (containing list of country groups) and Table 2 [containing ITC (HS) code wise list of products with reward rates] of Appendix 3B	Additions/amendments in Table 1 (containing List of Country Groups) and Table 2 [containing ITC (HS) code wise list of products with reward rates] of Appendix 3B under the Merchandise Exports from India Scheme (MEIS) are notified.	<a href="http://dgft.gov.in/Exim/2000/PN/PN15/PN_27-14.7.2015.pdf">http://dgft.gov.in/Exim/2000/PN/PN15/PN_27-14.7.2015.pdf</a>
2.	Public Notice No.28/2015-2020	July 15, 2015	Merchandise Exports from India Scheme (MEIS) — Amendments in Table 2 [containing ITC (HS) code wise list of products with reward rates] of Appendix 3B	Corrections in Public Notice 27 dated July 14, 2015 amending Table 2 [containing ITC (HS) code wise list of products with reward rates] of Appendix 3B under the Merchandise Exports from India Scheme (MEIS) are notified.	<a href="http://dgft.gov.in/Exim/2000/PN/PN15/PN.e28-2015-16.pdf">http://dgft.gov.in/Exim/2000/PN/PN15/PN.e28-2015-16.pdf</a>
3.	Public Notice No.29/2015-20	4 August, 2015	Amendment in paragraph 3.05 of Handbook of Procedures of FTP, 2015-2020	Facility has been provided for exporters to continue to file applications for benefits under Chapter 3 schemes of the earlier Foreign Trade Policy (ies), as per procedures prescribed in the corresponding HBPs.	<a href="http://dgft.gov.in/Exim/2000/PN/PN15/pn.29.e.pdf">http://dgft.gov.in/Exim/2000/PN/PN15/pn.29.e.pdf</a>

## CBEC – CUSTOMS

Sr. No.	Heading	Date	Subject	Description	Download the Link
1.	Notification No. 42/2015 - Customs	30 <sup>th</sup> July, 2015	Seeks to further amend Notification No.39/96-Customs dated 23.7.1996.	Makes further amendments Notification No. 39/96-Customs, dated the 23 <sup>rd</sup> July, 1996, namely:- In the TABLE, against S.No.10A, in column (3), in the Explanation, in item (ii), for the words “functional Director” the words “functional Director or the Chief Executive Officer, as the case may be,” shall be substituted.	<a href="http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2015/cs-tarr2015/cs42-2015.pdf">http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2015/cs-tarr2015/cs42-2015.pdf</a>
2.	Notification No. 37/2015- Customs (ADD)	6 <sup>th</sup> August, 2015	Seeks to extend the validity of Notification No 76/2010-Customs (ADD) dated 26.07.2010 for a further period of one year	Continuation of anti-dumping duty on “Viscose Staple Fibre excluding Bamboo Fibre” falling under HS Code 5504 10 00 originating in, or exported from, the People’s Republic of China and Indonesia, imposed vide notification No. 76/2010-Customs, dated the 26 <sup>th</sup> July, 2010, and has recommended for extension of anti-dumping duty for a further period of one year.  In the said notification, after paragraph 2 and before the Explanation, the following paragraph shall be inserted, namely: - “3. Notwithstanding anything contained in paragraph 2, this notification shall remain in force upto and inclusive of the 25th day of July, 2016, unless revoked earlier.”	<a href="http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2015/cs-add2015/csadd37-2015.pdf">http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2015/cs-add2015/csadd37-2015.pdf</a>



# TRADE NOTIFICATIONS

Sr. No.	Heading	Date	Subject	Description	Download the Link
3.	Notification No. 39/2015-Cus (ADD),	12-08-2015	Seeks to levy definitive anti-dumping duty on imports of Flax or Linen Fabric having flax content of more than 50%, originating in or exported from the People's Republic of China and Hong Kong for a period of five years	Continuation of anti-dumping duty on imports of Flax or Linen Fabric having flax content of more than 50% falling under heading 5309, originating in or exported from the People's Republic of China and Hong Kong	<a href="http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2015/cs-add2015/csadd39-2015.pdf">http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2015/cs-add2015/csadd39-2015.pdf</a>

## CBEC – CENTRAL EXCISE

Sr. No.	Heading	Date	Subject	Description	Download the Link
1.	Notification No. 34/2015-CE	17-07-2015	Seeks to further amend Notification No.30/2004-Central Excise dated 09/07/2004	Amends Notification No.30/2004-Central Excise dated 09/07/2004	<a href="http://www.cbec.gov.in/excise/cx-act/notfns-2015/cx-tarr2015/ce34-2015.pdf">http://www.cbec.gov.in/excise/cx-act/notfns-2015/cx-tarr2015/ce34-2015.pdf</a>
2.	Notification No. 35/2015-CE,	17-07-2015	Seeks to further amend Notification No.1/2011-Central Excise dated 01/03/2011	Amends Notification No.1/2011-Central Excise dated 01/03/2011	<a href="http://www.cbec.gov.in/excise/cx-act/notfns-2015/cx-tarr2015/ce35-2015.pdf">http://www.cbec.gov.in/excise/cx-act/notfns-2015/cx-tarr2015/ce35-2015.pdf</a>
3.	Notification No. 36/2015-CE	17-07-2015	Seeks to further amend Notification No.12/2012-Central Excise dated 17/03/2012	Amends Notification No.12/2012-Central Excise dated 17/03/2012	<a href="http://www.cbec.gov.in/excise/cx-act/notfns-2015/cx-tarr2015/ce36-2015.pdf">http://www.cbec.gov.in/excise/cx-act/notfns-2015/cx-tarr2015/ce36-2015.pdf</a>
4.	Notification No. 37/2015-CE,	21-07-2015	Seeks to further amend notification No.30/2004-Central Excise dated 9.7.2004	Notification No. 37/2015-CE dated 21st July 2015 has been issued to further amend notification No. 30/2004 Central Excise dated 9th July 2004 and to clarify that "For the purpose of this notification, appropriate duty or appropriate additional duty includes nil duty or concessional duty, whether or not read with any relevant exemption notification for the time being in force". Therefore the status quo-ante prior to issue of Notification No. 34/2015 has been restored.	<a href="http://www.cbec.gov.in/excise/cx-act/notfns-2015/cx-tarr2015/ce37-2015.htm">http://www.cbec.gov.in/excise/cx-act/notfns-2015/cx-tarr2015/ce37-2015.htm</a>
5.	Notification No. 38/2015-CE	21-07-2015	Seeks to further amend notification No.1/2011-Central Excise dated 1.3.2011	Further amends Notification No.1/2011-Central Excise dated 01/03/2011	<a href="http://www.cbec.gov.in/excise/cx-act/notfns-2015/cx-tarr2015/ce38-2015.htm">http://www.cbec.gov.in/excise/cx-act/notfns-2015/cx-tarr2015/ce38-2015.htm</a>
6.	Notification No. 39/2015-CE	21-07-2015	Seeks to further amend notification No.12/2012-Central Excise dated 17.3.2012	Further amends Notification No.12/2012-Central Excise dated 17/03/2012	<a href="http://www.cbec.gov.in/excise/cx-act/notfns-2015/cx-tarr2015/ce39-2015.htm">http://www.cbec.gov.in/excise/cx-act/notfns-2015/cx-tarr2015/ce39-2015.htm</a>



## CBEC – SERVICE TAX

Sr. No.	Heading	Date	Subject	Description	Download the Link
1.	Notification No. 18/2015 - CE (NT)	06-07-2015	Regarding Digitally signed invoices in Central Excise and Service Tax-Conditions, safeguards and procedures	Central Board of Excise and Customs hereby specifies the following conditions, safeguards and procedures for issue of invoices, preserving records in electronic form and authentication of records and invoices by digital signatures.	<a href="http://www.servicetax.gov.in/notifications/notfns-2015/cent18-2015.htm">http://www.servicetax.gov.in/notifications/notfns-2015/cent18-2015.htm</a>

## JNPT CUSTOMS

Sr. No.	Heading	Date	Subject	Description	Download the Link
1.	PUBLIC NOTICE NO. 58/2015-16	10/08/2015	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.	Due to some technical reasons, the MEIS/SEIS licence cannot be registered in the EDI system (ICES 1.5v). Until the EDI module of the MEIS/SEIS scheme is operationalised, following procedure is prescribed in Public Notice No. 58/2015-16 for the Manual Registration of Duty Credit Scrips issued under Merchandise Exports from India Scheme (MEIS) and Service Exports from India Scheme.	<a href="http://www.jawaharcustoms.gov.in/index.php/public-notices-for-2015/public-notice-no-58-2015-16">http://www.jawaharcustoms.gov.in/index.php/public-notices-for-2015/public-notice-no-58-2015-16</a>

## OFFICE OF THE TEXTILE COMMISSIONER, MUMBAI

Sr. No.	Heading	Date	Subject	Description	Download the Link
1.	Office Memorandum No. 50(25) / (2) / 2014 / RFP / MS / 11	7 <sup>th</sup> July, 2015	The Comprehensive Integrated Software Development (iTUFS)	The Comprehensive Integrated Software Development (iTUFS) was inaugurated by The Hon'ble Minister of State for Textiles (Independent Charge), Shri Santosh Kumar Gangwar on 9th April 2015 for better management of the Technology Upgradation Fund Scheme. The said software shall provide an interface to the Companies (Beneficiary), Lending Agency (Bank Branch & TUF Cell of the concerned Banks), Textile Commissioner Office (TxC) and Ministry of Textile (MOT). The subsidy claims under all formats of TUFs i.e. M-TUFS (List-I, List-II), R-TUFS & RR-TUFS shall be routed through the said software.	<a href="http://txcindia.gov.in/html/itufs.pdf">http://txcindia.gov.in/html/itufs.pdf</a>





## RESERVE BANK OF INDIA

Sr. No.	Heading	Date	Subject	Description	Download the Link
1.	RBI/2015-16/129 A.P. (DIR Series) Circular No.5	July 16, 2015	Export factoring on non-recourse basis	<p>In order to facilitate exports, Authorised Dealer Category – I (AD Category –I) banks have been permitted to provide 'export factoring' services to exporters on 'with recourse' basis by entering into arrangements with overseas institutions for this purpose without prior approval from the Reserve Bank of India subject to compliance with guidelines issued by the Department of Banking Regulation in this regard.</p> <p>2. Taking into account the recommendation made by the Technical Committee on Facilities and Services to the Exporters (Chairman: Shri G. Padmanabhan), it has been decided to permit AD banks to factor the export receivables on a non-recourse basis, so as to enable the exporters to improve their cash flow and meet their working capital requirements subject to conditions as given in this notification.</p>	<a href="https://rbi.org.in/Scripts/NotificationUser.aspx? Id = 9945 &amp; Mode = 0">https://rbi.org.in/Scripts/NotificationUser.aspx? Id = 9945 &amp; Mode = 0</a>

**EXHIBIT YOUR PRODUCTS THROUGH SRTEPC 'MARKETPLACE'**

The Council has introduced 'MARKETPLACE' on its website. Marketplace is a new section which attracts 50000 visitors every year. It is the one stop information place for all international buyers. Marketplace subscribers can have a Company profile of their own with their contact details, product details and much more on SRTEPC's website which can be viewed by the buyers and they can directly contact these Marketplace subscribers for business purpose.

SRTEPC has generated many national and international buyers' queries and many different companies are already listed at the Marketplace who are the Manufacturers, Merchant Exporters of fabrics, yarns etc. Register on Marketplace to receive such inquiries.

This service is being offered @**INR 1140** (including 14% service tax) per annum which is very nominal as compared to the exposure members get.

Members may take benefit of the same and register themselves at Marketplace on Council's website ([www.srtepc.org](http://www.srtepc.org)) at the earliest.

For further details please visit Council's website [www.srtepc.org](http://www.srtepc.org) or kindly contact **Ms. Rohini** for assistance on email address [rohini@srtepc.in](mailto:rohini@srtepc.in)/Mobile 07066505006.



## SRTEPC ORGANIZES SUCCESSFUL EXHIBITIONS IN EL SALVADOR & HONDURAS

(Continued from Page 1)

### Exhibitions in El Salvador & Honduras

The Embassy of India took the lead in supporting the Council and accordingly as part of the pre-fixed schedule of business meetings organized by the Embassy of India, during the Exhibitions in both the places select Buyers met and discussed business with their Indian counterparts. These specially arranged meetings were organized by the Embassy of India at the behest of the Council on the basis of the product-profiles of the participating Indian companies. The Exhibitions in both countries were also open to the textiles Buyers & their Agents etc. without prior appointments. In the pre fixed business meetings overall, around 48 Buyers visited the Exhibitions to negotiate business with the participating Indian companies.

### Participating Companies :

Sr. No.	Name of the Companies	Sr. No.	Name of the Companies
1	Banbury Exports	6	Rameshwar Textiles Mills
2	Banswara Syntex Ltd.	7	Raymond Limited
3	Hayward Synthetics Pvt. Ltd.	8	Rishab Apparel Pvt. Ltd.
4	Mansinghka Export Co.	9	Topman International Ltd.
5	Nagreeka Exports Limited	10	Welspun Syntex Ltd.

It is to be noted that a heterogeneous group of companies participated in the exhibition, a few of which have renowned and well established brands in India and abroad. They are specialized in their own areas like Yarns, Fabrics and Made-ups. It was a learning experience for most of them and majority of them were benefitted from interactions with the local business visitors, as most of the participants visited El Salvador and Honduras for the first time. However, it was indicated by some participants that a thorough understanding of the local market and the pattern of its demand for products would have helped them better to prepare themselves for discussing business with their concerned prospective customers. Accordingly, in order to enable the participants understand the requirements of these markets, the Council shared the inputs on the agreement of CAFTA-DR between the Central American Countries and the US, the US Trade Administration and the Office of the Textiles and Apparel (OTEXA), which had released a "short

supply list of products". These products can be sourced by the buyers of these Central American countries from any other supplying countries. This information was considered vital for the efforts for exploring and enhancing trade by the Indian participants with their counterparts in El Salvador and Honduras in future.

### Publicity & Promotion :

In order to ensure the visit of a good turnout of Buyers / Textile Traders to the Exhibitions, the Council undertook an extensive publicity & promotional campaign in co-ordination with the Embassy of India. The Events were publicized through Exhibitors Catalogues, advertisements in Newspapers, E-mails, tele-marketing arrangement by specialized agents. The Council made wholehearted efforts to make the show successful for benefitting the participants. Besides this, service of two local marketing professionals were deployed for 15 days by the Council on the basis of the suggestions of the Embassy of India to pursue the prospective Buyers in El Salvador & Honduras to visit the Exhibitions for discussing business with their prospective Indian manufacturers / exporters of textiles. Most of the contacted business firms visited the venue and discussed business arrangements with the Indian counterparts.

### Market Potentials :

El Salvador and Honduras are two strongly emerging economies in Central America. The textiles and apparel sectors play key role in the economies of these two countries. El Salvador is the only country that has been able to develop a full synthetic cluster in Central America : Yarn Production, wide & narrow fabrics, high performance garments design and manufacture among others. Today more than 260 companies operate in this sector in El Salvador including world renowned companies : PETTENATI (Pettenati S.A. Industria Textile), HBI (HANES brands Inc.) & DARLINGTON FABRICS (A Moore Co.). Honduras is the center of the Central American Apparel Industry. Today, it is the fourth largest supplier of apparels to the U.S. market in the world, and the largest in the Central American and Caribbean regions.

The United States has been the largest supplier of fabrics to Honduras. Local producers of fabrics do not compete directly against U.S. producers/exporters of similar products. However, a few local firms have developed a small-sized Industry, which produces for the local and export markets, especially those in Central America. Honduras though sources finished apparel products from the U.S., the volume and the



size of the market have been relatively smaller. It is imperative that in the wake of the emerging Mega Trade Agreements like TPP, the local firms need to think of diversifying their sourcing pattern. It is in this context that the presence of Indian firms become relevant and kindle hope for business in these regions.

#### **Textile Market in El Salvador :**

- The Textile and Apparel Industry is one of the strongest pillars of the El Salvadoran economy, as it accounts for over half of the total exports made by the country.
- Imports of textile & clothings into El Salvador from the world reached US\$ 1.62 billion during 2014.
- Total imports of MMF textiles from the world by El Salvador during 2014 stood at US\$ 846.07 million, of which India's share was only US \$ 15.71 million (1.85%).
- Apparels account for nearly 24% of total imports worth US\$393.48 million from the world into El Salvador.
- The exports of Indian Man-made fibre textiles to El-Salvador during 2013-14 stood at only US\$ 6.34 million - registering a growth rate of 13.09%, as compared to that of the previous year.
- India's share in imports of textile & clothings into El Salvador was merely 1.10%, which is around US\$ 17.99 million in 2014.
- Yarns are the dominant items in India's export basket to El Salvador with a share of nearly 50%, followed by fibre 38%, and fabrics 12%.
- The US continued to be the main destination for El Salvadoran export of textiles & clothings, as the country accounted for 76% of total T & C exports made by El Salvador.

#### **Textile Market in Honduras :**

- Imports of textile & clothing into Honduras from world rose to US\$ 184.67 million during 2013.
- The total imports of MMF textiles from the world by Honduras during 2013 stood at US\$ 38.11 Million, of which India's share was only US \$ 0.50 Million (1.32%).
- Exports of Indian Man-made fibre textiles to Honduras during 2013-14 amounted to only US\$5.14 million.
- India's share in imports of textile & clothing by Honduras is merely 1.99%, which is valued to US\$ 3.68 million in 2013.

- Import of Made-ups from the world into Honduras reached US\$ 61.63 million with a share of over 33%.
- Yarns are the dominant items in the export basket of Honduras with a share of nearly 84%, followed by fabrics 14% and fibre 2%.

#### **Response at the Exhibitions :**

According to the feed-backs received from the participating companies, though many companies haven't revealed the amount of business they booked, some companies reported that an amount of ₹ 2.98 crores worth of business in El Salvador and ₹ 1.92 cores in Honduras were under negotiations. It was indicated that both these markets have immense potential which needs to be further explored in the context of the short supply list and pursued further in the coming years. The participating companies have rated the arrangement, and facilities provided for the Exhibitions in both the places as good. This is the first-time that the Council has organized exclusive Indian Exhibitions in El Salvador & Honduras, which are located in the Central American Region. Honduran businessmen explored the opportunity to network and learn about the possibilities for having joint ventures alliances with their Indian counterparts.

#### **Conclusion**

The Council is optimistic about the long-term impact of this first-ever Indian Textile Exhibitions in the Central American Countries of El Salvador & Honduras, though the immediate outcomes may not be as expected especially for the participants. However, this first ever Exhibition has given an excellent opportunity to the participants to develop trade contacts / explore the possibilities for doing business with their prospective customers in the two countries. The Exhibitions have also created a conducive atmosphere for a new era of further co-operation between the traders and the industries of Man-made fibre textiles in India and the counterparts in the two above-mentioned Central American Countries. It is, therefore, hoped that these Exhibitions organized in El Salvador & Honduras would help our exporters to develop and further expand their trade in the coming years. As future follow-ups, the Council proposes to undertake in-depth studies on the business and market potentials of the Central American & LAC markets. This would help member-participants visiting the markets to have better negotiation with their customers and make their visit more meaningful and rewarding.







VIEW OF THE STALLS IN THE EL SALVADOR AND HONDURAS EXHIBITIONS





# Future is Bright

## for Indian Man-Made Fibre Textiles

SRTEPC strives to enhance the exports of Value Added Indian MMF Textiles. Its members export Fibre, Yarns, Fabrics & Made-Ups for more than six decades.



**srtepc** has been:

- Facilitating long term Buyer-Seller Relationship
- Providing Knowledge for growth of MMF textiles
- Organising trade fairs, exhibitions, buyer seller meets both in India and Abroad
- Providing linkages with all the stakeholders including Government authorities to create harmonious growth and conducive policy framework for exports
- Conducting market studies to keep updated on market information and trade opportunities
- Sharing information on trends for adaptation to overseas markets & product development
- Building awareness and goodwill for Indian players in MMF segment
- Conducting workshops & seminars for disseminating market information and intelligence.

**SRTEPC has been taking the above initiatives for more than six decades. Experience and expertise you can trust on. Always**

**srtepc**

**The Synthetic & Rayon Textiles  
Export Promotion Council**

*Your link to Overseas Buyers of Synthetic & Rayon Textiles*

Resham Bhavan, 78, Veer Nariman Road,  
Mumbai 400 020, Maharashtra, INDIA

**Phone:** 00-91-22-22048797 / 22048690

**Fax:** 00-91-22-22048358

**Email:** srtepc@srtepc.org

**Web:** www.srtepc.org

If undelivered, return to:

The Synthetic & Rayon Textiles Export Promotion Council  
Resham Bhavan, 78, Veer Nariman Road, Mumbai - 400 020.