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SRTEPC WELCOMES

The Minister of State For Commerce & Industry (Independent Charge); Finance; Corporate Affairs

Smt. Nirmala Sitharaman

The Minister of State For Textiles (Independent Charge); Parliamentary Affairs; Water Resources

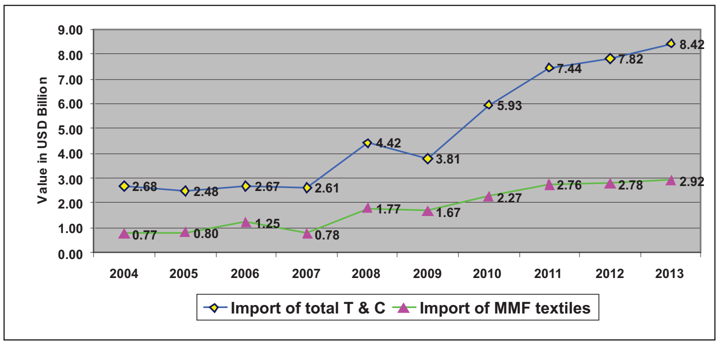
Shri Santosh Kumar Gangwar

Government of India

BANGLADESH: EMERGING MARKET FOR INDIAN MMF TEXTILES EXPORTS

Bangladesh imported around US$ 3 billion of Man-made fibre textiles from the world during 2013 of which India's share was around 8% (US$ 0.23 billion). The main countries which exported Man-made fibre textiles to Bangladesh during the year were China, India, Thailand, South Korea, Indonesia, Japan, Vietnam, etc. Since, India's share in Bangladesh's total import of Man-made fibre textiles was only 8%, there is huge untapped scope for increasing exports of Indian Man-made fibre textiles to this country.

IMPORT OF TOTAL TEXTILE & CLOTHING VS.



MAN-MADE FIBRE TEXTILES

Bangladesh has emerged as one of the largest apparel exporting countries in the world. Bangladesh is manufacturing for international brands like Tommy Hilfiger, Gap, Calvin Klein, H&M, etc. and global retailers like Target and Walmart are now having sourcing offices in Dhaka. Exports of apparel from Bangladesh have recorded a growth of 12% during 2013 as compared to the previous year. Major apparels exported by Bangladesh include knitted and woven articles like Jerseys, pullovers, T-shirts, singlets, Babies' garments, suits, jackets, trousers, shirts, skirts, shorts, jackets, sweaters, among other fashion apparel.

However, the strong and growing ready-made garment industry of Bangladesh is not being able to support adequately by its local production of textiles and there is a huge demand – supply gap which has been covered up through imports. Bangladesh is importing its required textiles including Man-made fibre textiles from countries like China, India, Thailand, South Korea, Indonesia, etc.

Imports of Textiles and Clothing by Bangladesh

Chap	Product Description	Imports in 2013 (In US$ 1000)
50	Silk	7,397
51	Wool, animal hair, horsehair yarn and fabric thereof	71,816
52	Cotton	4,974,075
53	Vegetable textile fibres, paper yarn, woven fabric	98,430
54	Man-made filaments	639,635
55	Man-made staple fibres	1,204,488
56	Wadding, felt, non-wovens, yarns, twine, cordage, etc	63,987
57	Carpets and other textile floor coverings	9,604
58	Special woven or tufted fabric, lace, tapestry etc	252,653
59	Impregnated, coated or laminated textile fabric	217,973
60	Knitted or crocheted fabric	534,709
61	Articles of apparel, accessories, knit or crochet	183,851
62	Articles of apparel, accessories, not knit or crochet	112,577
63	Other made textile articles, sets, worn clothing etc.	56,311
	TOTAL	**8,427,506**

Source: COMTRADE Statistics

During 2013 Bangladesh imported around US$ 800 Mn. of Man-made fibre yarn from the world of which India's share was around 9% (US$ 70 Mn.). Thus, there is substantial scope for India to increase its market share in Bangladesh's import of MMF yarns from the world.

(Contd. on Page 14)

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MESSAGE FROM THE CHAIRMAN

Dear Member,

The much awaited mandate is finally out. The world, along with all of us, was waiting for it. The Government at the Centre has the numbers and this should allow it to bring about the necessary changes required for the growth and also contain the fiscal deficit.

I take this opportunity to welcome Smt. Nirmala Sitharaman, Hon'ble Minister of State for Commerce & Industry (Independent Charge), Finance, Corporate Affairs and Shri Santosh Kumar Gangwar, Hon'ble Minister of State for Textiles (Independent Charge), Parliamentary Affairs, Water resources. Their support and contribution is required for our industry.

I thank the Hon'ble Textile Minister for hearing me patiently and has assured me to consider our genuine recommendations after he has reviewed the textile industry in general in the coming days. I am confident that under the new regime, the Indian MMF Textile will rise to greater heights.

I am glad to inform you that exports of MMF Textiles have registered a growth of 14% plus in the financial year 2013-14 over the corresponding period of the previous year. The final export data is awaited and I am sure of surpassing the target of USD 6 Billion that we set for ourselves.

Indian Textile exports have crossed the 3.25% threshold limit set by the WTO. The immediate impact of this is withdrawal of all subsidies that are being granted for exports by the Government. We have taken up strongly the case of MMF Textiles and hopefully will ensure that our competitiveness is not impacted by the withdrawal/reduction of such incentives. This can be made good by reimbursement of state level levies amongst others which is presently not being done.

The Department of Revenue (Ministry of Finance) is shortly taking up the annual task of fixing All Industry Draw Back rate for the year 2014-15. You are requested to please take this up very seriously and identify each Tax & Duty that goes into export production. We will do our best to include each one of these in the All Industry Rate. The Principle is that we export our goods and not taxes. Nonetheless I need your support to send us documentary evidence of each of these levies and we will strive to get everything reimbursed.

It has been observed that some members have not yet renewed their membership of the Council for the year 2013-14. I request them to renew the same at the earliest to enable the Council to provide the regular services to them on continued basis.

With warm regards,

Yours sincerely,

RAKESH MEHRA
CHAIRMAN

VIETNAM

Exports of fabrics and apparel up by 21%

The exports of fabric and garments from Vietnam rose 21.3 percent year-on-year to US$ 5.991 billion in the first four months of 2014, it has been reported.

The United States with goods worth $2.949 billion was the largest importer of Vietnamese fabric and apparel during January-April 2014 period. Japan and South Korea were the other main destinations for Vietnamese fabric and clothing with imports valued at $783.957 million and $570.607 million, respectively.

During the four-month period, Vietnam exported 248,448 tons of yarn valued at $756.184 million, showing an increase of 20.6 percent year-on-year and 22 percent year-on-year, respectively. Of this, China accounted for 112,418 tons of yarn worth $366.236 million.

Turkey imported 31,814 tons of yarn from Vietnam for $75.923 million during the period under review, followed by South Korea with 22,267 tons for $65.535 million.

Similarly, Vietnam's yarn imports grew by 12.2 percent year-on-year and 3.6 percent by volume and value, respectively, to 229,531 tons and $479.238 million. Fabric imports also climbed 18.3 percent to $2.796 billion.

Last year, Vietnam's fabric and garment exports grew by 18.9 percent year-on-year to $17.946 billion, and if the current trend continues, the country's fabric and garment exports are likely to cross the $20 billion mark this year.

SWITZERLAND

Textile exports buoyant

The exports of textiles from Switzerland recorded marginal growth for the first time after three consecutive years of decline, it has been reported.

The performance of the Swiss textile and clothing industry was stable in the last fiscal year, despite a difficult environment.

Although there was a small growth in textile exports, the total value of textile and garment exports during the year decreased slightly.

The textile exports grew by 0.2 percent year-on-year to 1.43 billion francs in 2013, while garment exports declined by 1.8 percent to 1.4 billion francs.

The EU continued to remain the top destination for Swiss textiles, and it accounted for 72.9 percent of all Swiss textile exports. Meanwhile, exports to Asian countries increased to 12 percent from a 9 percent share in 2012. This was because China's textile imports from Switzerland soared 27.8 percent year-on-year.

TURKEY

Textile exports rises to US$ 769.8 million during May 2014

Textile and raw material exports from Turkey, excluding apparel, amounted to US$ 769.8 million during the month of May 2014, registering a rise of 2.8 percent, compared to the same month last year, it has been reported.

According to the export Data available, the country exported textiles and raw materials worth $769.8 million in May 2014, compared to the $748.5 million worth of textile and raw material exports made during the same month last year.

Textiles and raw material exports in May 2014 accounted for 5.7 percent of the overall exports made from the country during the month.

During the month of April 2014, Turkey exported textiles and raw materials worth $791.5 million, recording a jump of 12.9 percent year-on-year. Textile and raw material exports accounted for 6 percent of the overall exports made by the country during the same month.

PAKISTAN

Exports of textiles up 6% in the first ten months of 2013-14

The exports of textiles, including apparel, from Pakistan grew by 6.5 percent year-on-year to US$ 11.437 billion in the first ten months of fiscal year 2013-14, it has been reported.

Knitwear exports jumped 10.73 percent year-on-year to $1.842 billion during the ten-month period.

Meanwhile, the value of textile machinery imports made by Pakistan during the period under review surged up by 59.72 percent year-on-year to $489.865 million, which shows that enterprises have started investing in new machinery, especially after the country attained European Union's Generalised System of Preferences Plus (GSP Plus) status. In fact, textile machinery imports in April 2014 skyrocketed by 130.07 percent to $66.374 million.

The import of synthetic fibre by Pakistan increased by 4.62 percent year-on-year to $349.358 million, whereas imports of synthetic and artificial silk yarn saw a rise of 15.08 percent to $516.98 million.

It is believed that although the textile exporters are capitalizing on the GSP Plus facility, the sudden appreciation of the Pakistani currency against the US dollar has decreased the pace of growth that was observed during the previous three months.

Pakistan's Ministry of Textile Industry is soon likely to come out with a new textile policy 2014-19, which will replace the existing textile policy that ends on June this year.

CHINA

Exports pick up but import drops

China's exports picked up in May 2014, thanks to firmer global demand, it has been reported. However, an unexpected fall in imports signaled weaker domestic demand that could continue to weigh on the world's second-largest economy.

Exports rose seven per cent in May 2014, from a year earlier, quickening from April's 0.9 per cent rise, while imports fell 1.6 per cent, versus a rise of 0.8 per cent in April 2014. China's trade surplus widened sharply to $35.9 billion in May from April's $18.5 billion.

China's commerce ministry had predicted the trade picture could brighten in May 2014, as base efforts fade and government support measures kick in. Analysts have attributed the weak trade figures partly to an inflated comparison base with last year due to a rash of fake invoicing of exports to beat currency restrictions. Authorities have cracked down on such activities since May of last year.

Exports to the United States rose 6.3 per cent in May 2014, slowing from a rise of 12 per cent in April 2014, while shipments to the European Union rose 13.4 per cent last month, compared with 15.1 per cent in April 2014. Exports to ASEAN countries rose 9.1 per cent, quickening from 3.8 per cent in April 2014, data showed.

The pick-up in exports follows a batch of factory surveys for May 2014 that showed improvement in activity, as the government steps up targeted measures to support growth, including quickening construction of railways and public housing and loosening credit conditions for selected banks.

The government has also unveiled some policy support for the export sector, including giving more tax breaks, credit insurance and currency hedging options to its exporters.

INDONESIA

Major Clothing textile exports

Garments accounted for more than half of all textile exports from Indonesia last year, it has been reported.

In 2013, Indonesia's total textile and apparel exports stood at US$ 12.68 billion. Of this, garment exports fetched $7.38 billion or 58.2 percent, while yarn exports earned $2.42 billion or 19.1 percent, followed by fabrics with $1.8 billion (14.2 percent), fibre with $560 million (4.4 percent) and other textiles with $510 million (4.1 percent).

For the current year, Indonesia export target for textile and clothing has been fixed at $13.3 billion, about 4.88 percent higher than last year.

In terms of export destination, United States was the largest destination for Indonesian textile and clothing products in 2013 with the country importing goods worth $4.1 billion.

Japan and Turkey were the second and third-largest importers of Indonesian textiles and apparel during the year with imports worth $1.18 billion and $620 million, respectively.

Germany, South Korea, China, the UAE, Brazil, the UK and Malaysia were the other countries among the top ten export destinations for Indonesian textiles and garments during the year.

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Long term Export advances available for exporters

Exporters can now receive long-term advances of up to 10 years from banks to service export contracts as against the present one year, as reported by the Reserve Bank of India (RBI). The exporters with satisfactory track records of three years are eligible for the loan and banks could adjust these payments against future exports. It is stated that banks cannot charge interest rates exceeding 200 basis points above LIBOR. Meanwhile, exporters who receive advances of $ 100 million, or above, have to report the transaction to RBI.

India is Sri Lanka's chief importing source nation

India has emerged as the largest trade partner for Sri Lanka in terms of its total imports in place of China and Singapore, it has been reported. India accounted for 18 per cent of Sri Lanka's total imports while the corresponding figure for China was 16 per cent and that for Singapore was 9 per cent.

This is a direct result of the Free Trade Agreement (FTA) signed by Sri Lanka with India.

India is Sri Lanka's third largest export market with 5 per cent of exports going to the giant neighbour.

The US with 24 per cent and the UK with 10 per cent are ahead of India.

Commerce Ministry to recommend withdrawal of taxes on SEZs

In order to boost exports, the Commerce Ministry has recommend the withdrawal of taxes on special economic zones (SEZs) and a cut in duty for sectors with high export potential as part of a five-point budgetary proposal. It is also understood that the Directorate-General of Foreign Trade (DGFT) is likely to propose a 3 per cent interest subvention for all sectors to push exports in the recommendation list. Further the Commerce Secretary may take up duty reduction in sectors having potential for higher exports.

The main demand by the Export Promotion Council for EOUs and SEZs was the withdrawal of minimum alternate tax (MAT), which it said could help revive the tax-free enclaves after they lost it in 2011 following the imposition of the tax. It is likely that Ministry will also agree to incorporate MAT and DDT withdrawal in the budgetary proposal to be sent to the Finance Ministry.

India ranks No. 2 in textile exports

India has overtaken Germany and Italy to emerge as the world's second largest textile exporter. But it stands behind China, whose exports are nearly seven times higher, it has been reported.

It is learnt that India's exports of textiles including fibre, yarn, fabric, made-ups and readymade garments were estimated at $40 billion in 2013, compared with China's $274 billion.

Over 55 per cent of the global trade relates to readymade garments, where India ranked sixth in 2013 with exports of around $16 billion, which is around 40 per cent of the country's textiles exports. India beat Turkey to move up a notch. For China the share of garments is estimated at close to 60 per cent. Apart from China, Italy and Germany, smaller countries such as Bangladesh and Vietnam have overtaken India in recent years as major suppliers to retail chains in Europe and the US on the back of cheap labour and lower-duty access.

Requests for zero duty on MMF

The various Exporters' Associations have urged the Centre to make zero excise duty for Man-made fibres and special machinery to manufacture synthetic products. The representation submitted to the Hon'ble Union Minister of State for Commerce & Industry, Ms. Nirmala Sitharaman and Hon'ble Union Minister of State for Textiles, Shri Santosh Gangwar, the Associations have requested for zero duty on Man-made fibres as this is expected to help increase exports of Man-made fibre products.

The import of special machinery on zero duty will attract more investment to manufacture synthetic products which are picking up globally.

Liberalised Remittance Scheme (LRS)

RBI has enhanced the remittance limit for Resident Individuals under the Liberalised Remittance Scheme (LRS), circular no. RBI/2013-14/624 A.P. (DIR Series), Circular No.138 dated June 03, 2014.

With this notification, the existing limit of USD 75,000 has been enhanced to USD 125,000 per financial year with immediate effect, for any permitted current or capital account transaction or a combination of both.

The Scheme should not be used for making remittances for any prohibited or illegal activities such as margin trading, lottery, etc. All other terms and conditions shall remain unchanged.

Foreign Trade Policy to have more benefits to push up exports

Exporters are expected to get more incentives in the foreign trade policy. In order to boost falling exports, the Government is seeking to make promotion schemes more effective.

It is learnt that to ensure that exporters benefit from the 'served from India scheme', the Commerce Ministry is looking at allowing import duty exemption scrips (given as incentive under the scheme) to be sold in the market or used to pay service tax. This will benefit service exporters who do not import any inputs and are hence not able to use the scrips.

The Commerce Ministry is also working on making the existing Focus Product Scheme, which gives sops to identified labour-intensive products more specific by covering fewer items and increasing the amount.

The proposals, being firmed up by the Commerce Ministry in consultation with exporters, will be discussed with the Finance Ministry soon. The annual Foreign Trade Policy is expected to be announced after the Union Budget scheduled in July 2014.

The cost disadvantage that Indian exporters face is as high as 8-10 per cent and an incentive of 2-5 per cent can't help much.

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PARTICIPATE IN COUNCIL'S EXCLUSIVE INDIAN TEXTILE EXHIBITIONS, ETHIOPIA & SUDAN

The Council is planning to organise exclusive Indian Exhibitions of Man-Made Fibre textiles in Ethiopia & Sudan during the 2nd week of August 2014. These exhibitions will be organised in association with the concerned Indian Embassies and with the support of local Trade Bodies. Service of a professional Event Management Agency will also be used to organise these events effectively. These programmes are being proposed to be organised under the "Focus Africa (Wana Countries)" Scheme, which was formulated by the Ministry of Commerce & Industry, Govt. of India with a view to significantly enhance India's trade in this region. The Exhibitions will be organised in centrally located business class hotels. These programmes will be publicised extensively by way of advertisement, invitations, flyers, mass emailing, tele-marketing, press releases, Exhibitors' catalogues etc. During the Exhibitions, complete range of Indian synthetic, rayon and blended textiles including fibres, yarn, fabric and made-up items will be showcased by the participants for exploring the possibility of doing business with their potential customers. These Events will be exclusive programmes of the Council for its member-companies only and hence, these exhibitions will be a "not-to-be-missed" opportunity to the members to explore and expand their export-trade to these emerging African markets in a big way.

Ethiopia is one of the growing markets in the African region for Indian Man-Made Fibre Textiles in yarn, made-ups and fabric categories. Our exports to this market is steadily increasing since 2007-08. During 2012-13 , our exports reached an all time high of ₹ 79.65 crores. As regards Ethiopia's import of textiles, an amount of US$ 250 million worth of textile products was sourced from various markets in the world in 2012-13. Of this, an amount of US$ 100 million was of Man-Made Fibre textiles, and during the same period, India exported US$ 16 million Man-Made Textiles to Ethiopia with a market share of a meager 16%

Sudan is also a growing market for Indian MMF Textiles in fabrics, made-ups and yarn categories. Our exports to this market grew tremendously to ₹ 112 crores during 2012-13. Sudan imported around US$ 550 million of textile products during 2013, of which US$ 130 million worth of materials were of Man-Made Fibre Textiles. India's share, with an export of US$ 22 million of MMF Textiles to Sudan during the same period, was of 17% only.

Participation Charge: Since participation in both the Exhibitions in Ethiopia and Sudan is compulsory, an amount of ₹ 2,80,000/- will be charged for participation in the Events However, an amount of ₹ 10,000/- will be offered as cash discount to those, whose payment for participation will reach to the Council on or before 20th June 2014. It may be mentioned here that no discount will be available to anyone, whose payment will reach to SRTEPC after 20th June (Friday). The amount of participation charge may be sent to the Council vide a cheque or DD (for outstation parties) drawn in favour of "The Synthetic & Rayon Textiles Export Promotion Council, Mumbai" along with the duly filled- in enclosed Reply Form at the earliest. It may be noted that these exhibitions have been approved by the Ministry of Commerce & Industry and eligible participants can claim benefits upto to Rupees One Lakh, subject to the fulfilment of certain conditions.

For further details, members may contact Shri Anand Haldankar, Joint Director, Phone: 022-22048797, 22048690, Fax: 022-22048358, Email: srtepc@srtepc.org, tp@srtepc.org

SRTEPC/FE04/SOUTH AFRICA/14-15

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Items of Interest:

Polyester / Viscose Fabrics (for cold weather jackets)

2. Polyester / Wool fabrics (For suits)

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

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

ATTENTION : MEMBERS

CATEGORISATION OF MEMBERSHIP FOR ELECTION

The Council has two categories of members Viz. Associate and Ordinary. Only an Ordinary member has the right to vote or to offer self as a candidate at Elections to various positions in the Council at the Annual General Meeting scheduled to be held in September, 2014

In order to be eligible for Ordinary Membership, a firm must satisfy the following requirements:

I. (a) The firm must have been an Associate Member of the Council for at least three years.

(b) The firm must have to its credit, during the three financial years immediately preceding, average exports in respect of Synthetic & Rayon Textile items (Products falling under the purview of the Council) not less than the amount mentioned below:

(i) Small Scale Industries : ₹ 10 lakhs

(ii) Others : ₹ 25 lakhs

OR

II. The firm must have to its credit during the immediate preceding year, export performance of ₹ 20 lakhs for SSI and ₹ 50 lakhs for others in respect of the products with which the Council is concerned.

Pursuant to the above, the categories of members are likely to change every year on the basis of their past export performance in Synthetic & Rayon Textile items. Keeping in view the forthcoming elections to the Committee of Administration of the Council, we are in the process of finalising the eligibility of members to be considered as Ordinary members as stated above.

In this regard, we have sent to Members a specimen proforma which should be filled in and returned to the Council at the earliest. The Proforma should be made on your Company's Letterhead and duly certified by a Chartered Accountant. The F.O.B. value of exports in Synthetic & Rayon and Blended Textile items (excluding Ready-made Garments) which fall under the purview of this Council only should be furnished in the statement in Sr.No.7 in the Proforma.

Please note that members who do not furnish the above information will not be eligible for inclusion in the category of Ordinary members for the purpose of Election.

ETHIOPIA – THE EMERGING MARKET AND INVESTMENT DESTINATION

Though Ethiopia is an ancient country, it is a new democracy in which its people are relentlessly struggling to improve its governance and economic development for the past twenty two years. As a result to this, Ethiopia has become one of the fastest growing economies in the world. Hence, because of the peace and security prevalent in the country as well conducive business and investment climate, Ethiopia has also become one of the most preferred destinations for Indian businesses including leather, textile, agriculture, information technology and pharmaceuticals.

Cotton Based textile industry

Ethiopia is an agriculture based economy which is why its textile industry is predominantly Cotton based. However, the Government has formulated and implemented a five year Growth and Transformation Plan (GTP) that transforms the economy into industrialization driven economy. Ethiopia has a vision of becoming a middle income country in the years during 2020 - 25.

One of the largest textile markets in Africa

Ethiopia is the second-largest populous country in Sub-Saharan Africa with a population of about 91.7 million (World Bank, 2012) which potentially makes it one of the largest textile markets in Africa. Some of the prominent industries in Ethiopia include food processing and beverages, textiles, leather, chemicals, metals processing and cement.

Ethiopia's Textile Trade

As per latest information, Ethiopia imported USD 4750 million of textile products from world of which USD 190 million was of Man-made fibre textiles. Major suppliers of textile products to Ethiopia are China, India, Indonesia, Thailand, Germany, Turkey, etc.

Value in USD Mn

Exporters	All textiles	MMF textiles	MMF textiles Share (%)
World	475	190	100.00
China	330	120	63.16
India	35	17	8.95
Thailand	17	4	2.11
Indonesia	11	9	4.74
Turkey	8	3	1.58
Germany	5	4	2.11

Source: UN COMTRADE

Exports of Indian MMF textiles to Ethiopia

Value in USD Mn

	Fabrics	Made-up	Yarn	Fibre	Total	%Gr/Dec
2009-10	0.29	0.33	2.56	0.1	3.28	-9.89%
2010-11	0.75	0.45	3.18	0.1	4.48	36.59%
2011-12	1.9	2.5	7.6	0.13	12.13	170.76%
2012-13	0.63	1.79	12.04	0.39	14.85	22.42%
2013-14	1.39	2.99	12.05	0.34	16.77	12.93%

Source: DGCI&S

Exports of Indian Man-made and blended textiles to Ethiopia are steadily increasing and during 2013-14 exports were USD 17 million recording a growth of 13% compared to the previous year. In exports yarn were the dominant products with 72% share followed by made-ups 18%, fabrics 8% and fibre 2%.

Ethiopia's Merchandise Trade

According to the National Bank of Ethiopia in 2013, out of Ethiopia's total trade of USD 14.5 billion, imports crossed over USD 11.4 billion, while exports stood at USD 3.1 billion. China was the largest import partner for Ethiopia at over 27 per cent of the total import volumes. Other countries that had a significant share in Ethiopian imports were India at 11.1 per cent, Saudi Arabia at 8.5 per cent, Japan at 4.7 per cent and USA at 4.6 per cent.

Ethiopia's Top Trading partners (2013)

Imports			Exports		
Country	Value	Percentage Share	Country	Value	Percentage Share
China	2.9 Bn	26.9 percent	Somalia	USD 319.8 Mn	12.3 Percent
India	1.2 Bn	11.1 per cent	China	USD 308.3 Mn	11.8 Percent
Saudi Arabia	928.6 Mn (mainly fuel imports)	8.5 per cent	Germany	USD 177.1 Mn	6.8 Percent
Japan	517.5 Mn	4.7 per cent	Netherlands	USD 168.9 Mn	6.5 Percent
USA	514.8 Mn	4.6 per cent	Saudi Arabia	USD 165.4 Mn	6.3 Percent

Source: National Bank of Ethiopia

Ethiopia's major exports

Major exports from Ethiopia include coffee, oil seeds, pulses, gold, khat, flowers, pulses, leather and leather products, meat and meat products, vegetables and fruits and live animals.

Ethiopia's main imports

The main imports of the country include capital goods, consumer goods, fuel, semi finished goods and raw materials.

As a developmental state, the Government of Ethiopia is developing its infrastructure such as road, railways and telecommunication in order to interconnect the country. The ports are being connected through railways for an easy access and industrial zones with necessary facilities are being developed close to the main cities where road, air transport, electricity and the necessary infrastructure has already been put in place. Another area is human resource development where the Government is highly involved in providing health and education in order to maintain productive work force to the industry.

Investment Friendly Economy

Ethiopia has an investor friendly policy and the investment proclamation encourages investors by providing a package of investment incentives. Moreover, a one-stop-shop where all the services including land clearance is given in one window is being developed for the convenience of the exporters.

There are wide areas in which investors can participate and be part of this growth story of Ethiopia.

Priority Areas

Investment in agricultural products as well as value addition to the agricultural products is highly encouraged. The priority areas in the agriculture sector are cotton, horticulture and floriculture. The Government is developing economic zones for commercialised farming while land on lease is available around main cities where the infrastructure and the necessary facilities are already in place. In the manufacturing sector the priority areas are agro-processing, textile, leather goods, pharmaceutical, chemicals, metals and information technology.

Investment Policy

A foreign investor can undertake investment as a sole proprietor or jointly with domestic investors. Capital requirement for foreign investors is USD 200,000 for a single and wholly foreign owned investment and USD 100,000 per project in areas of engineering, architecture, accounting and audit services, project studies, and consultancy services. If an investor wishes to invest jointly with local partner the capital requirement for investment in partnership will be USD 150,000 per project and USD 50,000 in areas of engineering, architecture, accounting and audit services, project studies and consultancy services. 100 per cent repatriation and remittances are granted to foreign investors in convertible foreign currency at the prevailing exchange rate on the date of remittance.

Incentives for Investment

Customs duty exemption

- 100 per cent exemption from payment of import customs duties and other taxes levied on imports to import all investment capital goods, such as plant machinery and equipment, construction materials, as well as spare parts up to 15 per cent of the value of capital goods imported.

Export Incentives

- Duty Drawback Scheme: Duty paid at the port of entry and locally on raw materials used in the production commodities is refunded 100 per cent upon exportation of the commodity processed.

- Voucher Scheme: It is a printed document to be used for recording balance of duty payable on raw materials imported for use in the production of goods for external market.
- Bonded Manufacturing Warehouse: Producers wholly engaged in exporting their products who are not eligible to use the voucher scheme and who have license that enable them to operate such warehouse.

Taxation

- Income tax exemption from 2-6 years depending on the type and area of investment.

Market Opportunities

- Second largest domestic market in Africa with about 90 million consumers,
- Proximity to the markets of the Middle East, Asia and Europe.
- Access to markets of 19 member states of COMESA, Common Market for Eastern and South Africa, with a population of over 400 million with a preferential tariff rates,
- Preferential access to European Market under EU's everything- But-Arms (EBA) initiative,
- Preferential access to Austria, Canada, Finland, Japan, Norway, Sweden, USA and most other EU
- countries under Generalized System of Preference (GSP),
- Under the African Growth and Opportunity Act (AGOA) program, Ethiopia is entitled to duty-free U.S. market access.

Indian Investment in Ethiopia

- Total investment: USD 4.8 billion (in addition, there are pipeline investment projects)
- Number of Projects: 632 (June 2003-January 2014)
- Investment areas: Agriculture (cotton, horticulture, floriculture, bio- fuel, soya bean, edible oil crops and dairy farm); Manufacturing (garment and textile, leather and leather products, pharmaceuticals, metal, paper and printing); mining and consultancy.
- Regarding sector wise structure of investment, out of the total number of licensed projects 48 per cent are manufacturing, 22 per cent are agriculture and 13 per cent are real estate projects.

Ease of Doing Business

In the Ease of Doing Business 2013, conducted by the World Bank and International Finance Corporation (IFC), out of 185 economies across the world, Ethiopia has been ranked 124 out of the 185 economies.

Ethiopia debuts on Sovereign Credit Ratings

For the first time in Ethiopia's history, US rating agencies announced their credit rating for the country on May 9, 2014. The Government of Ethiopia (GoE) hired the three international ratings companies namely, Moody's Investors Service, Fitch Ratings and Standard and Poor's (SandP) to analyze and rate the sovereign default risk of the country. Moody's gave the country's credit worthiness a 'B+', while Standard and Poor's (SandP) and Fitch Ratings gave it a 'B'.

Opening a Branch Office of an Overseas Company

An overseas company wishing to invest through a branch office is required to submit the following documents to the Ethiopian Investment Commission:

i) A certified and notarised copy of the statutes or memorandum of association of the company;

ii) A resolution passed by the owners of the mother company, authorizing the establishment of a branch office in Ethiopia. The authorized capital of the branch, the activity to be undertaken, and the branch manager vested with the authority to become the legal representative in Ethiopia, should be indicated in the resolution;

iii) The Ethiopian Investment Commission shall, upon receipt of the above documents, issue a certificate of registration evidencing the formation of a branch of an overseas company.

India-Ethiopia Bilateral Trade in Goods

The bilateral trade between India and Ethiopia accounted to USD 1.260 billion in 2013, out of which India's exports to Ethiopia were USD 1.224 Billion and imports were only USD 35.5 million.

Ethiopia's major exports to India

The country's major exports to India include pulses, semi precious stones, leather, oil seeds and spices. Pulses are the major items imported from Ethiopia, accounting 35.2 percent of India's total imports from Ethiopia in 2013. It is followed by precious and semi precious stones at 24.5 per cent, leather at 18.3 per cent, spices at 8.7 per cent and oil seeds at 7.8 per cent.

Ethiopia's major imports from India

The major imports from India to Ethiopia are iron and steel products, pharmaceuticals and medical supplies, transport equipment machinery and parts, paper and paper products. Iron and steel products are India's major export items to Ethiopia, accounting for 12.9 per cent of total exports from Indi to Ethiopia followed by pharmaceuticals and medical supplies at 12.7 per cent, transport equipment at 4.9 per cent), machinery and parts at 4.4 per cent and paper products at 4.1 per cent.

Lines of Credit

Government of India has sanctioned Lines of Credit worth more than USD 1 billion to the Government of Ethiopia for sectors such as rural electrification, sugar industry and railways. Ethiopia is the largest recipient of long term concessional loan from India in the entire African region.

India Business Forum

Indian Embassy in Addis Ababa supports the India Business Forum (IBF) which focuses on promoting bilateral trade and investment between India and Ethiopia. The India Business Forum (IBF) was launched on October 30, 2005, and has organized meetings with the Presidents of the Regional states, General Managers of Banks, Director General, Ethiopian Customs Revenues Authority, Ethiopian Employers Federation, Minister of Trade, Industry and even with His Excellency Mr Meles Zenawi, Prime Minister of Ethiopia. IBF is the first foreign business community of its kind in Ethiopia and is considered a model for other foreign businesses to organize themselves on.

SRTEPC Promotional Programme

In view of growing scope for further increasing exports of Indian man-made fibre textiles to Ethiopia, the Synthetic and Rayon Textiles Export Promotion Council is organizing an exclusive Indian Textiles Exhibitions in Ethiopia and Sudan – which is also a potential market for Indian MMF textiles in African region during the 2nd week of August 2014. The Exhibitions are being organized in association with Indian Missions in these countries and with active support of the local Trade Bodies. Through this SRTEPC initiative, its member-exporters will have the opportunity to explore these emerging and potential markets in Africa and build business contacts with buyers. Thus, the Council urges its member –companies to participate in a big way in these exhibitions and take maximum benefits of the events.

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BANGLADESH: EMERGING MARKET INDIAN MMF TEXTILES EXPORTS

(Continued from Page 2)

Major MMF Yarns imported by Bangladesh

Chap	Product Description	Imports in 2013 (In US$ 1000)
540110	Sewing thread of synthetic filaments	13,533
540231	Texturd yarn, of nylon/oth polyamides fi, </=50tex/ s.y.,not put up	6,667
540233	Textured yarn, of polyester filaments, not put up for retail sale	121,535
540244	Synthetic filament elastomeric yarn, single, untwisted or with a twist	26,660
540245	Filament yarn of nylon or other polyamides, incl. monofilament of < 67	9,957
540247	Filament yarn of polyester, incl. monofilament of < 67 decitex, single	17,826
540249	Yarn of synthetic filaments, single, untwisted, not put up	7,630
540261	Yarn of nylon or other polyamides fi, multiple, not put up	6,308
540262	Yarn of polyester filaments, multiple, not put up	9,259
540331	Yarn of viscose rayon filaments, single, untwisted, not put up	5,398
550810	Sewing thread of synthetic staple fibres	46,776
550911	Yarn, >/=85% nylon or other polyamides staple fibres, single, not put up	5,768
550912	Yarn, >/=85% nylon o oth polyamides staple fibres, multi, not put up	7,593
550921	Yarn, >/=85% of polyester staple fibres, single, not put up	12,972
550922	Yarn, >/=85% of polyester staple fibres, multiple, not put up,	60,793
550931	Yarn, >/=85% of acrylic or modacrylic staple fibres, single, not put up	45,397
550932	Yarn, >/=85% acrylic/modacrylic staple fibres, multiple, not put up	103,154
550951	Yarn of polyester staple fibres mixd w/ arti staple fib, not put up	6,684
550953	Yarn of polyester staple fibres mixed with cotton, not put up,	16,448
550959	Yarn of polyester staple fibres, not put up,	5,521
550961	Yarn of acrylic staple fib mixd w wool/fine animal hair, not put up	14,284
550962	Yarn of acrylic staple fibres mixed with cotton, not put up,	43,211
550969	Yarn of acrylic staple fibres, not put up,	26,832
550999	Yarn of other synthetic staple fibres, not put up,	8,574
551011	Yarn,>/=85% of artificial staple fibres, single, not put up	17,933
551012	Yarn,>/=85% of artificial staple fibres, multiple, not put up,	36,178
551030	Yarn of artificial staple fibres mixed with cotton, not put up,	17,065
551090	Yarn of artificial staple fibres, not put up,	11,243

Source: COMTRADE Statistics

Major MMF Fabrics imported by Bangladesh

During 2013 Bangladesh imported around US$ 1 Bn. of Man-made fibre fabrics from the world of which India's share was 12% (US$ 118 Mn). Hence, there is scope for India to increase exports of MMF fabrics to Bangladesh.

Chap	Product Description	Imports in 2013 (In US$ 1000)
540710	Woven fab of high tenacity fi yarns of nylon oth polyamides/polyesters	4,461
540742	Woven fabrics,>/=85% of nylon/other polyamides filaments, dyed,	48,571
540752	Woven fabrics,>/=85% of textured polyester filaments, dyed,	170,337
540754	Woven fabrics,>/=85% of textured polyester filaments, printed,	19,664
540761	Woven fabric >85% non-textured polyester filaments	73,830
540769	Woven fabric >85% polyester filaments,	18,936
540772	Woven fabrics,>/=85% of synthetic filaments, dyed,	11,303
540782	Woven fabrics of synthetic filaments,<85% mixed with cotton,dyed	6,434
540783	Woven fabrics of synthetic filaments, <85% mixd w cotton,yarn dyd	5,183
540792	Woven fabrics of synthetic filaments, dyed,	6,122
551219	Woven fabrics,containg >/= 85% of polyester staple fibres,o/t unbl or bl	15,192
551229	Woven fabrics,containing>/=85% of acrylic staple fibres, o/t unbl or bl	10,390
551311	Plain weave polyest stapl fib fab,<85%,mixd w/ cottn,</=170g/m2,unbl/bl	60,600
551313	Woven fab of polyest staple fib,<85% mixd w/ cot,</=170g/m2,unbl/bl	7,720
551321	Plain weave polyester staple fib fab,<85%,mixd w/ cotton,</=170g/m2,dyd	51,910

Chap	Product Description	Imports in 2013 (In US$ 1000)
551323	Woven fab of polyester staple fib,<85%,mixd w/ cot,</=170 g/m2,dyd	8,649
551329	Woven fabrics of oth syn staple fib,<85% mixd w/ cotton,</=170g/m2,dyed	8,558
551331	Plain weave polyest stapl fib fab,<85% mixd w/ cot,</=170g/m2,yarn dyd	45,010
551339	Woven fab of oth syn staple fib,<85% mixd w/ cot,</=170g/m2,yarn dyd	10,210
551341	Plain weave polyester stapl fib fab,<85%,mixd w/ cot,</=170g/m2,printd	7,660
551422	Twill weave polyester staple fibre fab,<85%,mixd w/ cotton,>170g/m2,dyd	28,832
551423	Woven fabrics of polyester staple fib,<85%,mixed w/ cot,>170 g/m2,dyed	13,459
551511	Woven fab of polyester staple fib mixd w viscose rayon staple fib	62,062
551513	Woven fab of polyester staple fibres mixd w/wool/ fine animal hair	6,198
551612	Woven fabrics, containing>/=85% of artificial staple fibres, dyed	15,255
551614	Woven fabrics, containing>/=85% of artificial staple fibres, printed	10,725
551622	Woven fabrics of artificial staple fib,<85%,mixd with Man-made fi,dyd	61,216

Source: COMTRADE Statistics

Major MMF Knitted Fabrics imported by Bangladesh

Chap	Product Description	Imports in 2013 (In US$ 1000)
600122	Looped pile knitted or crocheted fabrics, of Man-made fibres	8,107
600192	Pile knitted or crocheted fabrics, of Man-made fibres,	59,631
600531	Unbleached or bleached warp knit fabrics of synthetic fibres "incl. th	2,573
600532	Dyed warp knit fabrics of synthetic fibres "incl. those made on galloo	33,098
600631	Unbleached or bleached fabrics, knitted or crocheted, of synthetic fib	3,385
600632	Dyed fabrics, knitted or crocheted, of synthetic fibres, of a width of	97,497
600634	Printed fabrics, knitted or crocheted, of synthetic fibres, of a width	14,514
600642	Dyed fabrics, knitted or crocheted, of artificial fibres, of a width o	10,626
600644	Printed fabrics, knitted or crocheted, of artificial fibres, of a widt	2,026

Source: COMTRADE Statistics

Exports of Indian Man-made fibre textiles to Bangladesh

Bangladesh is a growing market for Man-made fibre textiles. During 2013-14 Bangladesh has emerged as the 5th largest market for Indian Man-made fibre textiles. Exports of these textiles from India to Bangladesh have steadily grown over the years to reach to the tune of USD 230 Mn. during 2013-14 recording a growth of 32% compared to the previous year.

Value in USD Mn

	Fabrics	Made-up	Yarn	Fibre	Total	% Gr/Dec
2009-10	76.4	2.56	30.72	14.51	124.19	
2010-11	57.94	2.6	49.5	24.02	134.06	7.95
2011-12	61.18	2.5	48.77	16.47	128.92	-3.83
2012-13	88.48	4.59	53.2	27.64	173.91	34.90
2013-14	117.49	6.73	69.58	35.58	229.38	31.90

Source: DGCI&S

Main items of exports in India's export basket of Man-made fibre textiles to Bangladesh during 2013-143 were as follows:

Fabrics	Polyester Filament Fabrics, Nylon Filament Fabrics, Sarees, etc.
Made-ups	Furnishing Articles, Laces, Braids, Muffler, etc.
Yarn	Acrylic Spun Yarn, Polyester Textured Yarn, Polyester Cotton Yarn, etc.
Fibre	Viscose Staple Fibre, Polyester Staple Fibre, etc.

Import Duty Structure of Bangladesh

Bangladesh's import tariffs are applied on the c.i.f. (cost, insurance, freight and other charges) value.

Products Fibre / Yarn	HS Chapter/ Subheading	Tariff Rate Range (%)
silk	5003-5006	**12**
wool	5105-5110	**5**
cotton	5203-5207	**5 - 12**
other vegetable fiber	5306-5308	**12 - 25**
Man-made fiber Woven Fabric	**5401-5406/5501-5511**	**5 - 25**
silk	5007	**25**
wool	5111-5113	**25**
cotton	5208-5212	**25**
other vegetable fiber	5309-5311	**25**
Man-made fiber	**5407-5408/5512-5516**	**25**
Knit Fabric	60	**25**
Non Woven Fabric	5603	**25**
Industrial Fabric	59	**3 - 25**
Apparel	61-62	**12 - 25**
Made ups: Home Furnishings including: bed, bath, kitchen linens, etc.	63	**25**

INCREASING EXPORT POSSIBILITIES FROM INDIA

South Asian Free Trade Area (SAFTA)

Bangladesh is committed to allow duty-free import of 248 products from Non-LDCs (NLDCs) under SAFTA including India as part of a major move by the South Asian nations to boost intra-regional trade. By doing so, Bangladesh has reduced the number of items in its Sensitive List from 1241 to 993 in case of Non-LDCs which also includes textile items including synthetic & rayon textiles. Approval of duty - free import of Man-made fibre textiles from India is expected to substantially boost to already growing exports of Indian Man-made fibre textiles to Bangladesh.

Sensitive lists under the SAFTA comprise around 53% of the total trade among the SAFTA member-states. The present numbers of the products kept by the SAFTA countries in its respective Sensitive lists are given as follows:

Member State	Number of Products in the Sensitive Lists at present	Number of Products agreed to be reduced during the Second Meeting (20% reduction)	Proposed Number of Products in the Sensitive Lists w.e.f. 1January, 2012 (2) – (3)
(1)	**(2)**	**(3)**	**(4)**
Afghanistan	1072	214	858
Bangladesh	**1233 (LDCs) 1241 (NLDCs)**	**246 (LDCs) 248 (NLDCs)**	**987 (LDCs) 993 (NLDCs)**
Bhutan	150	0	150
India	480 (LDCs) 868 (NLDCs)	96 (LDCs) 173 (NLDCs)	384 (LDCs) 695 (NLDCs)
Maldives	681	136	545
Nepal	1257 (LDCs) 1295 (NLDCs)	251(LDCs) 259 (NLDCs)	1006 (LDCs) 1036 (NLDCs)
Pakistan	1169	233	936
Sri Lanka	1042	208	835 (LDCs) 906 (NLDCs)

Bangladesh being India's neighbouring market, India has various comparative advantages due to geographical proximity including logistical advantage to export Man-made fibre textiles to Bangladesh. Enhanced trade ties in textiles between India and Bangladesh is a win win situation for both the countries. Moreover, with imports of Indian MMF textiles Bangladesh can cut costs and Indian MMF textiles are complementing Bangladesh garmenting industry rather than competing.

Indian Government's Positive Steps

The Government of India has recently taken pro-active initiatives to facilitate bilateral trade between India and Bangladesh like extending working hours at Petrapole, aligning the weekly holiday with Bangladesh, allowing movement of trucks carrying export cargo up to the LCS of the importing country for discharge of cargo, regular meetings between the jurisdictional commissioners of Customs of India and Bangladesh as well as meetings at the border to address issues of concern to the trade, etc. The same will enormously help in increasing exports of Indian MMF textiles to Bangladesh.

The Council has also requested for a system to be introduced by which trucks from India may be given permission to reach goods directly to factories in Bangladesh which may substantially reduce the role of middle men and leakages.

SRTEPC Promotional Programme

In view of the importance and growing scope for increasing exports of Indian Man-made fibre textiles to Bangladesh, the Synthetic and Rayon Textiles Export Promotion Council is planning to organize an exclusive Indian Textiles Exhibition in Bangladesh during 2014. This will be a big opportunity for the Indian companies to explore the Bangladeshi market in right time. Thus, the Council requests its member –companies to participate in a big way to showcase India's strength in Man-made fibre textiles before Bangladeshi buyers/importers, retail houses, agents, etc. and take advantage of the event.

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FREQUENTLY ASKED QUESTIONS (FAQ's)

- **Can Status Holders Incentive Scrip (SHIS) be utilized for paying customs duty on import of Second Hand Textile Machinery?**

Ans: The objective of SHIS is to promote investment in upgradation of technology in specified sectors as listed in Para 3.16.4 of FTP and 3.10.8 of HBP. Textiles is also included in the specified sectors eligible for import against SHIS scrip. The SHIS may be used for import of capital goods related to sectors specified, provided same is freely importable and is not listed in Appendix 37B of HBP. Moreover, FTP provisions related to SHIS do not make any reference to restriction on import of second hand machinery against SHIS scrip.

- **What are the latest RBI guidelines for receiving long term export advances?**

Ans: RBI has recently issued notification no. RBI/2013-14/597 A.P. (DIR Series) Circular No.132 dated May 21, 2014 allowing exporters to receive long term export advance up to a maximum tenor of 10 years to be utilized for execution of long term supply contracts for export of goods. AD Category-I banks can now extend the liberalized facility to the exporters having a minimum of three years satisfactory track record, subject to fulfillment of certain conditions.

- **We are exporting to Singapore and UAE for the past three years. Please confirm whether exports to these countries are eligible for Incremental Exports Incentivisation Scheme?**

Ans: Exports to Singapore, U.A.E and Hong Kong are not eligible for calculation of export performance or computation of entitlement under the scheme. These exclusions are in addition to other ineligible categories as per Para 3.15.4 (d) of FTP pertaining specifically to Incremental Exports Incentivisation Scheme

- **Does an Import Authorisation expire on the day of expiry?**

Ans: As per provisions of Para 2.12.1 of HBP, where an authorisation expires during the month, such authorisation shall be deemed to be valid until last day of the month. However, these provisions do not apply to DEPB/ FMS/ FPS etc as these are duty credit entitlements and must be valid on the date when actual debit of duty is effected.

- **What is the eligibility criteria for Status Holder recognition?**

Ans: The Status Holder recognition depends on export performance. An applicant is categorized as an "Export House/ Star Export House/ Trading House/ Star Trading House/ Premier Trading House" depending on total FOB export performance achieved during current plus previous three years (taken together). Moreover, for Export House Status, export performance is necessary in at least two out of four years (i.e., current plus previous three years).

For any other specific query, member exporters can write to us at es@srtepc.org

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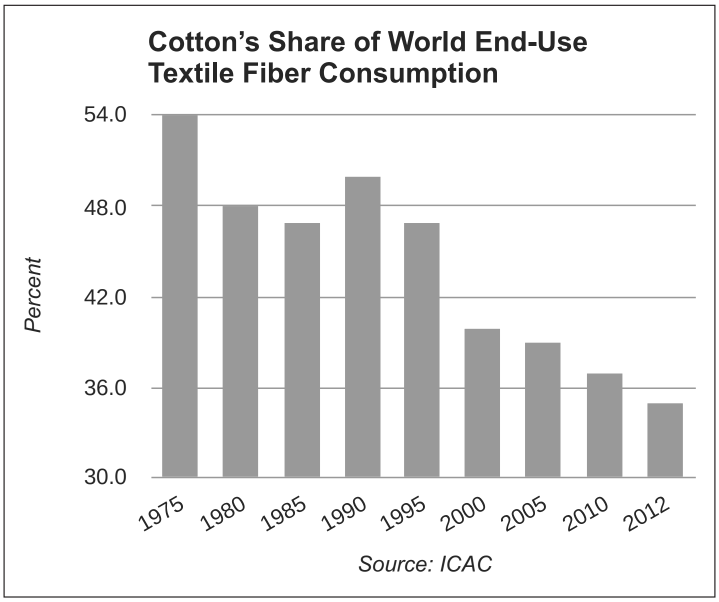
‘SYNTHETIC’ THE FABRIC OF OUR LIVES

The market share of natural Fibre in global end-use consumption is shrinking rapidly. Price fluctuations, weather disruptions and changing consumer attitudes have contributed to cotton losing its market share to synthetic fibers.



Cotton's market share of global end-use consumption is currently at the lowest level in years. Main reason for this is the hike in price of cotton during 2011, when prices soared from 60 cents per pound to over $2 per pound in less than a month.

Although the 2011 price debacle has significantly hurt cotton's attractiveness to buyers around the world, cotton has steadily lost market share since 2000. It is a serious development for those in the cotton supply chain and it suggests a long term shift occurred in favour of synthetics fibres.

Price differences between polyester staple fibre and cotton have only deepened a trend that was well established before the cotton price blow-up in 2011. However, apart from price what favours synthetic over cotton is the growing popularity of this fibre among consumers. Retail buyers have figured out that the use of blended products, as well as 100% synthetics, is fine with consumers which is the development that reversed many years of consumer preferences for 100% cotton in their garments.

Cotton Vs. Synthetic fibres

The technical performance factors also matter in fiber-sourcing decisions. But there's another reason that has helped to swing the market towards greater use of synthetic fibres. It's not that sourcing executives don't know the difference between synthetics and cotton, but rather that it's hard for sourcing executives to distinguish amongst all the difference cotton messages in the market.

There are various cotton promotion and marketing initiatives out there - each with a specific message representing a particular constituency in the cotton industry, tasked with expanding the reach of cotton in today's market. When viewed from an industry perspective, it's clear that many of these cotton programs not only compete against synthetics but directly with each other.

Synthetic a better alternative

Not only prices have helped synthetics gain market share at the expense of cotton; synthetic fibres have also become popular among fashion designers and consumers. Moreover, due to the inherent qualities of these fibres they have become equal to cotton in a wide range of applications, including the key fabric of denim which was traditionally a stronghold for cotton.

Clothes of synthetic fibres are smart and have outperformed their counterparts in the cotton industry. Consequently, many consumers today see no problem wearing synthetics despite its origins, while fretting over how cotton is produced.

The “space age” was ushered in by none other than polyester which is a test tube based, oil-derived product that is successfully sold throughout the world even though the product's main attribute - wrinkle resistance - failed to overcome the product's shortcomings - namely a lack of breathability.

Today, however, the advanced technology continues with more and more sophisticated versions of the same fiber, often blended with cotton to help shore up polyester's cache as well as comfort. Lack of breathability is now equated with warmth and moisture wicking.

A Green Polyester

For many consumers, cotton is not green; the fiber requires too much water, too many pesticides and too much labor to be grown. However, for many polyester is green; it can be recycled.

The fact that the fiber is made of petrochemicals and treated with caustic chemicals is beside the point - green messaging in this case has resonated.

The largest consumer of polyester in the world today is actually one of the "greenest," environmentally advanced regions of the world is Europe.

In turn, there are vociferous debates in the cotton industry over whether organic cotton consumes fewer resources than GMO cotton. Regardless of the debate within the cotton industry, many retailers are compelled to react to consumer demand and sell "organic" clothes.

But with ill-described and conflicting definitions of what does or does not constitute organic cotton, who is to say what qualifies? Some say there are established standards while others suggest that standards are still a work in progress. In any event, there's only a limited amount of cotton that could ever be qualified as truly organically produced.

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ATTENTION : MEMBERS

RENEWAL OF COUNCIL'S MEMBERSHIP 2014-2015

A notice has been sent to all members regarding renewal of their membership of the Council for the year 2014-15. Kindly refer to the Council's letter No. Secy/Mem/292 dated 10th March, 2014 and the Subscription Memo sent along with the Circular in this regard to all members regarding renewal of your Membership of the Council for the year 2014-2015.

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

In view of the above, members who have not yet sent the renewal fee are requested to send the same for the year 2014-15 at the earliest.

The annual membership fee is as follows :

For SSI units	:	₹ 5394 (including service tax of 12.36%)
For others	:	₹ 8764 (including service tax of 12.36%)

WTO AGREEMENT ON SUBSIDIES AND COUNTERVAILING MEASURES (ASCM)

The Context

Indian MMF textiles are increasingly facing Anti-Dumping / Anti-subsidy investigations. In this context, we are glad to publish an article clarifying the relevant issues related to WTO Agreement on Subsidies and Countervailing Measures (ASCM).

Introductory Remarks

Subsidy is a very sensitive matter in international trade relations. The term "subsidy" is generically used to describe something that is given by a government to an industry or business in order to help the industry or business in some way. ***However, in WTO language and the SCM Agreement, the definition of the term "subsidy" is restricted.***

On one hand, subsidies are evidently used by governments to pursue legitimate objective of economic and social policy, on the other hand, subsidies may have adverse effects on the interests of trading partners, whose industries may suffer from unfair competition.

Article 3.1 (a) of the ASCM (Agreement on Subsidies and Countervailing Measures) prohibits outright any subsidy that is made contingent, in law or in fact, upon export performance. As per ASCM, a "subsidy" will be deemed to exist if –

(1) a financial contribution is provided by a government to a person, and

(2) a benefit is conferred to that person.

The WTO ASCM gives a list of prohibited, actionable and non-actionable subsidies. These are given below.

1. **Prohibited Subsidies**

   Certain subsidies are regarded as outright trade distortive, hence classified as prohibited subsidies. These are as follows:

   i. **Export subsidies –** subsidies that are contingent on export performance, except as provided in the Agreement on Agriculture. Examples as under-
      - Direct subsidies based on export performance.
      - Currency retention schemes involving a bonus on exports.
      - Provision of subsidized inputs for use in production of exported goods.
      - Exemption from Direct Taxes (tax on profits related to exports).
      - Exemption from / remission of Indirect taxes on export products (excess over tax on same product sold in domestic market).
      - Remission/ Drawback of import charges (excess over charges levied on inputs for export goods production).
      - Export guarantee programs with uneconomical premium rates (lower than long term costs of program)
      - Export credit at uneconomical interest rates (lower than govt. cost of borrowing rates)
      - Favourable logistics facilities (internal transport and freight charges, provided by govt. on favourable charges)
      - Any other charge on the public account constituting an export subsidy

   ii. **Import substitution subsidies –** contingent on use of domestic over imported goods

2. **Actionable Subsidies**

   Actionable subsides are also considered to distort trade. An actionable subsidy is a specific subsidy that has any one of the following negative effects:

   i. Causes injury to the domestic industry of another WTO Member;

   ii. Nullifies or impairs benefits

   iii. Causes serious prejudice to the interests of another WTO Member.

   If a WTO Member is providing actionable subsidies, a WTO Member may take action under SCM Agreement or may impose countervailing duties in respect of goods if a countervailing duty investigation is initiated and a finding of subsidization and material injury is made.

3. **Non-Actionable Subsidies**

   Most non-actionable subsidies are subsidies that are not specific. In addition, subject to detailed conditions, a specific subsidy that fall within the categories below may be non-actionable subsidies:

i. The subsidy provides assistance for research activities conducted by firms or by higher education or research establishments on a contract basis;

ii. The subsidy provides assistance to disadvantaged regions given pursuant to a general framework of regional development; and

iii. The subsidy provides assistance to promote adaptation of existing facilities to new environmental requirements imposed by law or regulations, which result in greater constraints and financial burdens on firms.

However, the non-actionable subsidies must be notified to the WTO Committee on Subsidies and Countervailing Measures and other WTO Members must have an opportunity to request additional information about the subsidy program.

Special Provisions for Developing Countries for providing subsidies

Article 27 of the SCM Agreement grants certain developing nations an exemption from Article 3.1(a) by specifying that countries listed in Annex VII of the SCM Agreement are exempt from Article 3.1(a)'s prohibition on export subsidies. The provisions are as follows:

- A country can maintain all these so long as its per capita GNP per annum does not exceed $1000 or till such time that export competitiveness is achieved in one or more products.
- Export competitiveness is said to have been achieved only if the developing country member's exports of that product (HS section head) has reached a share of at least 3.25% in world trade of the product for two consecutive years.
- When export competitiveness has been achieved export subsidies will gradually have to be phased out over a period of 8 years. Export competitiveness shall exist either (a) on the basis of notification by the developing country Member having reached export competitiveness, or (b) on the basis of a computation undertaken by the Secretariat at the request of any Member.
- As per Article 27. 10, any countervailing duty investigation of a product originating in a developing country Member shall be terminated as soon as the authorities concerned determine that:

(a) The overall level of subsidies granted upon the product in question (export items) does not exceed 2 per cent of its value calculated on a per unit basis; or

(b) The volume of the subsidized imports represents less than 4 per cent of the total imports of the like product in the importing Member, unless imports from developing country Members whose individual shares of total imports represent less than 4 per cent collectively account for more than 9 per cent of the total imports of the like product in the importing Member.

Countervailing Measures

SCM Agreement contains rules regarding initiation and conduct of investigations, imposition of preliminary and final measures and the duration of measures.

These rules are meant to ensure that investigations are conducted in a transparent manner, all parties have full opportunity to defend their interests, and investigating authorities explain the basis of their determination. Most of procedural rules are similar to those applied for Anti-Dumping Agreement.

India's experience with ASCM

In the past, DEPB scheme was targeted under ASCM as a subsidy till it was eventually discontinued in October 2011. Similarly, some other schemes like DFRC, Target Plus and SHIS have also been phased out by the government. India's other functional schemes such as duty exemption/drawback scheme, EPCG, Chapter 3 Schemes, TUFS, EOU, SEZ etc are often interpreted as prohibited export subsidies. Off late our MMF textiles have been facing a flurry of anti-subsidy and anti-dumping investigations which is a cause of concern.

Conclusion

India's share in world MMF textiles trade is only 2.8% which keeps us out of the ambit of ASCM. However, as we inch towards the threshold of 3.25 % share in world MMF textile exports, provisions for phasing out subsidies may apply in future.

For the time being, our schemes such as duty exemption/drawback scheme, EPCG, Chapter 3 Schemes, TUFS etc may continue, but India has to devise new WTO-compatible schemes in the future as done by the other developed countries in a strategic way to ward off any action against our schemes.

Moreover, to reduce transaction cost and improve overall competitiveness of exporters in the new world order, infrastructural facilities including road ways, rail ways, air ports, sea ports, etc. have to be scaled-up. Preferential Trading arrangements with our trade partners and focus markets should also be further explored in the fast changing global market place.

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DGFT

Agencies Authorised to Issue Certificate of Origin.

Public Notice No. 59/2009-2014 (RE-2013) dated 15th May, 2014

In exercise of powers conferred under paragraph 2.4 of the Foreign Trade Policy 2009-2014, the Director General of Foreign Trade hereby makes the following changes in Appendix 4D of Handbook of Procedure Vol. I (Appendices and Aayat Niryat Forms) 2009-2014, as described in para 2 below.

2. The structure of Appendix-4D is being changed. The Bilateral/Regional Preferential Trade Agreements signed by India are being included along with their respective agencies authorized to issue Certificate of Origin (Preferential). While, the Export Inspection Council (EIC) is mandated to issue Certificate of Origin (Preferential) for all goods under all trade agreements; Marine Products Export Development Authority (MPEDA) is also now being authorized to issue Certificate of Origin (Preferential) for Marine products under all trade agreements. In addition, with respect to textiles and made ups, the Textiles Committee is being authorized to issue Certificate of Origin(Preferential) under India-Japan Comprehensive Economic Partnership Agreement (IJCEPA).

http://dgft.gov.in/Exim/2000/PN/PN13/pn5913.htm

Online complaint resolution system relating to EDI issues

Trade Notice No.25/2014 dated 4th June, 2014

An online complaint resolution system relating to EDI issues has been established where users can file online complaint. User can go to 'icon' "EDI complaint resolution" and feed following data in the system to get the issues addressed. A key number for each complaint will be generated which can be followed up by the users and DGFT officials for early resolution of issues. If the issue is not resolved in 5 working days email may be sent to Shri Anil Kumar Sinha, DDG(NIC) – anilksinha@nic.in.

2. All stakeholders are requested / encourage to use the facility of online complaint resolution system relating to EDI issues with effect from 04.06.2014

http://dgft.gov.in/Exim/2000/TN/TN13/tn-10_2014.htm

CBEC-CUSTOMS

Agreement between the India-Taipei Association in Taipei (ITA) and the Taipei Economic and Cultural Center in India (TECC) on the FICCI / TAITRA Carnet for the Temporary Admission of Goods

Annex to the Agreement

Notification No.10/2014-Customs dated 12th May, 2014

G.S.R. … (E). – In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts the goods described in Schedule I annexed hereto, when imported into India for display or use at any event specified in Schedule II from the whole of the duty of customs leviable thereon which is specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) and from the whole of the additional duty leviable thereon under section 3 of the said Customs Tariff Act, subject to the conditions that, -

(1) the event specified in Schedule II annexed hereto is being held in public interest and is sponsored or approved by the Government of India or the India Trade Promotion Organisation;

http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2014/cs-tarr2014/cs10-2014.htm
http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2014/cs-tarr2014/cs10-2014-annx.pdf

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Instruction

Differences between duty credit scrips and goods permitted/not-permitted against them under respective FTP paragraphs/Customs Notification - regarding

F.No.603/13/2013-DBK dated 27th May, 2014

Attention of field formations is drawn to the fact that diverse types of duty credit scrip are issued under relevant paragraphs of Foreign Trade Policy. These duty credit scrips have varying degrees of transferability/actual user conditions that, inter alia, determine which person may use the scrip and, at times, for what purpose. Further, in relation to goods, the respective reward schemes/scrips prescribe the specific nature of goods permitted to be imported against the particular duty credit scrip. There may also be specification in respective reward/incentive scheme of certain types of goods in relation to which duty credit scrip may not at all be used, for example, the items listed in Appendix 37B of HBPv1, and the use of scrips for such items would not be correct. Such aspects are also incorporated as conditions in the implementing Customs or Central Excise notifications. Moreover, such restrictions on which person may use or in relation to which goods scrip may be used, being intrinsic to the respective reward/ incentive scheme, continue to operate even when duty credit scrip is to be allowed for use for discharging duty on already imported goods in cases of export obligation in default.

http://www.cbec.gov.in/customs/cs-instructions/cs-instructions-14/cs-ins-diff-dutycredit-scrips.htm

SAHAR AIR CARGO CUSTOMS

Procedure to be followed in case of registration of Duty Credit Scrips issued under Vishesh Krishi and Gram Udyog Yojana (VKGUY), Target Plus Scheme (TPS), Focus Market Scheme (FMS) and Focus Product Scheme (FPS) - reg.

Facility Notice No. 03 dated 21st May, 2014

Attention of the trade is invited to the Public Notice No.14 dated 26.04.2010, Standing Order No.10/2010 dated 26.04.2010 and Facility Notice No.28/2012 dated 02.11.2012. In order to further simplify the procedure for verification and registration of the licences issued under Chapter-3 of the Foreign Trade Policy 2009-14, Para (5) of the Public Notice No. 14/2010 is amended as follows:

(a) The original Scrip including its Annexure issued by DGFT, alongwith one photocopy of the same shall be submitted with application to the TA in License Section. The license holder, his authorised employee or his authorised CHA only will be permitted to submit the documents. The TA in License section shall check that the documents are complete and shall give acknowledgment to scrip holder/CHA and also endorse the date of receipt on the application. In case the documents are not complete, the TA shall put up the file with the discrepancy memo to Appraising Officer on the same day for issuance of the deficency memo.

(b) The confirmation of issuance of duty credit scrip issued under Chapter-3 of FTP shall be done by the Examiner by cross checking the details of the scrips with its particulars available on the official website of the concerned Regional Authority of DGFT. In cases where such scrips details are not available on the website of DGFT, he would call confirmation from DGFT by fax/e-mail. Copy of verification of genuineness of scrip will be downloaded by Examiner from

DGFT website and it will be placed on the file.

http://www.accmumbai.gov.in/aircargo/miscellaneous/facility_notices/2014/facility_notice.03_21.05.2014.pdf

Facility Notice No.4 dated 23.05.2014

In continuation of Facility Notice no.01/12014 dated 16.01.2014, the following notification is added after Para 2 (ii) :

(iii) Notification No. 43/96- Cus dated 23.07.1996 pertaining to the issue of re-import.

http://www.accmumbai.gov.in/aircargo/miscellaneous/facility_notices/2014/Facility_Notice_No.04.pdf

JNPT CUSTOMS

Implementation of Risk Management System (RMS) in Exports-reg.

Public Notice No: 14/2014 dated 15th May, 2014

Attention of all Exporters, Custom House Agents (CHA) and members of the Trade is invited to the Board's Circular No. 23/2013- Customs dated 24th June, 2013 on the implementation of Risk Management System (RMS) in Exports. The detailed procedure for clearance of the Shipping Bills under the Indian Customs EDI System (ICES) after the introduction of the RMS is given below.

2. Risk Management System in exports will be made operational at 11.00 A.M. from 17.05.2014. It is proposed to implement the Export module of RMS in two phases. In the first phase, which is proposed to be rolled out on 17.05.2014, RMS will process the Shipping Bills for the purpose of selecting the bills for verification of Assessment and Examination. In the second phase, which will be introduced subsequently, RMS will process the Shipping Bills after filing of EGM to select the Bills for PCA (Post Clearance Audit) and sanction of drawback by the officers.

http://www.jawaharcustoms.gov.in/index.php/public-notices/public-notice-no-14-2014

Procedure to be followed in case of registration of duty credit scrips issued under Incremental Export Incentivisation Scheme (IEIS)–reg.

Public Notice No. 15/2014 dated 16th May, 2014

Attention of all Importers/Exporters/CHA's and all concerned is invited to the DGFT Notification No.3(RE-2013)/2009 -2014 dated 18.04.2013 and Customs Notification No.32/2013 dated 13.06.2013 regarding introduction of Incremental Export Incentivisation Scheme (IEIS). Due to some technical reasons, the IEIS licence cannot be registered in the EDI system (ICES 1.5v). Till the EDI module of the IEIS scheme is operationalised, following procedure is prescribed for the Manual Registration of Duty Credit Scrips issued under Incremental Export Incentivisation Scheme (IEIS);

1. The Licence holder/Authorised representative will present the Original licence/scrip to the Licence Section alongwith a request letter for registration of licence/scrip.
2. On submission of licence/scrip under IEIS scheme, verification of genuineness of scrip may be obtained from concerned regional DGFT office vide Fax.

http://www.jawaharcustoms.gov.in/index.php/public-notices/public-notice-no-15-2014

RBI

Export of Goods - Long Term Export Advances

RBI/2013-14/597 dated May 21, 2014

A.P. (DIR Series) Circular No.132

Attention of Authorised Dealer Category - I (AD Category I) banks is invited to the

sub-regulation (2) of Regulation 16 of the Foreign Exchange Management (Export of Goods and Services) Regulations, 2000, notified vide Notification No.FEMA.23/RB-2000, dated 3rd May 2000, as amended from time to time, in terms of which prior approval of the Reserve Bank is required to be obtained by an exporter for receipt of advance where the export agreement provides for shipment of goods extending beyond the period of one year from the date of receipt of advance payment. Further, in terms of A.P. (DIR Series) Circular No.81 dated February 21, 2012 AD Category- I banks have been permitted to allow exporters to receive advance payment for export of goods which would take more than one year to manufacture and ship and where the 'export agreement' provides for the same.

2. In view of requests received from exporters, it has been decided to permit AD Category- I banks to allow exporters having a minimum of three years' satisfactory track record to receive long term export advance up to a maximum tenor of 10 years to be utilized for execution of long term supply contracts for export of goods subject to the conditions as under:

http://rbidocs.rbi.org.in/rdocs/notification/PDFs/132APDIR210514.pdf

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EXPORTS OF INDIAN SYNTHETIC AND RAYON TEXTILES DURING APRIL - MARCH 2013-14

Exports of Indian Synthetic and Rayon MMF textiles during 2013–14 were US$ 6027.53 Million against US$ 5249.30 Million during 2012–13 showing a growth of 14.83%.

Value in USD Mn

	April-March 2013-14 *	April-March 2012-13	Grw/decline (%)
Fabrics	2359.32	1890.93	24.77
Yarn	1890.68	1836.54	2.95
Made-ups	1291.82	1041.37	24.05
Fibre	485.71	480.47	1.09
Total	**6027.53**	**5249.30**	**14.83**

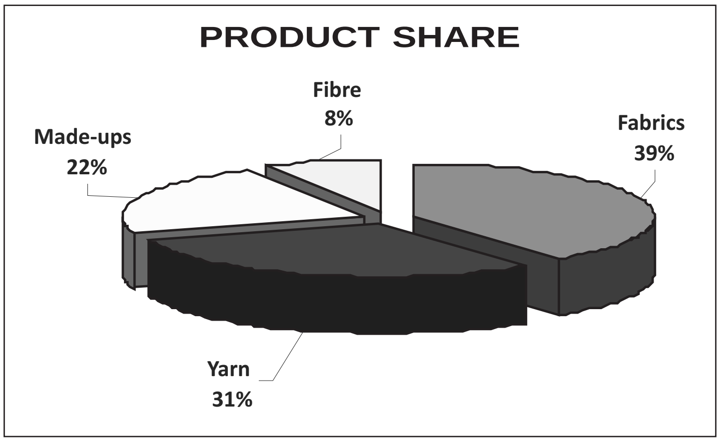
Source: DGCI&S, Estimated

HIGHLIGHTS

- Exports have witnessed a growth of nearly 15% in April-March 2013-14 as compared to the previous year.
- Exports were directed to 146 countries during 2013-14.
- Fabrics dominated the total exports with 39% share followed by Yarn 31%, Made-ups 22% and Fibre 8%.
- The value-added products like fabrics and made-ups were the main export items accounting for 61% share.
- All segments of Indian MMF textiles recorded growth in exports during the year.
- Exports of Fabrics witnessed 25% growth followed Made-ups 24%, Yarn 3% and Fibres 1%.
- Polyester Filament Fabrics (USD 849.92 Mn) was the leading fabric exported during 2013-14 followed by Synthetic Filament Fabrics (USD 512.60 Mn) and Polyester Viscose Fabrics (USD 358.36 Mn)
- In case of yarn export, Polyester Filament Yarn was the leading item with USD 1023.41 Mn followed by Polyester Cotton Yarn with USD 160.84 Mn.
- In Made-ups segment exports of Muffler and Shawls/ Scarves were the leading items with USD 210.01 Mn and USD 131.91 Mn export respectively.
- Exports to the sophisticated and quality conscious EU region have increased to 28% from 20% in the previous year.
- UAE has emerged as the leading market for Indian MMF textiles exports.
- Turkey has emerged as the 2nd largest market.
- Neighbouring market Bangladesh has emerged as the 5th largest market.
- Other major markets during April-March 2013-14 were U.S.A., Brazil, Bangladesh, Afghanistan, U.K., Germany, Egypt, Iran, Pakistan, etc.

PRODUCT SHARE

During April-March 2013-14, exports of Fabrics dominated in the total exports with 39% share, followed by Yarn 31%, Made-ups 22% and Fibre 8%.



FABRICS

Exports of Polyester Filament Fabrics dominated with a share of 36%. The major items of exports in this segment were Sarees, Shirtings, Suitings, Narrow woven Fabrics, Tyre cord fabrics, Parachute Fabrics and Umbrella Cloth. It is heartening to note that exports of fabrics like Synthetic Filament Fabrics and Polyester Viscose Fabrics have registered significant growth of 63% and 20% respectively.

Value in US$ Mn

FABRICS (Woven + Non woven + Knitted)	2013-14*	2012-13	Net Change	% Change
Polyester Filament	849.92	697.46	152.46	21.86
Synthetic Filament	512.60	315.31	197.29	62.57
Polyester Viscose	358.36	298.96	59.40	19.87
Polyester Blended	157.24	127.19	30.05	23.63
Polyester Spun	68.67	54.20	14.47	26.69
Polyester Cotton	55.72	41.87	13.85	33.08

FABRICS (Woven + Non woven + Knitted)	2013-14*	2012-13	Net Change	% Change
Synthetic Cotton	52.06	49.43	2.63	5.31
Polyester Wool	61.34	49.13	12.21	24.85
Nylon Filament	29.29	17.86	11.43	64.00
Synthetic Blended	21.68	9.09	12.60	138.63
Viscose Blended	10.56	25.59	-15.03	-58.73
Artificial Filament	10.34	8.49	1.86	21.89
Viscose Spun	9.89	16.29	-6.41	-39.31
Acrylic Spun	8.52	13.03	-4.51	-34.61
** Others Fabrics	152.83	166.46	-80.62	-76.02
Fabrics Total	**2359.01**	**1890.34**	**468.67**	**24.79**

** Other fabrics include Nylon Filament fabrics, Synthetic Blended fabrics, Viscose Spun, Viscose Cotton fabrics etc.

YARN

In the yarn segment growth was nearly 3% during 2013-14. Polyester Filament yarn continues to be the main export items with exports of USD 1023.41 Mn. followed by Polyester-Viscose with USD 181.20 Mn. and Polyester-Cotton Yarn with USD 160.84 Mn. Exports of Polyester-Viscose yarn had witnessed significant growth of 43%. Exports of Viscose-Cotton Yarn also witnessed excellent growth of 109% followed by Acrylic-Cotton 58% and Viscose Filament Yarn 33%.

Value in USD Mn

YARN	2013-14*	2012-13	Net Change	% Change
Polyester Filament	1023.41	1088.15	-64.74	-5.95
Polyester Viscose	181.20	126.76	54.45	42.95
Polyester Cotton	160.84	171.78	-10.94	-6.37
Polyester Spun	129.28	90.56	38.72	42.76
Viscose Spun	82.90	107.83	-24.93	-23.12
Viscose Filament	78.12	58.77	19.35	32.94
Acrylic Spun	49.34	33.61	15.73	46.82
Synthetic Spun	45.04	36.86	8.19	22.21
Artificial Spun	28.23	21.42	6.81	31.80
Polyester Wool	23.09	18.38	4.71	25.62
Nylon Filament	15.40	21.18	-5.78	-27.28
Viscose Cotton	15.28	7.32	7.97	108.90
Acrylic Cotton	18.60	11.79	6.80	57.69
Other Yarn	39.88	42.15	-2.27	-5.38
Yarn Total	**1890.62**	**1836.54**	**54.07**	**2.94**

** Other Yarn includes Nylon Spun Yarn, Viscose Cotton yarn, Artificial Cotton Yarn, etc.

MADE-UPS

Export of Indian MMF Made-ups witnessed a growth of 24% during 2013-14 as compared to the previous year. Main made-ups items with significant growth are Blanket 86%, Motifs 71%, Muffler 44%, Fishing net 19% and shawls/scarves 10%.

Value in USD MN

MADE-UPS	2013-14 *	2012-13	Net Change	% Change
Bulk Containers	340.28	285.84	54.44	19.04
Muffler	210.01	146.16	63.85	43.69
Shawls/Scarves	131.91	120.31	11.60	9.64
Motifs	82.25	24.26	57.99	70.50
Blanket	45.49	24.49	21.00	85.76
Dress Material	43.01	39.74	3.27	8.24
Bedsheet	37.70	37.50	0.20	0.53
Bed Linen	37.01	33.22	3.79	11.42
Fishing Net	36.85	30.89	5.96	19.29
Rope	21.11	18.02	3.09	17.15
Dish-cloths/Dusters	20.01	30.51	-10.50	-34.42
Other Made-ups **	286.05	250.43	35.62	14.22
Made-ups Total	**1291.68**	**1041.36**	**250.32**	**24.04**

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

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

FIBRE

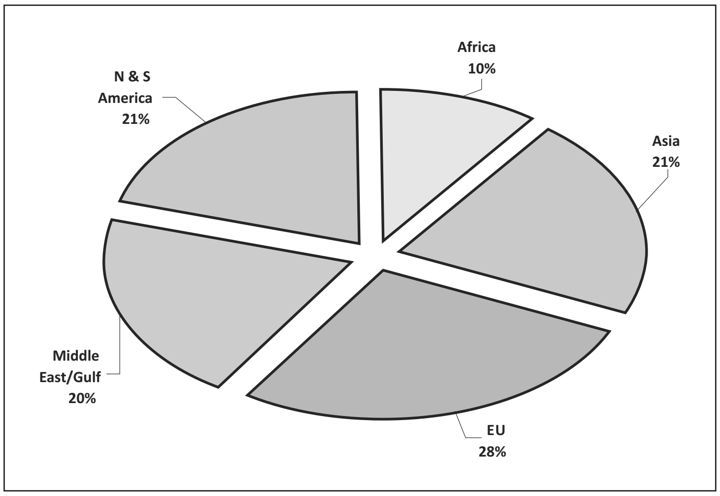
Exports of Fibres witnessed only 1% growth during 2013-14 as compared to that of last year. However, exports of Polyester Staple Fibre which is the dominant fibre in total export have witnessed 13% growth. Exports of Viscose Staple Fibre showed negative growth of 27% whereas Acrylic fibres recorded excellent growth, 276% growth in exports of Acrylic staple and 190% growth in exports of Acrylic Filament Fibre.

Value in USD MN

FIBRE	2013-14 *	2012-13	Net Change	% Change
Polyester Staple	279.44	247.05	32.40	13.11
Viscose Staple	140.15	192.59	-52.44	-27.23
Acrylic Staple	26.50	7.05	19.45	275.89
Acrylic Filament	15.43	5.32	10.11	190.04
Other Fibre	24.10	28.46	-4.36	-15.32
Total Fibre	**485.62**	**480.47**	**5.15**	**1.07**

DIRECTION OF TRADE

Exports of Man-made Fibre Textiles from India were directed to 146 countries during 2013-14. The sophisticated European Union has emerged as the leading destination for India's MMF textiles exports with a share of 28%, followed by the far flung North & South America with 21% and neighboring Asia 21%, Middle East/Gulf 20% and Africa 10%. It may be noted that during 2013-14 exports of Indian MMF textiles to the EU region have gone up to 28% from 20% witnessed in the previous year. However, during 2013-14 exports to Middle East/Gulf have declined to 20% from 24% in the previous year.



LEADING MARKETS

The leading market for India's MMF textile exports during 2013-14 was U.A.E. with an export of US$ 588.07 Mn. Other leading markets during the year were Turkey, U.S.A., Brazil, Bangladesh, Afghanistan, U.K., Germany, Egypt, Iran, Pakistan, etc.

Value in USD Mn

Markets	April-Mar 2013-14	April-Mar 2012-13	Net Change	% Change
U.A.E.	588.07	475.30	112.77	23.73
Turkey	559.87	466.43	93.44	20.03
U.S.A.	456.89	377.63	79.26	20.99
Brazil	324.88	284.31	40.56	14.27
Bangladesh	237.20	173.91	63.30	36.40
Afghanistan	196.16	146.60	49.56	33.81
U.K.	189.49	166.06	23.44	14.11
Germany	179.36	171.37	7.99	4.66
Egypt/U.A.R.	167.21	219.56	-52.35	-23.84
Iran	156.79	89.07	67.72	76.03
Pakistan	145.76	162.58	-16.82	-10.34
Sri Lanka	136.97	116.04	20.93	18.04
Italy	132.12	114.86	17.26	15.03
Belgium	122.47	104.89	17.58	16.76
Spain	117.73	92.06	25.67	27.88
Malaysia	94.73	88.00	6.73	7.65
Vietnam	93.37	64.46	28.92	44.86
Nigeria	91.67	51.95	39.72	76.46
Morocco	86.51	88.73	-2.22	-2.50
Mexico	86.34	86.57	-0.23	-0.26
Saudi Arabia	80.65	124.38	-43.73	-35.16

Exports of Indian MMF textiles have witnessed decline in major markets like Egypt and Pakistan. The main reasons for decline in our exports to Egypt may be due to the political crisis that occurred and continued in Egypt during 2012-13 and consequent adverse impact on trade and business. Exports to Pakistan have also been affected due to continued political and civil crisis in Pakistan. Moreover, unresolved trade issues/ relations between Indian and Pakistan have adversely impacted exports from India.

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Postal Regn. No. MH/MR/South-354/2012-14

Posted at Mumbai Patrika Channel Sorting Office on 25th & 26th of every month

COUNCIL'S COMMUNICATIONS WITH MEMBERS

The Council has started sending all communications to its members through email to reduce the use of paper, leading to savings in costs and contributing to environmental protection. The relevant communications will also be updated on the Council's website. In this regard, you are requested to update your valid email id registered with the Council by visiting the following link http://srtepc.in/update.html and submit your consent. If you have already done so, please ignore this communication.

We would like to inform you that members who wish to receive the hard copies of the communications by courier / post will have to pay additional annual charges of ₹1123, including Service Tax.

If undelivered, return to:

The Synthetic & Rayon Textiles Export Promotion Council

Resham Bhavan, 78 Veer Nariman Road, Mumbai - 400 020.