



INSIDE THIS ISSUE

Page 1 & 2 : CHAIRMAN'S MESSAGE

COVER STORY

Page 3-4 : India – EU FTA: Gearing up to open a “new page” in bilateral ties

TRADE NOTIFICATION

Page 4 : Technology Acquisition and Development Fund (TADF) for MSMEs

TRADE DATA

Page 5-6 : Indo-EU : Trade in Textile & Clothing

TRADE NOTIFICATION

Page 7 : Member Satisfaction Survey

Page 8 : Membership Subscription Renewal

INDIA - EUROPE FREE TRADE AGREEMENT



CHAIRMAN'S MESSAGE



Dear Friends,

The month of December brought mixed blessings, as on the one hand, exports continued their declining trend

for the tenth month and on the other, the Government indicated it's resolve to resume the dialogue with the European Union to conclude a Free Trade Agreement (FTA).

Overall Export Trends

The export data for the month of November released by the Ministry of Commerce recently shows that the overall exports of the country are continuing a declining trend for the last ten months. The overall decline in exports reported was 24.43% during November, 2015.

The Textile & Clothing sector, on the other hand has shown a decline of (-) 6.53% in the month of

November, 2015. During the period April - November, 2015 exports of textile & clothing declined by a marginal 0.36%. Exports of Cotton Textiles with which Texprocil is concerned showed a decline of (-) 4.40% during this period.

The declining trend in exports is a matter of concern as we have been staring repeatedly. It has largely got to do with the recessionary conditions prevailing in the overseas markets.

Product - wise exports

In the case of cotton yarn excepting China all the other markets like Bangladesh, Egypt, South Korea, Peru, Colombia are showing a declining trend. Surprisingly, exports of Cotton Yarn to China have increased by almost 21.59% in value and 40% in quantity terms during the period Jan - Oct, 2015 for which data is available.

In fact, overall exports of cotton

yarn during the period Jan - Oct 2015 in terms of quantity show an increase of 11.41% reaching 1118.88 million kgs as against 1004.27 million kgs during the same period in the previous year. However, in value terms there has been a decline of about (-) 5.36% during this period.

In the case of fabrics, there has been an overall decline of almost 10% with all other markets with the exception of South Korea, Senegal, Sudan & the USA showing a declining trend. With the MEIS scheme being extended to almost all items in the cotton fabrics basket exports should perk up in the coming months and register a positive growth.

In the case of Made- Ups Australia, Spain, UAE, USA are the markets showing growth. Leading markets like, Germany, U.K, France, Italy, Netherlands continue to show a declining trend. Despite widespread

CHAIRMAN'S MESSAGE

CONTINUED FROM PAGE 1

expectations, the European markets have not shown signs of recovery. Hopefully, the trends might change after the Heimtextil Fair being held from mid January 2016 in Frankfurt, Germany.

Indo - EU FTA

We are happy to note that the Government is earnestly pursuing the negotiations for signing a Free Trade Agreement (FTA) with the European Union (EU), which if expedited can revive the sagging exports to this region.

All segments of the textile value chain from Yarns/ Fabrics to Garments/Made-ups have urged the Government to sign a “ Zero for Zero” agreement which will provide Indian exporters duty - free access to the EU market. We should be prepared to offer similar access to our domestic market to EU based producers of textiles and garments. Our own analysis shows that except for some items of Man-Made Staple Fibres (Chapter- 55), Impregnated Textile Fabrics (Chapter 59) and Sacks & Bags (Chapter 63) , we have offensive interests in all other product- lines.

We discussed these issues in the last meeting of our Committee of Administration held in Jaipur on 18 December and decided to

unanimously recommend a “ Zero for Zero” arrangement for at least the product lines with which the Texprocil is concerned viz. Cotton and Yarn, Fabric (Chapter 52), Knit, Crocheted Fabrics (Chapter 60), Miscellaneous Textile Articles/ Made-Ups (Chapter 63).

We hope that the Government moves quickly on these recommendations and concludes the FTA at the earliest.

New Markets - African Countries

Friends, it is becoming quite clear that we need to diversify our exports to new markets considering the sluggish trends in exports in tried & tested markets like the countries of the European Union (EU), Bangladesh, Colombia, Brazil etc.

One such relatively unexplored continent is Africa where on account of a broken value chain, we have good possibilities of linking with the supply - chain. In order to develop a strategic approach to exploring these markets we have commissioned a study of ten markets in the African Region by Gherzi Ltd - A well known consultancy firm based in Zurich.

The first volume of the Study covering the countries, Nigeria, Kenya and Madagascar was released by us on 18 December at Jaipur. The study gives a comprehensive overview of the opportunities available

to suppliers of yarns, fabrics and even made- ups to these countries. The study will be made available to all the members shortly so that they can plan their marketing strategies. The Council will also organize specialized Buyer- Seller Meets and participation in Exhibitions to showcase Indian products in a focussed manner.

The remaining volumes on other potential markets in the African Continent will also be prepared and released in due course of time.

Summing Up

Friends, the Council is making every effort to explore new markets, seek favorable tariff regimes in key markets and easing of export procedures and policy changes wherever necessary. We have achieved success in some areas, while others are works in progress.

With a new year dawning upon us in a few days, let us hope in keeping with the festive spirit, that it harbingers new tidings in our affairs and we are able to scale new heights .

Wishing all our readers - “ Merry Christmas & A Very Happy and Prosperous New Year”

R K Dalmia
Chairman

:: TEXPROCIL ::



COVER STORY

India – EU FTA: Gearing up to open a “new page” in bilateral ties



India-European Union relations started way back in the early 1960s, when India pursued diplomatic relations with the European Economic Community. The signing of a cooperation agreement in 1994 broadened the scope for bilateral relationship beyond trade and economic cooperation. Since then active cooperation has been witnessed in the form of political dialogue, enhanced cooperation in the field of security, agreement on R&D cooperation in the peaceful use of nuclear energy, consultations on foreign policy, strengthening of economic and commercial relations by increasing trade and investment, dialogue on financial services regulation, cooperation in the fields of science and technology, energy security, and various bilateral agreements.

In the last couple of years the EU has reposed greater faith on the new growth order of the world economy – especially the Asian region. It concluded an FTA with Singapore, and FTA negotiations are at an advanced stage with India and in early stages with Indonesia and Philippines. The EU-India FTA is seen as the first of a new generation of FTAs between the EU and emerging economies. This will also be India’s first trade agreement with a large developed community of nations, which is also one of its largest trading and investment partners, and its impact will be significant due to large population group covered.

particularly in regard to preferential and duty-free access to the European market.

During the FTA negotiations, both sides have committed themselves to an ambitious agreement, with tariff elimination on more than 90 per cent of goods traded and a strong GATS (General Agreement on Trade and Services) - plus agreement in services. Most of agriculture will be exempted by mutual agreement. However, academicians maintain finalizing the India EU FTA will be a difficult journey because of the high trade-related regulatory and partial access to some services sectors such as professional services, financial services, retail and distribution.

The talks, launched in June 2007, remain stuck as both sides were not satisfied with each other’s offers. The last India-EU Summit had taken place in 2012. Ties witnessed some strain after the 28-member bloc had not responded to New Delhi’s proposal for a brief visit by Prime Minister Narendra Modi to Brussels,



TEXPROCIL E-NEWSLETTER

Edited & Published by:
Siddhartha Rajagopal

Editorial Team
N. Ravindranathan,
Rajesh Satam, A. Ravindrakumar,
Shailesh Martis, Sanjay Rane

Ideas & contributions are welcome at:
texprocil1@gmail.com; mktg@texprocil.org

Editorial & Publishing Office at :



TEXPROCIL

The Cotton Textiles Export Promotion Council

Engineering Centre, 5th floor, 9, Mathew Road,
Mumbai – 400 004. India.
Tel: +91 22 23632910 to 12
E-mail: info@texprocil.org

Disclaimer

TEXPROCIL E-Newsletter, fortnightly edition, is the sole property of Texprocil – [owners] The Cotton Textiles Export Promotion Council. The views and opinions expressed or implied by contributions - compiled by the editorial team are those of the authors and do not necessarily reflect those of Texprocil, Editorial Team or the Publisher. Unsolicited articles and transparencies are sent in at the contributor’s risk and the owners accept no liability for loss or damage. Subscription to this e-newsletter shall be available on the condition that no content be reproduced whether in part or full or distributed without prior written consent of the owners.

(For private circulation only)

COVER STORY
(CONTD FROM PAGE 3)

India – EU FTA: Gearing up to open a “new page” in bilateral ties

the EU headquarters, during his trip to France, Germany and Canada in April. The summit is slated to be held in Brussels.

The annual India-EU summit-level meeting will now be held in the first half of 2016, at a mutually convenient date. The ‘stock-taking’ FTA talks, to be held on January 18, 2016, will take place after a gap of 30 months, and will not be a negotiation but a continuation of talks that had been put on a hold after the EU banned the sale of around 700 pharmaceutical products, clinically tested by Indian company GVK Biosciences, on the grounds of being unsafe.

Subsequently, the issue relating to restrictions on sale of drugs has been resolved as both Indian exporters & European importers have agreed to a certification process to mutual satisfaction

Be that as it may, the efforts to resume the Indo-EU bilateral negotiations for FTA is a welcome development. Considering that India’s competitors like Bangladesh, Egypt, Pakistan, Vietnam have negotiated “zero” tariff with EU for textile & clothing products, the Indo-EU FTA will provide the much needed ‘level playing field’.

Tha Indian exporters across the value chain from “fibre to fashion” (Yarn/Fabrics to Madeups/Garments) have been advocating a “zero for zero” tariff regime with the EU



agreeing to open up the Indian domestic market for duty free access to the EU markets.

It is also believed that such an arrangement will give a fillip to investments especially in the area of Technical Textiles where access to technology & raw materials is a crucial input.

The earnest efforts of the Indian Government in pursuing the negotiations for signing a Free Trade Agreement (FTA) with the European Union (EU), has buoyed the sentiments of the exporting community, because if expedited the Indo–EU FTA can revive the sagging exports to this region.

:: TEXPROCIL ::

TRADE NOTIFICATION EServe No. 142 of 2015 Dated: December 16, 2015 To: The Members of TEXPROCIL
Sub: TECHNOLOGY ACQUISITION AND DEVELOPMENT FUND (TADF) FOR MSMEs

Dear Member,

This refers to ‘Notice of initiation dated 20th August The Department of Industrial Policy and Promotion (DIPP) has notified the Technology Acquisition and Development Fund (TADF) for MSMEs in the Gazette of India on 21st September 2015 (as a component of the National Manufacturing Policy being implemented by DIPP).

The scheme is conceptualized to enable the MSMEs to acquire Clean, Green & Energy Efficient technologies through patent pool and licensing and reimbursement of direct patent acquisition cost. The Scheme envisages incentivizing production of equipment for controlling pollution, reducing energy consumption and for water conservation through interest and capital subsidies; as well as incentives for energy and environment audit, waste water treatment, rain water harvesting, renewable energy and Green Buildings.

The subsidy/incentives/financial support under the scheme will be available to those MSME manufacturing units

which are pre-registered with the appropriate Government and whose projects are sanctioned and operational prior to 31.3.2017.

MSME units are advised to visit the webpage at <http://www.gita.org.in> for detailed information and online filing of the application.

A copy of the brochure on this scheme is available at Council’s H.O. over email for ready reference. The notification of the scheme on TADF is available on DIPP website, dipp.nic.in.

Members who are MSMEs are requested to please take a note of the above and do the needful.

For any further clarification, please get in touch with us.

Regards,

Siddhartha Rajagopal
Executive Director

:: TEXPROCIL ::

TRADE DATA

India – EU trade in Textiles and Clothing

India's trade links with all the regions of the world have increased over the years. In past few years, Indo-EU relations have nurtured and developed towards establishing a closer co-operation and partnership. After the phase-out of Multi Fibre Agreement (MFA), India and EU have improved their trade in both goods and services. Both have signed number of agreements in different fields. India has registered herself as one of the leading trade partner of EU.

As far as the case of Textiles and Clothing Industry is concerned, it occupies an important place in both the nations. After the phasing-out of MFA both are competing in global textiles market. The only difference is, EU is striving hard to shield its Textiles & Clothing sector from being vanished by the developing countries whereas India is competing with other rising developing giants specially China in international textiles market.

The table below gives an update on India's T&C Exports to World & EU28.

India Export Statistics of Textiles and Clothing to World & EU28								
Million United States Dollar								
Commodity	Description	Export to World			Export to EU28			% Change
		2012-13	2013-14	2014-15	2012-13	2013-14	2014-15	2015/2014
	Total	33228	37517	37661	8491	9488	9891	4%
50	Silk; Silk Yarns	157	150	136	57	49	44	-11%
51	Animal Hair and Yarn, Wool	175	158	177	89	73	77	5%
52	Cotton and Yarn, Fabric	8945	9938	7720	595	653	561	-14%
53	Other Vegetable Textiles	322	335	374	88	87	95	9%
54	Manmade Filaments	2230	2573	2393	201	223	201	-10%
55	Manmade Staple Fibers	1944	2086	2180	281	296	270	-9%
56	Wadding, Felt, Twine	314	324	338	45	49	57	17%
57	Textile Floor Coverings	1426	1581	1820	466	475	494	4%
58	Special Woven Fabrics	288	379	405	65	85	90	6%
59	Impregnated Text Fabrics	191	270	366	39	46	41	-11%
60	Knit, Crocheted Fabrics	219	242	257	9	10	9	-13%
61	Knit Apparel	5560	6664	7656	2433	2940	3237	10%
62	Woven Apparel	7416	8353	9194	3082	3299	3400	3%
63	Misc. Textile Articles	4043	4463	4646	1040	1201	1314	9%

Source of Data: Ministry of Commerce

Observations:

- India exported around US \$9.89 billion of T&C into EU28 accounting for a share of 26% of its total exports of US \$ 37.66 billion of T&C in the world during the period 2014-15.
- Major exports of T&C from India into EU included products under chapter 61, 62 and 63 accounting for a share of 80% of its total exports into EU28.



Join Us... Now!

& avail of our
Membership Benefits

To know more, please write to us on email:
info@texprocil.org

COUNTRY REPORT

India – EU trade in Textiles and Clothing

The table below gives an update on India's Import Statistics of Textiles and Clothing from World & EU28

India Import Statistics of Textiles and Clothing from World & EU28								
Million United States Dollar								
Commodity	Description	Import from World			Import from EU28			% Change
		2012-13	2013-14	2014-15	2012-13	2013-14	2014-15	2015/2014
	Total	5362	5308	6021	471	486	516	6%
50	Silk; Silk Yarns	312	219	215	1	1	1	-1%
51	Animal Hair and Yarn, Wool	389	378	401	38	33	35	8%
52	Cotton and Yarn, Fabric	790	716	740	24	17	18	4%
53	Other Vegetable Textiles	280	272	305	16	25	30	16%
54	Manmade Filaments	763	761	825	61	52	51	-2%
55	Manmade Staple Fibers	562	618	744	94	106	121	14%
56	Wadding, Felt, Twine	182	190	242	35	36	39	7%
57	Textile Floor Coverings	71	76	87	10	13	12	-5%
58	Special Woven Fabrics	149	155	188	10	9	12	24%
59	Impregnated Text Fabrics	735	746	784	49	46	49	5%
60	Knit, Crocheted Fabrics	390	374	470	12	14	10	-24%
61	Knit Apparel	118	167	214	25	29	32	11%
62	Woven Apparel	210	261	310	56	66	69	4%
63	Miscellaneous Textile Articles	413	375	496	41	40	39	-2%

Source of Data: Ministry of Commerce

Observations:

- India's import of T&C from EU28 recorded a growth of 6% as compared to a growth of 13% from the world during the period 2014-15.
- Major imports of T&C from EU into India included products under chapter 55, 59 and 62 accounting for a share of around 50% of its total imports from EU28.

With regard to product wise trade-balance between India and EU28 it can be seen that products under chapter 55, 59 and 60 command a high share of imports from EU28 as compared to products exported from India into EU28 during the period 2014-15. Therefore, an immense scope is observed for increasing India's exports of man-made staple fibres, impregnated textile fabrics and knitted, crocheted fabrics into EU28.

With regard to trade in cotton textiles between India and EU28 it can be seen that products under chapter 52 have recorded a positive growth of 4% in imports from EU28 into India as compared to a negative growth of 14% in exports to EU28 from India during the period 2014-15.

:: TEXPROCIL ::



For more information on Global Textile Markets,
Please contact us on Email : info@texprocil.org



Join Us... Now! Avail info. on Membership Benefits on email : info@texprocil.org

TRADE NOTIFICATION

MEMBERSHIP SATISFACTION SURVEY

Dear Member,

The Council has recently obtained ISO-9001:2008 Certification. As part of the ISO documentation concerning 'Customer Satisfaction' we are seeking feedback from our Members on the services offered by the Council. Accordingly kindly fill in your complete information below and respond to the questions below by tick (✓) marking appropriate response in the space provided or with suggestions in brief wherever necessary. We value your association with us and prompt feedback.

COMPANY INFORMATION

Name of the Company	:	
Contact Person & Designation	:	
TEXPROCIL Membership (RCMC) No.	:	
Email Address & Website	:	

1) Kindly rate the following services offered by Texprocil on rating of 5 to 1. in order to serve you still better.*
5= Excellent, 4=Good, 3 = Satisfactory, 2 = Needs Improvement., 1 = Not Availed (N.A.)

Membership	Rate Here	Trade Development	Rate Here	Trade Promotion	Rate Here	Trade Services	Rate Here	Trade Intelligence	Rate Here
Procedure for New Membership	<input type="checkbox"/>	Publication: E-Newsletter	<input type="checkbox"/>	Intl. Fairs & Events	<input type="checkbox"/>	Certificate of Origin	<input type="checkbox"/>	Interactive Website	<input type="checkbox"/>
Membership Renewal	<input type="checkbox"/>	E-serve	<input type="checkbox"/>	Seminars & Workshops	<input type="checkbox"/>	Grievance Redressal Services	<input type="checkbox"/>	E-News Clippings	<input type="checkbox"/>
RCMC Amendment	<input type="checkbox"/>	Circulation Trade Enquiries Award	<input type="checkbox"/>	MDA/MAI Schemes	<input type="checkbox"/>	Information on Exim policy/Amendment DBK	<input type="checkbox"/>	Information Disseminated	<input type="checkbox"/>

2) a. Are you generally satisfied with the services actively availed by your company and marked above? Tick (✓)

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

b. If you have replied 'no' above, please suggest how the Council can improve the services
(use additional sheet if required)

Suggestions:

3) How is your company benefitting from the Exhibitions / BSMs being organized by the Council? Tick (✓)

Accessing new Markets	<input type="checkbox"/>	Generating additional business	<input type="checkbox"/>
-----------------------	--------------------------	--------------------------------	--------------------------

Others (Pls. Specify):

Making new Contacts (Trade Enquiries)	<input type="checkbox"/>	Any Others	<input type="checkbox"/>
---------------------------------------	--------------------------	------------	--------------------------

4) How is your company benefitting from the Export Facilitation services being provided by the Council?

Information on Export Policy / Procedures	<input type="checkbox"/>	Responses to various EXIM queries	<input type="checkbox"/>
---	--------------------------	-----------------------------------	--------------------------

Others (Pls. Specify):

Redressal of Trade related grievances	<input type="checkbox"/>	Any Others	<input type="checkbox"/>
---------------------------------------	--------------------------	------------	--------------------------

5) Have you recommended TEXPROCIL Membership to other companies? Tick (✓)

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

6) Do you have any other suggestions to offer regarding TEXPROCIL Member Services? (use additional sheet if required)

Suggestions:

*Kindly ignore this feedback form, if you have already responded.

Join Us... Now! Avail info. on Membership Benefits on email : info@texprocil.org

TRADE NOTIFICATION

TEXPROCIL MEMBERSHIP ANNUAL RENEWAL SUBSCRIPTION

The annual renewal subscription amount for the financial year 2015-2016 (due from 1st April, 2015) is as follows: -

- 1) **MEMBER EXPORTER** - RS. 11,400/- (MEM FEES 10,000 + S. TAX 1,400)
 2) **REGISTERED TEXTILE EXPORTERS (RTE)** - RS. 5,700/- (MEM FEES 5,000 + S. TAX 700)

Special Discount: Texprocil is announcing a special discount scheme for those who wish to renew their membership for a period of 3 or 5 years as follows:

Period	Membership Fees		Discount Slab	Discounted Fees		Benefit to Exporters	
	RTE	Member		RTE	Member	RTE	Member
For 3 years	15,000	30,000	10%	13,500	27,000	1,500	3,000
For 5 years	25,000	50,000	15%	21,250	42,500	3,750	7,500

[RTEs and Members have to pay service tax on the discounted amount at the rate of 14%.]

Note for Members:

Members are also requested to submit the CA Certificate as per the format given below certifying the Export Turnover for the financial years 2013-2014 & 2014-2015 i.e. the amount of actual FOB value of exports of Cotton Textiles excluding Readymade Garments and Handloom Textiles.

Members may note that the eligibility criterion of annual export turnover is minimum Rs. 2 Crore. Those not fulfilling the criteria will automatically be renewed as RTE i.e. Registered Textile Exporter.

RTEs are not required to submit the CA certificate.

Format of Chartered Accountant Certificate to be submitted by Members only:

CHARTERED ACCOUNTANT CERTIFICATE (on C.A.'s Letter Head)

TO WHOMSOEVER IT MAY CONCERN

This is to certify that M/s. _____ (Name and full address of the Member) having IE code No. _____ have exported Cotton / Cotton Yarn / Cotton Fabrics / Cotton Madeups (Excluding Handloom Items / Readymade Garments and Silks, etc.) during the financial year 2013-2014 & 2014-2015 as follows:

Sr. No.	Description	2014-2015 (Rs. FOB Value)	2013-2014 (Rs. FOB Value)
1	Cotton		
2	Cotton Yarn		
3	Cotton Fabrics		
4	Cotton Made-ups		
	TOTAL		

(Stamp & Signature of Chartered Accountant)
 (Membership No. of Chartered Accountant)
 (Firm Registration No. of Chartered Accountant)

PLACE:

DATE:

Note to Members & RTEs whose RCMC is expiring on 31.03.2015:

Please apply immediately for renewal of RCMC with the following documents:

- [1] Copy of your Import-Exporter Code (IEC)
- [2] In case of Manufacturer Exporter, a copy of Manufacturing Licence
- [3] In case of changes in Partners, a copy of revised deed of partnership
- [4] In case of changes in Directors, a copy of Form 32/DIR-2 or Board Resolution for those who have resigned or newly appointed.

(For any further queries please write to Mrs. Smita Dalvi on email : smita@texprocil.org)