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***Bharat Tex 2024
Expo to position India as
global textiles powerhouse***



DISCOVER THE FASHION MARKET OF USA!
UNCOVER YOUR FUTURE MARKET GROWTH!

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SOURCING AT MAGIC LAS VEGAS, USA

13th – 15th February, 2024

THE LAST DATE TO APPLY IS 15 DECEMBER 2023



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Dear Friends,

Let's start with the good news first. There has been a renewed global thrust towards making the RMG industry sustainable by embracing practices like traceability, lean management, circularity, waste management, etc. India has been also making a swift transformation as industry is bracing for sustainable manufacturing practices in a big way.

The global RMG export scenario has been witnessing a global headwind. We can see exports contracting in China, Bangladesh, Cambodia, Vietnam, etc. India is also not insulated and is exposed to the global export climate. India's RMG exports is severely impacted by the contraction in demand in the major markets of EU and USA and therefore witnessing a negative growth.

Friends, to remain in the growth trajectory, we need to wake up to the challenges of product and market diversification, embrace the path of higher value-added exports and work aggressively on compliance and standards.

This challenging time poses an opportunity for India to position as a strong player in the RMG sector. India today is at the cusp of global attention and promises the conducive business climate. With this thought, textiles industry bodies have collaborated to host the largest global mega textiles event - Bharat Tex 2024 Expo- the first of its own kind.

Speaking at the curtain raiser event of the Bharat Tex, Shri Goyal emphasized that Bharat Tex 2024 Expo is not just an event but a testament to India's commitment to becoming a global textile powerhouse. With innovation, collaboration, and the Make in India spirit at its core, this expo is the embodiment of India's 5F vision - Farm to Fibre to Factory to Fashion to Foreign, making products not just for India but for the entire world.

The textile industry's fragmented supply chains are going out of style, as companies face regulatory requirements and consumer & brands demand for transparency and sustainability goals. Typically, brands' visibility drops off drastically after the fabric supplier's lack of visibility exposes brands to risks.

Establishing traceability in supply chains not only protects companies, but it also supports



stronger sustainability messaging and meets consumers' demands for disclosures. Sustainability and traceability are two sides of the same coin, one cannot make any credible sustainability claim without underpinning it with traceability. In this context AEPC along with TEXPROCIL organized a webinar on Traceability and Kasturi Cotton jointly.

In another bid to prepare the industry, AEPC took its AISA (Apparel Industry Sustainability Action) initiative to the next step by conducting a one-day seminar on 'Enhancing Sustainability Amongst the Garment Industry at Chennai. As the global garment brands are geared up to the cause of sustainability across ESG (environment, social and governance), the European Green Deal stays focused on making Europe a net zero emitter of greenhouse gases and becoming a climate neutral block by 2050.

These emerging regulations have forced importers of garments to ensure that their overseas suppliers conform to the sustainability standards to remain in business. Suppliers therefore will either have to conform or perish.

The Textiles Minister and textiles secretary in separate meetings took the stock of the export

scenario and reviewed performance. AEPC has presented a detailed strategy including a roadmap with required government support to meet the emerging challenges and scale up our stagnant exports.

AEPC also attended the Parliamentary Standing Committee meeting. This Department Related Parliamentary Standing Committee on Commerce was held in New Delhi. The subject was 'Comprehensive Strategy to Map Major Products and Countries to Maximize Exports and Minimise Imports'. AEPC made a presentation underlining its strategy. AEPC also attended the Chintan Shivir on the subject of 'Unleashing the power of India's Manufacturing Industry' Chaired by the Hon'ble Textiles Minister. The event sparked insightful discussions on 12 manufacturing industry sectors.

On the policy front, AEPC submitted a pre-budget proposal 2024-25 based on suggestions and feedback from members to the Department of Commerce.

In the quest to empower the MSMEs, AEPC made a presentation at the Seminar on "Business, Export & Technology Opportunities in Textile & Engineering" at Balotra, Rajasthan. The MSME-Development & Facilitation Office, Jaipur organized a seminar on the topic of Business, Export & Technology Opportunities in Textile & Engineering. Objective of this programme was to educate MSME on various facets of Business Development i.e. Government Schemes, Innovative Technologies, Digital Marketing, Textile innovation and Export Opportunities.

As the export promotion initiative, AEPC will be hosting an export award function for the year 2021-22 & 2022-23. The award AEPC Excellence Honours is the Indian Apparel industry's most prestigious award.

The award recognizes extraordinary contributions made by Indian Apparel exporters. Extending across diverse product categories, the awards are a celebration of the contributions exporters have made to the industry and, in turn, the national economy. The Council has instituted these awards with an aim to encourage the Indian Apparel exporters to increase their export capacities and at the same time, enhance the competitiveness among the firms to capture the global markets.

AEPC participated in a business trade delegation to South Korea led by Sh. Rajesh Kumar Singh, Secretary (DPIIT) for investment and trade promotion roadshow in Seoul, South Korea during 16-18 October 2023. AEPC represented the apparel sector.

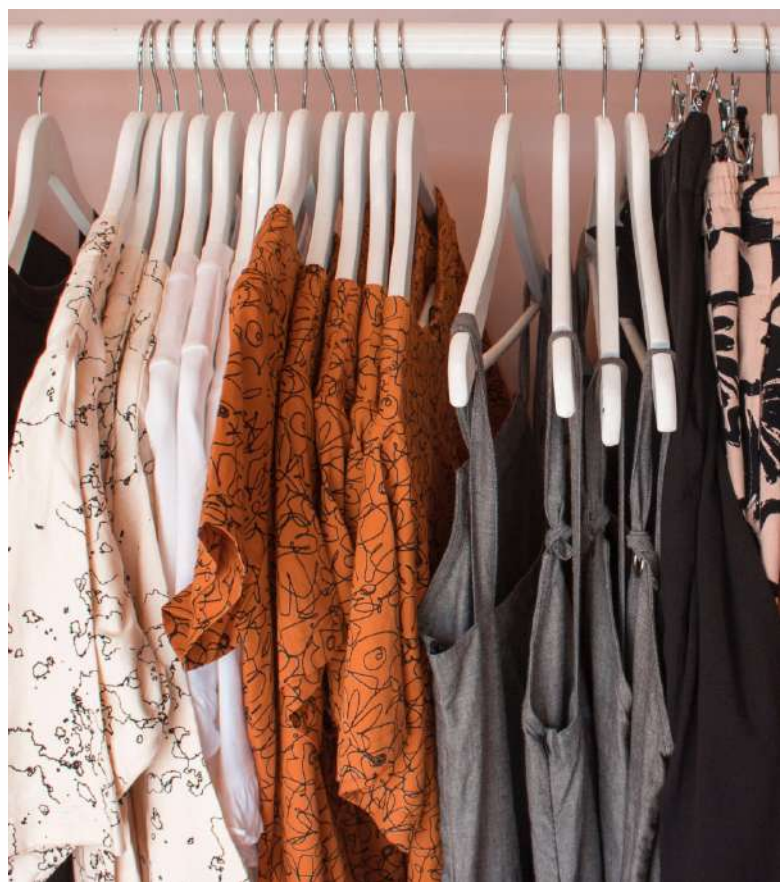
To enhance trade between India and Spain, AEPC participated in the Apparel & Accessories Fair (BSM), Madrid, Spain in October 2023 with 35 Indian exporters.

Continuing AEPC's further drive of export promotion, the council will be participating in Global Sourcing Expo Australia in November 2023, International Textiles and Apparel Fair (IATF) Dubai in November 2023 and Sourcing at Magic, Las Vegas, USA in the month of February 2024. I appeal to member exporters to make full use of these opportunities to explore the business potential.

As we are celebrating various vivid festivals in India, I take this opportunity to wish you all a great time. Let's make every celebration a grand one!

Please keep Sharing your valuable suggestions at chairman@aepcindia.com

Naren Goenka
Chairman AEPC



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CALENDAR OF PROPOSED EVENTS FOR 2023-24



OVERSEAS EVENTS

S.No	Name of the Event	Date / Month
1	Global Sourcing Expo Australia (Melbourne), Australia	21-23 November, 2023
2	Intl. Apparel & Textile Fair (IATF), Dubai	27-29 November, 2023
3	Sourcing at Magic, Las Vegas, USA	13-15 February, 2024

DOMESTIC EVENTS

1	Export Awards	8th December, 2023
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CAI ESTIMATES COTTON PRODUCTION AT 29.5 MN BALES IN 2023-24, LOWEST IN 15 YEARS

- *The industry body expects yields to drop by 5-20% across cotton-growing states owing to unfavourable weather conditions.*
- *In its first advance estimates, released last week, the agriculture ministry projected cotton output for 2023-24 at 31.6 million bales, against the previous year's final estimate of 33.6 million bales.*



The Cotton Association of India (CAI) has released its first estimate of crop production for the 2023-24 (October-September) season, pegging it at 29.5 million bales (1 bale=170 kg), the lowest in 15 years. The estimates are down from 31.8 million bales last year, and the government's first advance estimate of 31.6 million bales for the current season.

"After 2008-09, this is the lowest cotton crop," said Atul Ganatra, president of CAI, attributing the drop to El Nino and a 5.5% reduction in cotton cultivation area.

CAI expects yields to drop by 5-20% across cotton-growing states owing to unfavourable weather conditions. Due to a severe attack of pink bollworm in north India, the crop size estimate has been reduced drastically from 6.2 million bales to 4 million. The trade body, which finalised the crop estimates at a recent meeting, expects to take stock of the situation at its next meeting on 15 November.

In its first advance estimates, released last week, the agriculture ministry projected cotton output for 2023-24 at 31.6 million bales against the previous year's final

estimate of 33.6 million bales.

CAI estimates India will import 2.2 million bales of cotton and that opening stocks will be at 2.89 million bales. The total availability of cotton in the 2023-24 season has been pegged at 34.6 million bales, against 31.1 million bales of domestic demand, including 28 million bales for mills, 1.5 million for small-scale industries, and 1.6 million bales for non-mills.

For the 2023-24 season, CAI has estimated a surplus stock of 3.5 million bales and exports of 1.4 million bales. It expects the closing stock to be 2.1 million bales for the ongoing season.

In northern states such as Rajasthan, Haryana and Punjab, CAI has pegged the crop at 4.3 million bales. In the central zone, comprising Gujarat, Maharashtra and Madhya Pradesh, production is estimated at 17.9 million bales, and in the south zone, including Telangana, Andhra Pradesh, Karnataka and Tamil Nadu, output is estimated at 6.75 million bales. ■



INDIA'S READY-MADE GARMENT (RMG)

INDIA'S RMG EXPORT TO WORLD

Month	(In US\$ Mn.)						YoY Growth (%)						
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2019-20	2020-21	2021-22	2022-23	2023-24	2023-24	2023-24
							Over	Over	Over	Over	Over	Over	Over
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2018-19	2019-20	2020-21	2021-22	2020-21	2021-22	2022-23
April	1351.8	1408.8	126.84	1297.5	1575.5	1213.5	4.2	-91.0	922.9	21.4	856.7	-6.5	-23.0
May	1339.4	1530.1	517.02	1107.1	1415.9	1236.5	14.2	-66.2	114.1	27.9	139.2	11.7	-12.7
June	1358.8	1233.5	804.29	1003.1	1501.7	1249.7	-9.2	-34.8	24.7	49.7	55.4	24.6	-16.8
July	1275.4	1365.8	1065.7	1389.3	1381.1	1141.2	7.1	-22.0	30.4	-0.6	7.1	-17.9	-17.4
August	1293.2	1261.9	1085.61	1237.8	1233.9	1133.4	-2.4	-14.0	14.0	-0.3	4.4	-8.4	-8.1
September	1104.7	1080.6	1192.91	1301.1	1066.0	946.3	-2.2	10.4	9.1	-18.1	-20.7	-27.3	-11.2
October	1132.1	1108.9	1180.13	1255.7	989.5		-2.0	6.4	6.4	-21.2			
November	1131	1058.5	1047.09	1072.9	1201.2		-6.4	-1.1	2.5	12.0			
December	1376.7	1409.5	1196.89	1466.6	1483.2		2.4	-15.1	22.5	1.1			
January	1528.2	1453.5	1296.43	1547.0	1493.0		-4.9	-10.8	19.3	-3.5			
February	1546.4	1477.9	1349.45	1600.5	1407.0		-4.4	-8.7	18.6	-12.1			
March	1718.4	1120.5	1427.33	1740.6	1448.3		-34.8	27.4	21.9	-16.8			
Total	16156.1	15509.5	12289.7	16019.2	16196.2	6920.4	-4.0	-20.8	30.3	1.1	44.4	-5.7	-15.3

Note- 1) Source: DGCI&S 2023; Data for the month of September 2023 is provisional data released on PIB by Ministry of Commerce on 13.10.2023

2) Sum of the value for (Apr-Sep) 2021-2022 is USD 7335.9 mn and (Apr-Sep) 2022-23 is USD 8174.0 mn. and (Apr-Sep) 2023-24 is USD 6920.4 mn.

Compiled by R&PA Department, AEPC

RMG exports for the month of September 2023 has declined by 11.2% as compared to September 2022, declined by 27.3 % as compared to September 2021 and has declined by 20.7 % as compared to September 2020.

Similarly, cumulative RMG exports for the period Apr-Sep 2023-24 was USD 6920.4 mn. showing a decline of 15.3% over Apr-Sep 2022-23; a decline of 5.7 % over Apr-Sep 2021-22 and a growth of 44.4% over Apr-Sep 2020-21.

INDIA'S TEXTILE & READY-MADE GARMENT (RMG)

Textiles & Wearing Apparel Update for India's Index of Industrial Production (IIP) for the month of August in FY 2023-24

Month	Manufacture of Textiles		Growth Rate (In %)	Manufacture of Wearing Apparel		Growth Rate (In %)
	2022-23	2023-24	2023-24 over 2022-23	2022-23	2023-24	2023-24 over 2022-23
April	114.1	105.6	-7.4	129.4	92.1	-28.8
May	111.5	107.9	-3.2	142.4	112.7	-20.9
June	107.8	107.7	-0.1	156.9	120.4	-23.3
July	107.2	108.2	0.9	134.4	104.2	-22.5
August	105.2	106.9	1.6	117.8	97.7	-17.1
September	103.9			125.2		
October	102.3			103.7		
November	107.7			117.0		
December	110.7			125.6		
January	107.9			120.1		
February	102.0			129.1		
March	110.2			133.1		
Cumulative Index (Apr-Aug)	109.2	107.2	-1.8	136.2	105.4	-22.6

Source: CSO, 2023

* Figures for August 2023 are Quick Estimates

The growth rates over corresponding period of previous year are to be interpreted considering the unusual circumstances on account of COVID 19 Pandemic since March 2020

Compiled by R&PA Department, AEPC

- **Manufacturing of Textiles Index** for the month of Aug, 2023 is 106.9 which has shown a growth of 1.6 % as compared to Aug, 2022.

- Manufacturing of Textiles Index for the financial year 2023-24 is 107.2 which has shown a decline of 1.8 % as compared to the financial year 2022-23.

- **Manufacturing of Wearing Apparel Index** for the month of Aug, 2023 is 97.7 which has shown a decline of 17.1 % as compared to Aug, 2022.

- Manufacturing of Wearing Apparel Index for the financial year 2023-24 is 105.4 which has shown a decline of 22.6 % as compared to the financial year 2022-23.



GARMENT SUPPLIERS MAKE DEBUT AT INTERTEXTILE SHENZHEN

Intertextile Shenzhen apparel textiles show has attracted nearly 1500 exhibitors.

The inclusion of key garment manufacturers is set to open a new avenue for buyers amidst positive forecasts for China's clothing sector at this month's Intertextile Shenzhen apparel textile fair. With the entire value chain now set to come together in the Greater Bay Area, exhibitors from 16 countries and regions exhibited a blend of innovative and traditional textiles for this sourcing season's curtain call.

Show was held from 6-8 November (75,000 square metres) at Shenzhen World Exhibition and Convention Center, well-represented product categories include ladieswear, accessories, functional and sportswear, casualwear, suiting and shirting, denim, and more were displayed. Meanwhile, under the categories Design and Trend, Market Information and Business Strategies, and Sustainability Issues, multiple fringe events provided cutting-edge insights to fairgoers from across the apparel spectrum.

Suppliers from nine new exhibiting countries and regions, including Argentina, Indonesia, Turkey, and the US, strove to take advantage of China's status as

the world's largest apparel producer, consumer, and exporter. Additionally, China's clothing market is performing strongly, with the apparel sector's cumulative growth of 19.2% from January to May 2023 exceeding the average for retail products.



Speaking on the fair's adaptability, Ms. Wilmet Shea, General Manager of Messe Frankfurt (HK) Ltd, commented: "To meet the needs of both the domestic and international fashion retail markets, Intertextile Shenzhen has repositioned itself to cover the full industry chain. We wanted to offer buyers an even



more comprehensive apparel sourcing platform, and garment suppliers will prove to be an integral part of that experience going forward.”

Complementing its strong contingent of fibre, yarn, fabric, and accessories exhibitors, the platform’s highlighted apparel producers include:

Best Guide Fashion: headquartered in Hong Kong, its Shenzhen factory manufactures a wide range of women’s winter-wear, such as premium down jackets, with major export markets including Japan, Europe, and Taiwan.

Ciliarish Apparel: the mid- to high-end women’s apparel company designs and produces garments for domestic and international brands, including women’s suits, coats, jackets, and sportswear.

Zhuji Longzhengying Garment: focusing primarily on ladieswear, including blouses, skirts, dresses, and pants, the manufacturer utilises sheer fabrics such as polyester georgette, crepe georgette, chiffon, and silk.

Fringe programme covering sustainability, trends, and strategy

Fairgoers were benefited from the insights on offer this year, and a range of up-to-date topics and on-trend displays presented by some of the industry’s well-known players. With over a dozen seminars, discussions, product presentations, and forums,

featured events included:

HKRITA Panel Discussion: in a bid to better equip the global textile industry, to face eco-challenges and welcome green opportunities, the HKRITA panel discussion ‘Empowering Sustainability and Circularity through Innovation’ brought together renowned manufacturers and researchers to discuss various innovational methods for driving ecological transformation.

Intertextile Forum: aiming to give participants insights on how to further take hold of regional opportunities, this year’s theme was ‘Driven by Regional Synergy, Consolidate a Modern Textile Industry System in Greater Bay Area’. A number of experts discussed a raft of topics surrounding trends, sustainability, technology and market hotspots, complemented by a Pioneer Dialogue session.

Textile Industry Digital Application Forum: with the ongoing evolution of the economic development stage, this forum helped the key players navigate the upcoming changes. Discussions included digital transformation policies, the industry’s current status, and upcoming digital transformation trends.

Intertextile Shenzhen Apparel Fabrics is organised by Messe Frankfurt (HK) Ltd; Messe Frankfurt (Shenzhen) Co Ltd; the Sub-Council of Textile Industry, CCPIT; and the China Textile Information Center. ■



GOVERNMENT MAKING EFFORTS TO ENSURE CONSUMERS GET OUT OF MINDSET OF 2 STANDARDS: COMMERCE & INDUSTRY MINISTER

He also said that standards are like patents and he cannot but agree with what the chief of the Bureau of Indian Standards (BIS) Pramod Kumar Tiwari looks at standards as a passport to trade.

Agreeing that quality standards are a passport for trade, Commerce and Consumer Affairs Minister Shri Piyush Goyal said India is making policy efforts to ensure consumers get out of the good-old day's mindset of two standards -- local and export quality -- of products. Shri Goyal, while addressing the G-20 Standards Dialogue here, recalled that in the good old days, every product had a mark for 'export quality' and consumers who could afford used to pick up export quality goods.

"Our effort is to move out of that mindset. Our effort is that every product that is made in India will be a high-quality product. When a consumer picks up a product will be reassured of high quality and will not have to look at other products for 'x' quality. Policymaking in India is moving in that direction," he said.

He also said that standards are like patents and he cannot but agree with what the chief of the Bureau of Indian Standards (BIS) Shri Pramod Kumar Tiwari looks at standards as a passport to trade. Those who control standards and have the ability to maintain high standards are the ones who will control the markets, prices and processes and become manufacturers and innovators of tomorrow, he added.

The minister mentioned that India is making rapid strides to encourage more consumers to become demanding consumers, asking for high-quality goods and services. At the same time, a reasonable time is being given for producers to adopt the new quality standards

and ensure India is recognised as a provider of good quality products.



"We in government only desire to act as a facilitator, not as a disruptor of your process. We don't want to be a cause of any pain or agony, but we want to handhold and support your efforts. We want India to compete with the rest of the world on equal terms," the Minister noted. Further, the minister said that quality is not something that comes out of pressure or from quality control order. "It should come out of the personal conviction of each and every stakeholder," he added.

Stating that 8 billion consumers in the world have the right and desire to have a better quality of goods/services, the minister called for balancing local needs while moving towards the global standards which are acceptable around the world so that India gets out of the mindset of two standards of everything that it produces.

He also stressed on the need to progress towards world-class standards, particularly in less developed and developing countries in a calibrated manner but certainly with a collective commitment to maintaining high standards in goods and services for the people of the world.

There are opportunities for countries that produce quality goods and services. 'We have a lot to learn from the developed world, we have a lot to support other emerging economies and less developed countries,' he said, adding that if everyone works as a team, standards will enable holistic development and a sustainable future of the world.

He suggested that the G-20 Standards Dialogue should be a regular engagement and help those countries which do not have a robust system. ■



TEXTILE INDUSTRY DOUBLING GDP CONTRIBUTION TO 5% BY 2030- A REPORT



The report sheds light on the pivotal role of the textile industry in India's economic landscape, predicting that its contribution to the GDP will more than double, rising from 2.3 percent to approximately 5 percent by the end of this decade. Moreover, the Gross Value Added (GVA) is anticipated to display a consistent annual growth rate of 9 percent from 2021 to 2028.

A report titled "Decadal Outlook for Textile Industry" was released by The Confederation of Indian Industries and Primus Partners titled "Threads of Transformation for Textile Industry".

The report sheds light on the pivotal role of the textile industry in India's economic landscape, predicting that its contribution to the GDP will more than double, rising from 2.3 percent to approximately 5 per cent by the end of this decade. Moreover, the Gross Value Added (GVA) is anticipated to display a consistent annual growth rate of 9 percent from 2021 to 2028.

The Indian textile industry, with over 100 million individuals employed in textile and allied sectors, is poised for remarkable growth, targeting a substantial milestone of USD 250 billion by 2030. Additionally, India ranks among the top five global exporters in several textile categories, with exports expected to reach USD 65 billion by FY 2026.

As the textile industry evolves to meet dynamic consumer preferences, technological advancements, and sustainability objectives, both central and state governments have introduced

progressive initiatives like PM MITRA, PLI, and SAMARTH. These endeavours underscore the sector's role as a significant employment generator, with Maharashtra's 'Integrated and Sustainable Textile Policy 2023-28' aiming to create half a million jobs. Government policies such as the PLI Scheme and PM MITRA further enhance job opportunities.

While government initiatives have been instrumental in driving growth, challenges remain, including fragmented supply chains, limited access to quality training programmes, and overreliance on labour-intensive technologies. Embracing modern technologies and quality testing throughout the value chain are essential for realising the industry's export potential.

The industry is also embracing sustainability and circularity, with a growing emphasis on women-led enterprises. Women are substantial contributors to apparel expenditure globally, and India's textile industry is fostering a wave of change with over 27 million women employed in various sectors. Emerging segments like technical textiles and government initiatives are expected to create additional employment opportunities for women.

Technical textiles are set to lead sector growth, with a projected CAGR of 15 percent, and the industry is encouraged to embrace digital technologies, regular upgrades, and blockchain-based supply chain traceability. Collaborations with e-commerce platforms are expected to drive industry goals and secure a promising future. ■





Industry bodies to host largest global mega textiles event - Bharat Tex 2024 from February 26-29, 2024 in New Delhi

Bharat Tex 2024 Expo is a testament to India's commitment to becoming a global textile powerhouse: Union Textiles Minister Shri Piyush Goyal

The Union Minister of Textiles, Commerce & Industry, Consumer Affairs and Food & Public Distribution Shri Piyush Goyal lauded industry bodies of the textile sector for their initiative in organising Bharat Tex 2024- the world's biggest ever textiles event in the world. He presided over the curtain raiser event for the show at Vanijya Bhavan, New Delhi.



Speaking at the event Shri Goyal emphasized that Bharat Tex 2024 Expo is not just an event but a testament to India's commitment to becoming a global textile powerhouse. With innovation, collaboration, and the Make in India spirit at its core, this expo is the embodiment of India's 5F vision - Farm to Fibre to Factory to Fashion to Foreign, making products not just for India but for the entire world, he said adding that India is not afraid of global competition now. He exhorted the industry to build their brands that are globally recognised and simultaneously build India as a brand.





Shri Goyal expressed the hope that, Bharat Tex 2024 Expo would propel the industry's growth and showcase India's potential as a mature, competitive global sourcing destination in the global textile industry.

Textile Minister also launched the fair logo, website and video at the event. He urged the industry to use this event to highlight India's global strengths, its sustainability initiatives as well as its strengths across the value chain.



"Bharat Tex 2024" is scheduled to be held from 26-29 February 2024 at New Delhi. It is envisaged to be the biggest textile event at the global level, with exhibitors and buyers from over 40 countries. Bharat Tex 2024 would be a comprehensive showcase of the entire textile industry value chain, from India's rich cultural heritage and textile traditions to the latest technological innovations.

With over 1,000 exhibitors and more than 30,000 visitors from 40 countries, this mega event would include knowledge sessions, seminars and conferences, CEO roundtables, B2B & G2G meetings, besides strategic investment announcements, product launches and collaborations that would redefine the textile industry on a global scale. Live demonstrations, cultural events, and fashion presentations will provide an exceptionally creative and engaging environment, providing insights into the realms of textile, fashion, sustainability, and style originating from the heart of India. Designer as well as brand exhibitions, fashion shows, sustainability workshops and expert talks shall be the other highlights of the event.

Bharat Tex 2024 is being planned as a consolidated and unique platform to position and showcase India's entire textile value chain and also highlight strengths in fashion, traditional crafts and sustainability initiatives.

Speaking on the occasion, Smt. Rachna Shah, Secretary, Ministry of Textile said that there is a huge opportunity for Textile industry to increase its exports and hence Bharat Tex 2024 comes at the right time. It would not be just an exhibition, but an immersive experience, she added. The expo will be a unique platform to bring together leading players from the Indian and Global textiles sector, besides highlighting the numerous existing and emerging opportunities, robust infrastructure, attractive incentives, and other benefits available in India for global investors and buyers, Textile Secretary added. It would also represent a unique platform for global investors and buyers to explore India's strengths as a global manufacturer and consumer market, she said.



The event is an industry led initiative and is proposed to be organised jointly by the 11 Textile related Export Promotion Councils (EPCs) and other industry bodies. Shri Naren Goenka, Chairman Bharat Tex 2024 and Shri Bhadresh Dodia, Co-Chairman Bharat Tex 2024 made detailed presentations on the activities proposed in the fair.

The curtain raiser event was attended by industry associations, textile sector industry leaders besides senior officers from ministries.

BHARAT TEX 2024 WILL OFFER





Shri Naren Goenka Chairman Bharat Tex in his statement said, “India is at the cusp of global focus and attention today. By organizing the largest textiles show- ‘The Bharat Tex 2024’ India is poised to capitalize this opportunity to the center of growth for the textiles sector; by unveiling the holistic textiles value chain from farm to fashion. This mega show will highlight India’s global strengths, its

sustainability initiatives as well as position the country as a competitive global sourcing destination, Bharat Tex 2024 is envisaged to be the biggest textile event at the global level.”

This never before event will serve as a compelling showcase of ground-breaking innovations, artistic ingenuity, and profound advancements in the industry. I appeal to the industry to be part of a groundbreaking event that celebrates the world of textiles in all its glory, Chairman added.

Highlighting the importance of Textiles sector Shri Goenka remarked, the Indian textiles industry contributes 2.3% of our GDP and 11% of share of our total exports besides this sector being one of the largest employers . The India’s textile industry is estimated to reach USD 350 billion by 2030. ■



REVOLUTIONARY TECHNOLOGY MAKES TEXTILE FACADES A CLIMATE SAVER

The International Energy Agency estimates that cooling systems account for 15% of global electricity consumption and 10% of greenhouse gas emissions. The need for building air conditioning will continue to increase. The need for cooling has tripled worldwide since 1990.

According to the IEA (International Energy Agency), air conditioning in buildings will account for the majority of total energy demand in 2050, at 37%.

Simply switching to renewable energies such as wind and solar will not be enough to meet energy needs. As more people switch to electricity as their primary source of energy, the more we can reduce consumption, the easier and more stable this transition will be.

Passive cooling methods for buildings will be crucial. Textile facades are a key technology for energy-free building air conditioning, especially in warm regions.

A **textile facade** is a complete and permanent covering of a building with a technical fabric. It is also called a climate envelope or bioclimatic facade. The functional principle is as simple as it is ingenious and allows the building to be air-conditioned without using any energy. The entire system is practically maintenance-free. Creates a natural and healthy indoor climate. The fabrics are transparent, meaning they can be installed over windows without significantly affecting the view.

This innovative textile facade technology plans to change the game in the world of architecture and help save the climate. Under the name rohotex-Spectracool, the company has developed a textile facade fabric that can neutralize the infrared rays that are responsible for unpleasant heat.

The efficiency of this cooling effect depends on

various factors, including the angle of incidence of the sun, the height of the facade and the distance of the fabric from the building wall. In extensive tests, roho was able to demonstrate an average cooling performance of an astonishing -20 degrees Celsius compared to conventional fabrics. This is done without the use of external energy sources such as electricity, gas or air conditioning, but exclusively through this special high-tech fabric.

The special thing about this technology is that it automatically adapts to the ambient temperature. When there is intense sunlight, a high cooling performance is achieved, while when there is little sunlight the cooling is reduced.

A key focus in the development of this technology was the use of non-toxic substances. In contrast to conventional coolants in heat pumps or air conditioning systems, cooling occurs without the use of harmful chemicals.

Previously, textile facades had a similar effect to the shade of trees, which was often not enough, especially in hot regions and on the south side of buildings. The introduction of this special high-tech fabric promises a revolution in architecture as it can avoid urban heat islands and significantly improve the quality of life in cities.

Industrial production of this groundbreaking fabric has already begun, and the first projects to integrate these textile facades are in the planning phase.

The Panamanian company CH Pro, S.A. has taken over the distribution rights for America. Further information about this innovative technology can

be found on the roho website :
<https://www.rohoarchitecture.com>



STITCHING SUSTAINABILITY: CHARTING A CARBON-NEUTRAL JOURNEY FOR THE APPAREL INDUSTRY

Authored by: Anup Garg, Founder and Director of World of Circular Economy (WOCE)

Who would have thought that our love for fashion and wardrobes would come at such a significant environmental cost? The fashion industry, a realm where creativity meets self-expression, has, unfortunately, been entwined with a less glamorous reality: contributing to a staggering 10% of the global annual carbon emissions. The clothes we wear, the trends we chase, and the production methods we've celebrated are intricately linked to an environmental toll that's too large to ignore. Now it's high time that we demand a transformative shift towards sustainability and a much-needed decarbonization.

The apparel industry's colossal impact on the environment is deeply rooted in its extensive use of raw materials, heavy water consumption, and the proliferation of fast fashion, significantly contributing to global carbon emissions. A pivotal shift towards circularity and sustainability across the entire value chain is essential to foster a truly circular economy, starting from the design phase and extending to the end consumers.

Understanding the Carbon Footprint



Annually emitting 1.7 million tons of CO₂, constituting 10% of global greenhouse gas emissions, the textile industry stands as a major contributor to global warming.

Acknowledging this, apparel companies are increasingly exploring sustainability, opting for renewable materials like organic cotton and bamboo. These eco-friendly materials significantly reduce the carbon footprint of the final product, attracting consumers willing to pay more for sustainable choices.

While the European Union's strategic approach to critical raw materials and sustainable textiles promises a significant industry transformation, prevailing commitments by leading brands might fall short of achieving emission reduction targets by 2030. This realization underscores the urgency for robust decarbonization strategies.

Challenges in India's Apparel Industry

India's fashion supply chain, particularly dominated by MSMEs, heavily relies on carbon-intensive electricity from coal. Transitioning to renewable energy, particularly rooftop solar power, presents a viable, sustainable alternative. However, MSMEs face hurdles related to investment and creditworthiness, compounded by challenging legislations such as CBAM and EUDR that hinder the competitiveness of Indian exports to the EU.



Decarbonizing MSMEs: A Need for Practical Solutions

Globally, emission mapping, target setting, technology adoption, and offset mechanisms have proven effective in reducing carbon footprints across global fashion supply



chains. Yet, in India, a pressing need exists to educate and support companies, especially MSMEs, in effectively managing carbon emissions. A significant part of the challenge stems from the complex supply chains, where 75% of emissions occur upstream, highlighting the MSMEs' pivotal role in the industry.

Driving Decarbonization: A Path Forward

The implementation of circular and low-carbon solutions in resource efficiency, alternative materials, and waste recovery is crucial to curb carbon emissions in the apparel sector. Establishing a roadmap for decarbonization involves emission mapping and profiling, target setting, adopting best-available technologies, and leveraging offset mechanisms to address hard-to-abate emissions.

Existing solutions can potentially slash supply chain carbon emissions by 47%. However, to address the remaining challenge, continuous innovation is essential, including next-gen materials and processes such as waterless dyeing and dry processing, to reach sustainable benchmarks in the industry.



A Roadmap to Carbon Neutrality

For those championing this cause, it's crucial to recognize and adopt comprehensive steps that can help chart a carbon-neutral course for apparel. A roadmap, developed by leading sustainability experts, provides a clear path toward carbon neutrality. The steps are as follows:

1. Measure Emissions and Understand Climate Risks:

The first step is to thoroughly measure emissions and understand the climate risks. This enables a clear picture of the current environmental impact.

2. Set Science-Based Targets: Establishing clear, science-based targets and outlining the necessary steps to achieve these targets is essential to steer the sustainability journey in the right direction.

3. Implement Emission Reduction Actions Across the Supply Chain: Initiatives need to be implemented at various stages, from sourcing to production to logistics. These include investing in more sustainable sourcing practices and materials, maximizing material efficiency, adopting new generation materials, and promoting recycling and upcycling practices.

4. Compensate for Residual Emissions: Financing climate action and sustainable development, generating certified carbon credits, helps in compensating for any residual emissions that are challenging to eliminate completely.

5. Communicate and Involve Stakeholders: Communicating results and involving stakeholders, including supply chain actors, investors, and consumers, is pivotal in triggering substantial change. Aligning them to the industry's sustainability journey is crucial for real change in the sector, society, and the environment, both in the present and for the future.

Relevance of end-to-end sustainability-focused organizations

Strategically aligning with end-to-end sustainability-focused organizations that offer tailored support and services has become increasingly pivotal for small and medium-sized apparel businesses. Such partnerships present a remarkable opportunity to bridge existing gaps, facilitating a smoother transition towards sustainable practices. These essential alliances can equip MSMEs with the tools, expertise, and knowledge necessary to effectively navigate the complexities associated with reducing their carbon footprint and adopting eco-conscious methodologies. The call for accessible, specialized services to guide MSMEs in embracing sustainability practices is integral, underscoring the need for supportive resources that ensure a seamless transition to a decarbonized future for the apparel industry. ■

WOCE's advanced technology solutions offer a seamless approach to calculate and track emissions across various sectors such as Oil & Gas, Utilities, Manufacturing, Hospitality, Logistics, and Services. The (SaaS)-based products and solutions, include Carbon Ledger for Scope 1,2,3 emissions, Carbon Book for individual carbon footprint calculation, Green APIs which are plug & play APIs for emission calculation & offsetting, and Carbon Certificate Management (CCM) to manage carbon credits and offset projects. These tools simplify the process of measuring, monitoring, and offsetting emissions and support net-zero journeys of businesses.

E-TEXTILE MARKET EXPECTED TO REACH \$721.8 MILLION BY 2031—ALLIED MARKET RESEARCH



According to a new report published by Allied Market Research, titled, “E-Textile Market,” The E-Textile Market Size was valued at \$367.20 million in 2021, and is estimated to reach \$721.8 million by 2031, growing at a CAGR of 7.4% from 2022 to 2031.

Electronic textiles or e-textiles are fabrics that enable electronic components such as batteries, lights, sensors, and microcontrollers to be embedded in them. They are not to be confused with smart textiles, which are fabrics that have been developed with new technologies that provide added value. Many smart clothing, wearable technology, and wearable computing projects involve the use of e-textiles.

There have not been many commercial successes with e-textiles up to this point. This is attributed to the healthcare industry's unwillingness to invest in academic or research endeavors in favor of a wait-and-see attitude. Some manufacturers have substituted wellness/sports sector in its place, where repercussions of a false signal are significantly less severe.

However, with chronic diseases such as diabetes, heart disease, cancer, and respiratory disorders continuing to rise in many parts of the world, older populations living longer, and increase in the number of surgeries performed in important healthcare markets such as Europe and the U.S., e-textile developments are on the rise to utilize cutting-edge electronics and medical technology. In some clinical studies, smart clothing has demonstrated the ability to guard against infectious

diseases, sense the wearer's health status, and aid in the prevention, treatment, and management of health.

E-textiles must continue to evolve in terms of dependability, reliability, and certification to overcome obstacles. Device producers and researchers face additional difficulties with regulatory approvals because getting FDA approval might take years. Then comes the challenge of receiving certification and permission from insurance companies. The development of the several smart clothing concepts that have been proposed would take three to five years. Many experts predict that this turning moment will occur around 2020.

University-level research shows great promise for the future of patient care technology among those creating e-textiles for the healthcare business.

Even though many of these research projects are progressing and working toward commercialization, new developments in microelectronics and high-tech fabrics are expanding the potential applications for healthcare-related e-textiles.

Some of these concepts and early pilot projects include t-shirts that treat chronic back pain, shirts with stretch sensors to track respiratory rates in people with chronic lung disease, soft all-day belly bands to track fetal heart rate and uterine contractions in pregnant women, pressure monitor stockings for people with diabetes, or even a shirt that shocks people with severe heart problems.

According to some experts, shirts that monitor heart rate, blood pressure, oxygen saturation, and other metrics will eventually totally replace bedside monitoring in hospitals.

With the Google-Levi Project Jacquard commuter jacket for cyclists, the concept of using gesture



detection in smart clothing has recently gained prominence. There are currently much more affordable and well-established technologies that will be difficult to surpass in the next five years, despite the fact that many experts believe gesture recognition could find its way into clothing for healthcare—possibly for use by paraplegics, elderly who have suffered strokes or heart attacks, or elderly in the home who fall.

It can be easily shrunk and does not require moving mechanical elements, haptic feedback, or the use of touch in a user interface design, hence holds a lot of potential for e-textiles.

The E-Textile Market is segmented on the basis of type, product, application, functionality, and region. On the basis of type, the E-Textile Industry is bifurcated into classic electronics and modern electronics. By product, it is classified into passive, active, and ultra-smart. On the basis of application, it is categorized into defense, sports & fitness, healthcare, household textiles, fashion & entertainment, transport, protection & military, architecture and others. On the basis of functionality, it is classified into sensing, energy harvesting, luminescence & aesthetics, thermoelectricity, and others. Region-wise, the E-Textile Market is analyzed across North America, Europe, Asia-Pacific and LAMEA.

The players operating in the global e-textile market have adopted various developmental strategies to increase their E-Textile Market Share, gain profitability, and remain competitive in the market. The key players included in the E-Textile Market Analysis are- CARRÉ TECHNOLOGIES Inc., Chronolife., E. I. DU PONT DE NEMOURS AND COMPANY , INTERACTIVE WEAR AG, Mitsufuji Corporation, Myant Health , Outlast Technologies

GmbH , sanSirro GmbH , Schoeller Textile AG, SENSING TEX, S.L. , Sensoria Inc. , Sunstar Taiwan ENT. CO., LTD. , Tex-Ray Industrial Co., Ltd., TORAY INDUSTRIES, INC., Vista Medical Ltd., Vulpés Electronics GmbH, Xenoma Inc.

On the basis of product type, the classic electronics segment is projected to witness the major E-Textile Market Growth with the CAGR of 6.5%, in terms of revenue, during the E-Textile Market Forecast period.

On the basis of product, the ultra-smart segment E-Textile Market Size is expected to dominate the market from 2022 to 2031.

On the basis of application, the defense segment has the high E-Textile Market Trends and is expected to grow at a significant CAGR during the forecast period and has myriad E-Textile Market Opportunity.

On the basis of functionality, the sensing functionality segment dominated the global market in the 2021, with a E-Textile Industry share of more than 30%.

Region wise, Europe dominated the global market in 2021. This is attributed to expansion of new wholesale fabrics companies and surge in E-Textile Market Demand for apparel and textile machinery exports for e-textiles. ■



“50TH INDIA INTERNATIONAL KNIT FAIR CAME OUT WITH FLYING COLOURS AND A GRAND SUCCESS”



The 50th Edition of (Golden Jubilee) India International Knit Fair for Spring/ Summer collection 2024 has been successfully organized by India Knit Fair Association under the umbrella of Apparel Export Promotion Council (Sponsored by Ministry of Textiles, Govt. of India) from 12th to 14th October, 2023 at IKFA Complex, Tirupur. The theme of the fair was Active & Sportswear, Environmental Social Governance, Artificial Intelligence (AI) & Digitalization.



The fair was inaugurated by Mr. Peter Mcallister – Executive Director, Ethical Trading Initiative in the presence of Dr. A.Sakthivel, President, Federation of Indian Export Organisations (FIEO) & Chairman, India Knit Fair Association (IKFA), Shri K.M Subramaniam, President, Tirupur Exporters Association (TEA), Shri V.Elangovan President,

Association of Buying Agent for Textile, AEPC & TEA EC Members & Office Bearers, IKFA Committee Members, Managing Committee Members of BSL, NIFTA, BAA, ABAT and Buying Agents, Exhibitors, Trade Members etc.



Dr. A.Sakthivel, Chairman (IKFA) said this year's fair was focused on the theme of Artificial Intelligence, Sustainability, Digitization, Active and Sportswear, Environmental and Social governance. Tirupur has taken a lead in all these aspects. It is ahead compared to other manufacturing hubs. Moreover, Tirupur was focusing on diversification of its product line from cotton garments to those made of various raw materials. Also, the manufacturers are focusing on sustainability and green earth concept, he informed. He also said, IKFA



has organized Curtain Raiser event in Delhi during August'23 and invited leading Sourcing suppliers/Buying Agents.

Mr. Peter Mcallister – Executive Director, Ethical Trading Initiative said the industry's deep roots in the region is its pride, history, creativity and innovation were all to the advantage of the garment manufacturers. It was outward looking and customer focused and was already investing in measures such as renewable energy and effluent treatment that its customers and buyers wanted. On the social side, the role of the industry was important as it contributed to employment, skill development and local economy. Bringing all these together with a comprehensive vision was essential to sustain the growth. Further he stated, India had a natural advantage in AI, one of the themes of the exhibition, because of the availability of young engineers. The skills and innovation should also maximize opportunities and increase incomes for the people.



PROFILE OF EXHIBITS

A total of 74 stalls were set up at the fair and leading Exporters from Tirupur, Chennai, Coimbatore, Salem, Erode, Karur, Gujarat, Kolkata, etc. have participated and displayed their garments. All the exhibitors expressed their satisfaction and said they received very prospective enquires and few of them received spot orders too. Also, they have shown their interest in participating in the future events.

On the 1st day (12th October, 2023), IKF witnessed a Seminar on “Carbon Footprint Reduction” followed by Fashion Show.



On the 2nd day (13th October, 2023), a Panel Discussion on “Increasing Efficiency and Cost Competitiveness for India Factories, Green Movement: Sustainable Strategies Framework” along with the Fashion Show was organized.



On the 3rd day (14th October, 2023) a panel discussion on “MMF: Opportunities and Incentives” followed by Felicitation & Award ceremony and India's untapped Design advantage Design strategy: Future Proofing Apparel Export Business with AI and Sustainable Practices was held. The seminars were moderated by the Experts from BAA, BSL, ABAT, NIFTA, etc.

Eight Manufacturers who have showcased their garments in the fair participated in the Fashion Show. The Fashion Show was sponsored by the State Bank of India.



Fashion Show had showcased the capacity of Manufacturing MMF Garments of Sportswear, Active wear and Recycled wear under the theme of Sustainability. The Buyers who witnessed the fashion show appreciated that Tirupur is ready to

manufacture MMF Garments and maintain the sustainability in a big way.

On the 2nd day the award ceremony was held. This ceremony was presided over by Padmashri Dr. A.Sakthivel, Chairman (IKFA) & President (FIEO) and DGM of State Bank of India Mr. Dilip Singh Yadav who had distributed the awards and Appreciation Certificates to the Winner Exhibitors, Fashion Show Participants. They also appreciated the Sourcing Consultants from all over India for their remarkable contribution to the industry.



BUYERS REPORT:



Buyers were impressed and expressed satisfaction. There were buyers and leading Buying Houses/Sourcing Consultants from various departments of around 225 companies comprising of around 300 visitors viz., Triburg Consultants Pvt. Ltd., Triburg Design Studio LLP, Sportskin, Asmara India, Waste 2 Wear Impulse International, Pds Ltd, Grapevine Designs, Vintage world Australia, Tendam Global Fashions Retail, Soul, Geniemode, Asics India Pvt Ltd, Fashion Empire, Pds Ltd, Alliders, Concepts N Strategies, PVR Sourcing Inc. etc. have visited the Fair. Most of the Buying Houses/ Agents who have visited this Fair

representing their major Buyers and Brands have sourced for their requirements.

The three-day event attracted new Buyers from the countries namely Germany, Russia, France, Hongkong, Canada, Thailand, Japan USA, UK, etc. Also, there was a compliment from Buyers/ Buying agents that almost all the Exhibitors have displayed MMF Garments. That is the improvement of the Tirupur industry marching ahead of Manufacturing of MMF Garments.

The participants have reported that they got good business from the buying agents and overseas buyers. Through this fair an immediate business of Rs.225 Crores have been generated and a long-term business enquiries to the tune of more than Rs.1,000 Crores have been received.

IKFA gratefully acknowledges the active participation of exhibitors, visiting buyers, buying agents and all supporting partners: AEPC, TEA, AHEA, HEPC, KTMEA along with the sourcing partners BAA, ABAT, BSL, NIFTA, sponsors and media. ■





INDIA'S APPAREL IMPORTS FROM ITALY HIT NEW HEIGHTS IN JANUARY-AUGUST 2023



India's apparel imports for the period of January to August 2023 is reported to touch US \$ 1 billion, as per the official data from the Ministry of Commerce and Industry.

The imports have however fallen by 3.12 per cent on a Y-o-Y basis – all thanks to sluggish imports of knitted apparel that declined by 17.48 per cent.

The imports from Bangladesh remained unchanged, reaching US \$ 431.51 million, marking a miniscule change of 0.05 per cent, whereas apparel that came from China saw a decline of 23.71 per cent to US \$ 168.93 million.



While China and Bangladesh have traditionally been the primary sources of apparel for India, Italy took the spotlight in 2023.

Imports of apparel from Italy, renowned for its high-end and premium fashion items, experienced a remarkable surge of 110.91 per cent. The value increased from US \$ 19.53 million in the same period the previous year to an impressive US \$ 41.19 million between January and August 2023.

This surge in Italian apparel imports reflects the growing demand for premium clothing in the Indian apparel retail industry.

Another European destination that has been a source of apparel imports for Indian buyers is Spain; however, the imports were marginally down by 2.27 per cent in the January to August 2023 period to US \$ 80.54 million.

While the other European Market is yet show pick in demand, Italy is surely a silver lining. ■





United Kingdom



India and UK are bound by strong ties of history and culture. India's multifaceted bilateral relationship with the UK intensified over years. The United Kingdom has long held the belief in trade as a force for growth and prosperity. It is why UK advocate for free and fair trade at the World Trade Organization and why UK is taking advantage of newly recovered powers to forge trade deals with booming economies such as India. Collaboration on issues such as global value chains resilience and digitalisation of trade documents is key to harnessing the true value of global trade.

● ECONOMIC OVERVIEW:

High-income, diversified non-EU European economy; sixth-largest importer and exporter globally; global financial and diplomatic leader.

● ECONOMIC INDICATORS:

Indicators	Value (in USD)
Real GDP (Purchasing Power Parity), 2021 est.	3.028 trillion
GDP (Official Exchange Rate), 2019 est.	2,827.92 Bn.
Real GDP (Per Capita), 2021 est.	45,000
Real GDP (Growth Rate), 2021 est.	7.52 %
Inflation Rate, 2021 est.	2.52 %

Source: The World Factbook – CIA 2023

● EXCHANGE RATE

Indicators	Value (in USD)
Indian Rupees (INR) per Pound (GBP)	104.15
Pound (GBP) per USD	0.80

● CLIMATE:

Temperate; moderated by prevailing southwest winds over the North Atlantic Current; more than one-half of the days are overcast.

● AVERAGE TARIFF FOR INDIA:

9.4 % for HS Code 61; 9.2 % for HS Code 62

● UK's APPAREL TRADE:

UK's RMG Import from World and India (In USD Mn.)

	2020	2021	2022	% Change 2022 over 2021
UK's RMG imports from World	22799.3	21033.8	24365.9	15.8
UK's RMG imports from India	968.0	1092.7	1416.9	29.7
India's Share in UK's total RMG imports from World, %	4.2	5.2	5.8	

Source: UN Comtrade 2023

The above table shows that UK's RMG import from the World were to the tune of USD 24365.9 mn in 2022 showing a growth of 15.8 % as compared to 2021. RMG import from India has also increased to

USD 1416.9 mn, registering a growth of 29.7 % as compared to 2021. India's percentage share in UK's RMG import from the World has also increased to 5.8 % in 2022. ■

◆ TOP RMG SUPPLIER TO UK:

The above table shows that China has remained a top supplier of RMG to UK with 25.5 % share in 2022. India is the 4th largest supplier of RMG to UK with 5.8 % share. Bangladesh & Turkey have a share of 18.6 % and 9.2 % respectively.

TOP RMG SUPPLIER TO UK AND INDIA'S POSITION

Position	Countries	Imported value in 2022 (in USD mn)	% Share
	World	24365.9	100
1	China	6201.8	25.5
2	Bangladesh	4530.9	18.6
3	Turkey	2241.3	9.2
4	India	1416.9	5.8
5	Vietnam	1190.4	4.9

● **UK's TOP 10 RMG PRODUCTS IMPORT FROM WORLD VS INDIA'S SHARE:**

TOP 10 RMG PRODUCTS IMPORTED BY UK FROM WORLD

S. No.	HS Code	Product label	Imported from World in 2022 (in USD mn)	Imported from India in 2022 (in USD mn)	India's Share in %
		Total RMG	24365.9	1416.9	5.8
		Sum of Top 10	9562.0	380.5	4.0
1	610910	T-shirts, singlets and other vests of cotton, knitted or crocheted	1822.6	146.6	8.0
2	611020	Jerseys, pullovers, cardigans, waistcoats and similar articles, of cotton, knitted or crocheted ...	1477.3	51.5	3.5
3	611030	Jerseys, pullovers, cardigans, waistcoats and similar articles, of man-made fibres, knitted ...	1331.3	8.9	0.7
4	620342	Men's or boys' trousers, bib and brace overalls, breeches and shorts, of cotton (excl. knitted ...	866.6	19.3	2.2
5	610990	T-shirts, singlets and other vests of textile materials, knitted or crocheted (excl. cotton)	783.9	12.6	1.6
6	620462	Women's or girls' trousers, bib and brace overalls, breeches and shorts of cotton (excl. knitted ...	753.9	26.0	3.4
7	620240	Women's or girls' overcoats, car-coats, capes, cloaks, anoraks, incl. ski jackets, wind-cheaters, ...	716.7	1.5	0.2
8	620140	Men's or boys' overcoats, car-coats, capes, cloaks, anoraks, incl. ski jackets, wind-cheaters, ...	638.2	0.8	0.1
9	620443	Women's or girls' dresses of synthetic fibres (excl. knitted or crocheted and petticoats)	592.8	74.6	12.6
10	610462	Women's or girls' trousers, bib and brace overalls, breeches and shorts of cotton, knitted ...	578.6	38.9	6.7

The above table shows UK's top 10 RMG products import from the World vis-à-vis from India and India's % share in those top 10 products. The top 10 products imported from the World were to the tune of USD 9562.0 mn. in 2022 and import from India of these top 10 products were to the tune of USD 380.5 mn. India has 4.0 % share in UK's top 10 products import from the World.

The top products imported by UK from the World includes (i) T-shirts, singlets and other vests of cotton, knitted or crocheted; (ii) Jerseys, pullovers, cardigans, waistcoats and similar articles, of cotton, knitted or crocheted; (iii) Jerseys, pullovers, cardigans, waistcoats and similar articles, of man-made fibres, knitted. ■

● **UK's TOP 10 RMG PRODUCTS IMPORT FROM INDIA:**

TOP 10 RMG PRODUCTS IMPORTED BY UK FROM INDIA

S. No.	HS Code	Product label	Import from India, 2022 (in USD mn)	% Share in 2022
		Total RMG	1416.9	100.0
		Sum of Top 10	740.5	52.3
1	'610910	T-shirts, singlets and other vests of cotton, knitted or crocheted	146.6	10.3
2	'611120	Babies' garments and clothing accessories of cotton, knitted or crocheted (excl. hats)	120.3	8.5
3	'620442	Women's or girls' dresses of cotton (excl. knitted or crocheted and petticoats)	97.0	6.8
4	'620443	Women's or girls' dresses of synthetic fibres (excl. knitted or crocheted and petticoats)	74.6	5.3
5	'620630	Women's or girls' blouses, shirts and shirt-blouses of cotton (excl. knitted or crocheted and ...	59.3	4.2
6	'620444	Women's or girls' dresses of artificial fibres (excl. knitted or crocheted and petticoats)	55.2	3.9
7	'611020	Jerseys, pullovers, cardigans, waistcoats and similar articles, of cotton, knitted or crocheted ...	51.5	3.6
8	'620640	Women's or girls' blouses, shirts and shirt-blouses of man-made fibres (excl. knitted or crocheted ...	48.2	3.4
9	'620520	Men's or boys' shirts of cotton (excl. knitted or crocheted, nightshirts, singlets and other ...	45.5	3.2
10	'610831	Women's or girls' nightdresses and pyjamas of cotton, knitted or crocheted (excl. T-shirts, ...	42.3	3.0

The above table shows UK's top 10 RMG products imported from India. UK's top 10 products imported from India were to the tune of USD 740.5 mn with 52.3 % share in UK's total RMG import from India.

The top products imported by UK from India includes (i)

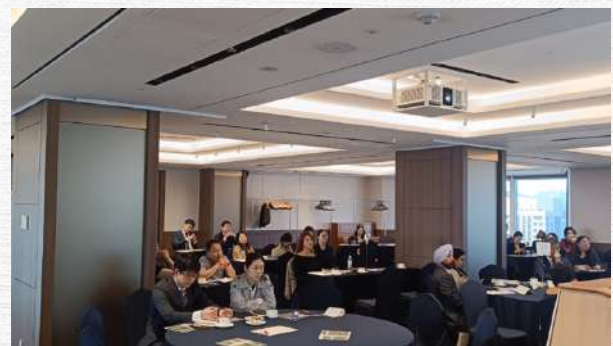
T-shirts, singlets and other vests of cotton, knitted or crocheted; (ii) Babies' garments and clothing accessories of cotton, knitted or crocheted (excl. hats); (iii) Women's or girls' dresses of cotton. ■



AEPC PARTICIPATES IN INVESTMENT & TRADE ROADSHOW AT REPUBLIC OF KOREA

Investment & Trade Roadshow was held at the Republic of Korea during 16-19th October 2023. The event was organized by DPIIT with support from Ministry of Textiles.

A seminar on Investment and Trade Opportunities in India was held, wherein the special address was given by Mr. Rajesh Kumar Singh, Vice Minister in Charge of Industry and FDI in India at Seoul followed by presentation by Ms. Shubra, Trade Advisor on scope of Indian Textile and garments in Korea. Dr. Tamanna Chaturvedi, DSG, AEPC presented about Trade and Investment opportunities for Korean brands to manufacture, invest and source from India not only for Korea but also for the global market.



17th Oct: Seminar on Investment and Trade Opportunities in India presented to Korean Companies in Busan





18th Oct: Meeting with Korea Textile Development Institute, Daegu

KTDI in Daegu is the specialised research institute for textile production is technology contributing towards upgrading the textile industry and enhancing international competitiveness through development of new textile material, technology and supporting Korean textile Industries.

Discussions were held on exploring possibilities of collaboration between similar textile research institutes in India towards R&D of textile material for clothing, living and industrial application, training on product quality authorisation and defect analysis and possible collaboration with AEPC or ATDC for training Human Resource for customised education based on companies demand.



KTDI has been invited for participating in the Bharattex 2024 to demonstrate the textile technologies developed by them, interact with the technical textile industry leaders of India and handhold them for innovation and product development.

19th Oct: Meeting with Korea Textile Centre



General Director of KTC and Vice Chairman of DGTIA (Daegu Gyongbuk Textile Industry Association) discussed about possibilities of collaboration between India and Korea in terms of promoting Trade and Investment between the two countries.

AEPC was informed about their flagship event Preview in Daegu 2023 which to be held during 13th to 15th March 2024 where Indian exhibitors were invited to participate. Indian side had invited the Korean companies in BharatTex 2024 during 26th to 29th Feb 2024. The KTC was informed about the grand scale of the mega show wherein 40 plus countries were expected to participate both as exhibitor as well as buyer throughout the textile value chain. KTC has kindly agreed to participate in possible categories such as technical textiles, sustainable textiles, home textiles, fashion clothes etc.

A round table and business session with the industry associations, brands was also organised where major Korean bands participated. ■

REPORT ON CELEBRATION OF NAVRATRI FESTIVAL ON 18.10.2023 AT HO

The Council celebrated Navratri festival with great enthusiasm and zeal in its offices on 18th October, 2023 to seek the blessings of Goddess Durga on this auspicious occasion. Navratri is a nine-day festival, which marks the arrival of Goddess Durga.

To celebrate “Navratri Festival” on 18th a one hour garba session have been organized at Apparel House, Gurgaon. The session was conducted by a professional on complimentary basis by M/s. Policy Bazaar. All employees of the Head Office participated in the session with full enthusiasm and enjoyed a lot. Employees of regional offices have also joined the session. Employees had a great fun.

Glimpses of the event are as under:



REPORT ON AWARENESS PROGRAM ON PROTECT ONLINE FRAUD ON 04.10.2023 AT HO

A one hour online awareness program conveying how to Protect Online Fraud has been organized on 4th October, 2023 through Zoom Platform for all employees of the Council.

The highlights of the program were as follows:

- The methods with which one can be conned online (personal/professional)
- How to check if our data is already compromised (Practical)
- Measures to be taken to safeguard while undertaking transactions online
- To know about the dark web in cyber security

All employees of the Council including Regional Offices participated in the session.





AEPC ORGANIZES BUYER SELLER MEET AT MADRID, SPAIN

The Council organized a Buyer Seller Meet “INDIA APPAREL & ACCESSORIES FAIR” at Madrid in Spain from 18th & 19th October, 2023. Total 33 exhibitors participated in the event. The exhibitors showcased best of India’s apparel designs and styles in line with the latest fashion trends in wide range of traditional cotton, and MMF garment as well as unique products including organic, sustainable products, men’s & women’s sweatshirts, pants, night suits, blouses, jackets, skirts, dresses, jumpsuit, trousers, leggings, T-shirts, loungewear, active wear, knitted jute and cotton bags, baby garments recyclable and ethnic garments, etc.



The event was inaugurated by H.E. Shri Dinesh K Patnaik, Indian Ambassador to Spain on 18th October, 2023. The inauguration was done in the presence of the AEPC’s delegates Shri Navin Agarwal, EC Member, Shri Mithileshwar Thakur, Secretary General, official coordinator Shri S Hari Krishnan, Director and the participants from the export fraternity.

After the inauguration all the dignitaries took the round and met each exhibitors and discussed about their designs, collection and aspiration from the event.

A moderate business was recorded during the two days event of BSM.



As the Council is going to organize a Mega textile show called “Bharat Tex 2024” from 26th to 29th February, 2024 at Pragati Maidan, New Delhi with the support of Ministry of Textiles. Therefore to invite the brands, buyers, showroom owners, wholesale dealers, etc. a road show was also conducted on the same day in the morning hours at the venue of the event.



The reputed buyers were already been informed about Bharat Tex 2024 via sending the email and were invited to attend the road show on 18th October, 2023 at venue of the event .



A good number of guests and visitors attended the road show. Shri Mithileshwar Thakur Secretary General AEPC gave presentation and briefed participants about the Bharat Tex 2024. It was informed to them that the aim of conducting this mega textile show is to showcase to the world the strength of the Indian Textiles Sector, latest advancements, innovations, trends in the textile and fashion world,

fostering networking opportunities and promoting business collaborations. The complementary benefits would be offered to the overseas buyers to attend the Bharat Tex 2024, were also highlighted during the road show. Shri Patnaik Indian Ambassador, also requested those attending the road show to actively participate in Bharat Tex 2024.

On second day of the event a meeting was also organized between the representatives of the Chambers of Commerce, Madrid and Indian delegates to discuss how large number of buyers can be invited to next edition of the BSM 2024. ■



SNAPSHOT OF BSM SPAIN



ENHANCING SUSTAINABILITY AMONGST GARMENT INDUSTRY ROAD SHOW, AN AEPC INITIATIVE ORGANIZED AT CHENNAI

The Enhancing Sustainability Amongst Garment Industry Road Show, an AEPC initiative, was organized by the AEPC - Chennai on 30.10.2023, Monday at the "Sustainability Workshop" between 10.00 am and 3.00pm at Le Royal Méridien, Chennai. There were 110 participants from trade & industry, EC Members, AHEA Association members & officials etc., attended the workshop.

From AEPC Head Office, our SG, Shri Mithileshwar Thakur and Dr. Tamanna Chaturvedi, DSG and from AEPC - Tiruppur, Shri C.E.Sundar, Addl. Director(SR) and Mr. Ajay Agarwal, EC Member, Chennai Region graced the occasion.



Dr. Tamanna Chaturvedi, DSG welcomed the gathering and delivered a speech on 'Enhancing Competitiveness through compliance' which was very useful to the trade. The Secretary General, AEPC, Shri Mithileshwar Thakur addressed about "Bharat Tex 2024 - A Global Textile Expo" in his extensive and effective speech. And he continued with the Panel Discussion on "Sustainability is the new normal: A Global Perspective" among the Exporters and with the following industry members:

- 1) Mr. Mithileshwar Thakur, SG, AEPC
- 2) Mr. Ajay Agarwal, M/s.R.K.Industries and EC Member, AEPC
- 3) Mr. Atul Malhotra, CEO, M/s.Evolv Clothing, Chennai
- 4) Mr. Mohamed Aatif, GM, Dyeing Operations, M/s.White House, Chennai
- 5) Mr.Suresh, Goodway

The following panel discussion members participated vide Virtual Mode:

- 1) Mr. Mohit Mathur, COO, Ace Turtle
- 2) Mr. Manas Chandra, Country Manager, Bouyand
- 3) Mr. Sanjay Shukla, Team Leader, Triburg
- 4) Mr. Raman Dutta, General Secretary, Brand and Saucing Leader's Association
- 5) Mr. Rajeev Sinha, Founder, Only Good.

Panel Discussion gave a thorough insight about today's global sustainability and many questions raised by the participants have been addressed by the Panel members. The feedback given by the participants during the discussion was very relevant to the present scenario and was implementable.



In continuation to the panel discussion, presentations on "Adopting Sustainability Practices: Hand holding" by the following participants;

Mr. S. Kannan, Director, AMSET Energy Systems & Solutions P Ltd., gave an introduction on Energy Conservation and his Presentation was definitely an eye opener for many of the participants.

Further, Water Conservation and Waste Water Management by Mr. Karthick Mohandoss, Founder Director, Water Treatment Solutions presented a session that was need of the hour as there is a huge demand for clean water and water conservation globally.



After the Tea break a Presentation session was conducted by the following participants:

Mr. Karthick Kohandoss, Only Good	Chemical Management
Mr. Ranjit Sasi, Director, Business and Operations, India, Reverse Resources	Changing Regulatory Scenario around Sustainability and circularity : understanding brand's Perspective
Mr. Gaurav Kumar Rai, President, Association of Small Progressive Innovative	Handholding with funding support
Mr. Jubin Mishra, Partner, Blue Helion	Enhancing factor Productivity through sustainability : Need to reimage workforce design and engagement



The following Export houses have also presented their success stories on sustainability

M/s. Loyal Textiles Mills Ltd, Chennai
 M/s. Magnum Clothings Pvt Ltd., Chennai
 M/s. Bhagyam Exports, Chennai
 M/s. Evolv Clothing, Chennai
 M/s. White House, Chennai

And few other have also showed their concerns to setup such sustainability models in the factories which was a positive feedback sign and success of the seminar.



The overall program was a brain storming session as we have received very good response from the participants who expressed their views on various topics and also shared happiness on the Council's initiative in organizing such informative roadshow. Further, the workshop was interactive with Question and Answer Session which was very encouraging to the organizers.

Plant sapling Mementos was presented to speakers and Guest of honors.

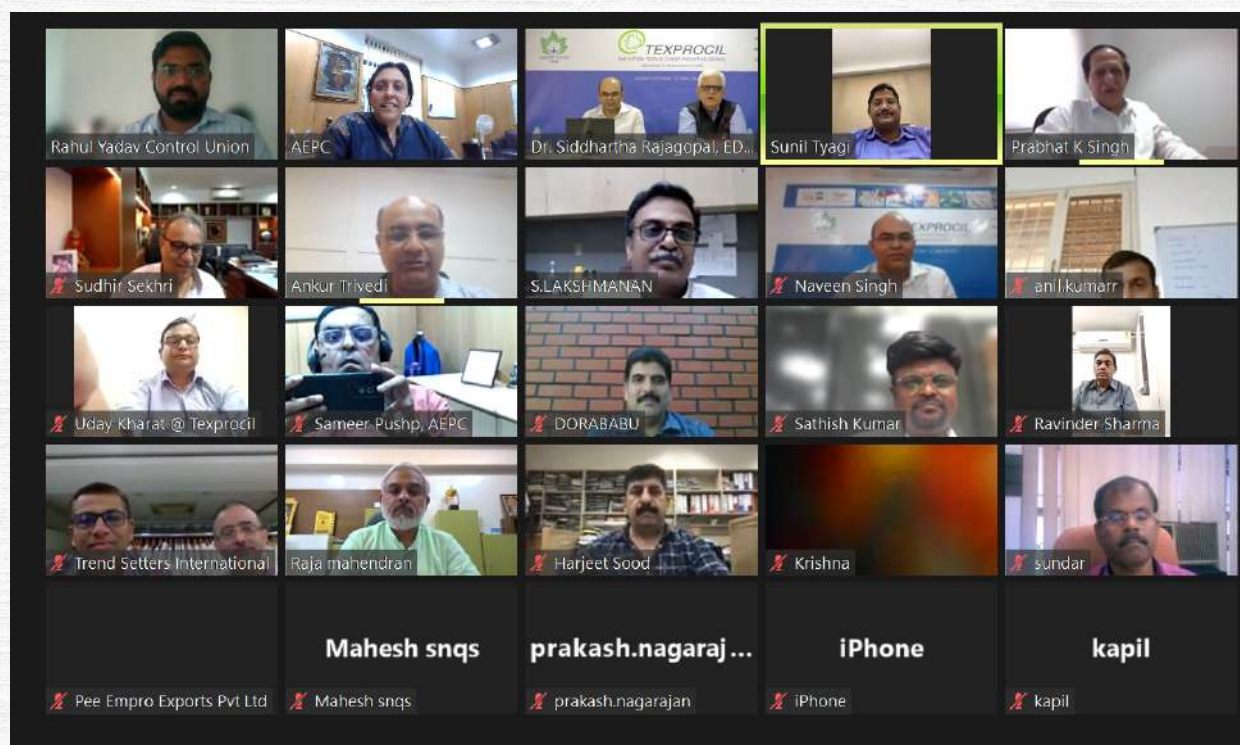


Highlighting the objective of this seminar Chairman AEPC Shri Naren Goenka said, the objective of this seminar was to prepare the industry through awareness on the emerging ESG standards and showcasing them to the global buyers and brands how Indian companies are making strides to prepare for challenges posed by emerging regulations.

Shri Mithileshwar Thakur, Secretary General, AEPC stated in detail about the focus of AEPC on ensuring the need for the industry /cluster to be ESG compliant and various actions taken by AEPC over last year towards this drive in the form of training programs, road shows, awards, policy forums and discussions etc. He also emphasized the need for Indian industry to go sustainable, announcing the world's biggest mega trade event on textiles and apparel as Bharat Tex 2024 scheduled to be held during 26th to 29th Feb 2024 in Delhi where compliance will hold key to grab business against other competing suppliers from neighbouring countries.

"We are launching 12 weeks online training program on handholding Industry on adopting Sustainability Practices on energy, water and waste water and chemical management shortly in collaboration with ONLYGOOD" said Mr. Thakur as his concluding remarks encouraging industry members to join the program in big numbers and treading towards making Brand India as Sustainable. ■

AEPC AND TEXPROCIL JOINTLY ORGANIZED A WEBINAR ON TRACEABILITY AND KASTURI COTTON



The textile industry's fragmented supply chains are going out of style, as companies face regulatory requirements, consumer and brands demand for transparency and sustainability goals. Typically, brands' visibility drops off drastically after the fabric supplier, and this lack of visibility exposes brands to risks.

Establishing traceability in supply chains not only protects companies, but it also supports stronger sustainability messaging and meets consumers' demands for disclosures. Sustainability and traceability are two sides of the same coin, one cannot make any credible sustainability claim without underpinning it with traceability.

The tipping point for hosting this webinar is the USA's Uyghur Forced Labour Prevention Act (UFLPA) which has come into effect since June 21, 2022. The US Authorities have banned cotton produced from Xinjiang region, China, and they want Indian Exporters to prove that the Garments made out by Indian exporters are not using Xinjiang sourced cotton and for such fibre, they insist on complete traceability for each Purchase Order. The complete

supply chain documents, e.g. from fibre to garments are being insisted upon by Customs Authorities in the USA. This is a huge challenge for the Indian exporters.

Stakeholders throughout the fashion supply chain are demanding a greater transparency and traceability. This is particular in the case of cotton where responsible produced fibres need unique, affirmative ways to distinguish origin and supply chain from that of competitors from questionable or restricted sources. Indian government has already initiated appropriate steps to develop a system to track and trace Indian origin cotton making TEXPROCIL as the lead agency.

In this context AEPC along with TEXPROCIL organized a webinar on Traceability and Kasturi Cotton jointly. The scope of this webinar was to give an overview of what Indian garment brands needs to do to ensure a seamless trade which is valued by all brands. AEPC was represented by Shri Sudhir Sekhri, Vice Chairman AEPC and Dr. Tamanna Chaturvedi, DSG AEPC. Shri Sudhir Sekhri in his address emphasized that, "ESG is very important for

all across the value chain as India is poised to harness the unique opportunity in its favor.”

Shri Siddhartha Rajagopal, ED TEXPROCIL welcomed all guests and participants. In his opening remark he said, “We run a programme on GCC (General Certificate of Conformity) with the Control Union which is helping the industry on cotton traceability and certification.” He also thanked Chairman AEPC and Vice Chairman AEPC for supporting the initiative.

Shri Naveen Singh and Shri Rahul Yadav from the Control Union made a detailed presentation. Shri Rahul is the Programme Coordinator for the GCC-General Certificate of Conformity for India Farm Cotton. The Cotton Textiles Export Promotion Council of India (TEXPROCIL) has tied up with India's leading certification agency, Control Union to deliver Certificate of Conformity for Indian Cotton across the value chain.

With its foundation in agriculture, Control Union has focused its efforts in developing services around sustainability of the industry's supply chains which feed into the food, feed, forestry, biomass, bioenergy, social compliance and textiles markets. With 'boots on the ground' in more than 70 countries, Control Union Certifications is uniquely placed to manage challenges in today's global marketplace.

A pilot program on General Certificate of Conformity (GCC) for Indian farm cotton across the value chain has been launched in July last year with an aim of providing farm level traceability to Buyers/Retailers through transaction certificates backed by QR code-based software module for the complete supply chain traceability from ginners to processors, finally to garment manufacturers.

The control union is helping the industry by the following ways;

- Provide a platform to Indian manufacturers & exporters to ensure adherence to expected global standards of cotton tracing & certification.
- Ensure the integrity of Indian Cotton based textile products in the global supply chain and provide credible assurance to retailers, importers, brands and other end users.
- Use the existing framework or eco system to ensure audit, verification and certification of Indian Cotton based textile products as per recognized global standards.
- Create a simple, quick and easy to implement certification system that is scalable and acceptable

to the Indian exporters at reasonable cost.

Work Model of General Certificate of Conformity

GCC is a platform for Indian Farm Cotton to ensure traceability of Indian Origin Fibre in Finished Products and is capable of providing Farm level Traceability to Buyers/Retailers through Transaction certificates, backed by QR codebased software module for complete supply chain traceability.

Benefits of the GCC program

- Authentication of origin of Indian Farm Cotton
- Verifiable and Traceable at each stage of the value chain from Ginning
- Certification process as per Globally accepted standards
- Screening and records identification of actual movement of goods Beneficiaries The program will benefit the entire textile value chain from ginners to processors to manufacturers.

The objective of the GCC programme is to increase the trust between buyers and sellers. The USP is they use blockchain technology and trace the cotton from farm level. This is not a forensic traceability. This blockchain technology has been forwarded to tracing the Kasturi Cotton in India and provides conformity on Indian Farm Cotton.

Gradually globally brands are gearing up for the EPR which is Extended Product Responsibility so the awareness, that product should be under your control is very important. The GCC certification is accepted by the major apparel brands globally the speakers of the Control Union informed during the webinar.

The webinar was attended by large number of participants across India and it concluded with the Q&A session. Dr. Tamanna informed that a separate session on Kasturi Cotton will be held shortly. ■



TEXTILES MINISTER TO PRESENT 'AEPC EXCELLENCE HONOURS' AWARDS FOR RMG EXPORT PERFORMANCE

- *Targets 40 billion USD of RMG exports by 2030*
- *Power group discussion to be held for enhancing export competitiveness in the sidelines*



AEPC announced today that Shri Piyush Goyal, the Union Minister for the Textiles, Commerce and Industry and Minister of Consumer Affairs, Food and Public Distribution will be presenting the AEPC prestigious “AEPC Excellence Honours” the export awards to the RMG exporters on 9th December 2023 in New Delhi. The awards will be conferred for the year 2021-22 and 2022-23. The award recognizes extraordinary contributions made by Indian Apparel exporters in building our modern export enterprises and helping to further develop a unique Indian export culture.

The award will be given in 13 categories, extending across diverse product categories and including both experienced and start up representation. The awards are a celebration of the contributions exporters have made to the industry and, in turn, the national economy. The award this year will also include awards for excellence in environmental and social compliance, highest exports in MMF, exports to FTA countries, most dynamic women entrepreneurs, etc.

Speaking on the awards, Shri Naren Goenka, Chairman AEPC said, apart from adding to the growth of our international trade, these export

heroes have contributed to India's image as a progressive member of the international business community and are role models for future generations of Indian exporters. AEPC has instituted these awards with an aim to encourage the Indian Apparel exporters to increase their export capacities and at the same time, enhance the competitiveness among the firms to capture the global markets, he added.

Further Shri Goenka remarked, AEPC is excited to share our ambitious goal of achieving apparel exports of USD 40 billion by the year 2030. This target, aptly named The ‘40 by 30’ reflects our commitment to reaching new heights and pushing our limits in the ongoing decade. ‘40 by 30’ is not just a financial milestone; it's a testament to our potential and our vision for the future.

To reach this target, we will need to; focus on Innovation, expand our market and product basket, practice sustainability and responsible business practices, foster strategic partnerships and empower our people, Chairman AEPC added.

The 23rd “AEPC Excellence Honours” 2021-22 and 2022-23 will also host a ‘Power Group Discussion’ to bring together decision and policy makers, focused business representatives and important stakeholders for strategizing initiatives towards achieving this goal.

The discussion will be centered around themes like; enhancing export competitiveness through factor productivity, digitizing the industry through tech interventions, exploring new frontiers with Man Made Fibre, compliance and sustainability, etc. ■



Ethical Trade Initiative (ETI) and ATDC sign MOU – A Collaborative Engagement



ATDC had arranged an Interactive Session with Mr. Peter McAllister, Executive Director, Ethical Trade Initiative (ETI) who be accompanied by Mr. Rana Alok Singh, Regional Director and Mr. Ranjeeb Sarma. Mr. Rakesh Vaid, Vice-Chairman, ATDC and Mr. Peter McAllister, Executive Director (ETI) signed an MOU for working together for matters of mutual interest. ETI is a leading alliance of trade unions, NGOs and companies, working together with key stakeholders to promote practical solutions to end the abuse of human rights at work. Retailers, brands and their suppliers take responsibility for improving the working conditions of the people who make the products they sell.

Mr. Vijay Mathur, DG & CEO, ATDC gave an overview of ATDC's journey in Skill Development and education in apparel sector. It was emphasized that ATDC is actively pursuing women empowerment programmes of reputed British and American apparel Brands. The programme offers career progress plan through soft and technical capacity building with women workers.

The ATDC presentation was jointly given by Mrs. Neera Singh Parihar, Director and Dr. Roopali Shukla, Director. ETI and ATDC would carve out programmes for industry, course curriculum

development in Sustainability and Circularity and seeking active support of ETI in deeper engagements with apparel brands for utilizing their CSR funds for social upliftment and women empowerment programmes of ATDC.



From Industry there were notable participation from Shri H K L Magu, ATDC-BOG Member, M/s Monica Garments Shri Anil Varma and Shri Sanjay Sharma, Chief Manager, Chief Manager, HR & Shri Kamal Singh, Chief Manager, Compliance from M/s Trendsetters. Mrs. Gurpreet Kaur, Director (Academic Affairs), ATDC proposed Vote of Thanks. ■

MINISTRY OF TEXTILES ORGANIZES NATIONAL CONCLAVE ON AGROTECH

Ministry of Textiles notifies QCOs for 20 items under Agrotexiles to ensure superior quality, safety and reliability of products in Agro textiles

Ministry of Textiles, under its flagship scheme National Technical Textiles Mission (NTTM), organized the National Conclave on Agrotech emphasizing on the importance of accelerating productivity of agriculture & horticulture products in India in association with ITTA and SASMIRA.



The event encompassed 5 technical sessions focusing on innovations for sustainable and resilient agriculture, Indian Standards and QCOs under Agrotexiles, performance and sustainability of Agrotexiles and recent advances in Agrotech technology including digital transformation in Agriculture and Horticulture. There was a special session also on future growth and opportunities in Agrotexiles. A Conclave Booklet and a Report on Indian Agrotech Industry Opportunity: Fibre to Field, were released during the National Conclave.

More than 150 participants attended the conclave including officials and representatives from Central Ministries, user Departments of Central and State Governments, Institutes, industry leaders, scientific experts, researchers, and professionals related to Agro textiles.

Ms. Rachna Shah, Secretary, Ministry of Textiles, Government of India, highlighted that agriculture plays a significant role in the Indian economy and the life of its citizens. Agriculture is also a major contributor with its share in country's GDP has a long-term trend of around 18-20%.

She opined that Agro textiles can play an important role in addressing the unique agricultural challenges like climate variations, water constraints and high demand of agri-produce with limited arable land available. Use of Agro textiles plays a significant role in improving agricultural productivity and quality of Agri-based products by extending the growing cycle of crops, shielding plants from weather conditions and pests etc.

She stated that research and studies have shown that the use of Agro textiles in horticulture leads to increase in farm productivity by 2-5 times, increase in crop intensity, reduction in water consumption by 30- 45%, reduction in

fertilizer usage by 25- 30%, and higher harvest cycle per year.

A collaborative approach between Certification Agencies, Research Organizations, Industry, Academia and Ministry is imperative to address the cost implications of Agro textiles and work together in increasing awareness and education amongst farmers for wider adoption by the larger agricultural community for the growth of the sector, she further added.

Shri Z. P. Patel, Vice Chancellor, Navsari Agriculture University highlighted that there is an average farming production loss of 10-40% due to climate change, especially in the rain-fed areas. Agrotexiles such as Crop Cover, Mulch mats, Polyhouses, etc. hold the potential to manage and stimulate the microclimate for crops during farming leading to higher productivity for agriculture products, he emphasized.

He mentioned that on the back of diverse geographical location-based benefits of Agrotexiles, the segment has proved to be tremendously beneficial for the agricultural sector in India. There is a need for bio-degradable agro-fibre based agrobags which can be automatically degraded in the soil after the mulching process overtime, leading to planting process and sustainability.

There is a need of developing innovative Agro textile products like soil- degradable Agro-fabrics, artificial soil which are nutrient rich and has water holding capacity, super- absorbent polymer fibres to prevent waterlogging in high-rain areas, weather, and micro-organisms resistant fabrics, etc., he further added.

Shri Rajeev Saxena, Joint Secretary, Ministry of Textiles, Government of India, highlighted that the India holds a tremendous potential in the global Agro textiles market of ~USD 12 Bn wherein India's share is ~3%. Though India is one of the biggest markets for Fishing Nets, other Agro-textile products like mulch-mats, anti-bird nets holding significant share in global demand, can also be promoted in the context of Indian domestic market.

To ensure superior quality, wider safety, and comprehensive reliability of products in Agro textiles, he mentioned that Ministry of Textiles has notified QCO for 20 Agrotextile items, which will come in-effect from 1st April 2024.

Further, Ministry has also sanctioned 11 R&D projects in Agro textiles valuing INR 13.67 Cr for development of innovative products.

He also announced that Ministry of Textiles is going to establish a Climate Smart Agrotextile Demonstration Center to Revolutionize Agriculture through Digitized Microclimate Farming in partnership with SASMIRA. ■



KERALA FIRM SUSPENDS UNIFORM SUPPLY TO ISRAEL POLICE CITING MORAL GROUNDS

The managing directory of the firm said that the it would fulfill all previous commitments made to the Israel police force and expressed hopes that peace would be restored very soon.



An apparel making firm based out of Kannur in Kerala, which has been in the news for supplying uniforms to the Israel police since 2015, has decided not to take fresh orders from Israel until peace is restored in the region.

"In light of recent events, bombing of hospital and loss of thousands of innocent lives, we have made a moral decision to not take any further orders to manufacture

Israel police uniforms until peace has been restored," Maryan Apparel's Managing Director Mr. Thomas Olickal said in a statement. Olickal said that the firm would fulfil all previous commitments made to the Israel police force and expressed hopes that peace would be restored very soon.

Kerala Industries minister and senior CPI(M) leader Mr. P Rajeev shared the decision of the apparel firm on social media, adding that the firm would gain international recognition for its moral stand.

The Mumbai-headquartered firm run by a Malayali has its apparel factory at Koothuparamba in Kannur. The firm has been supplying uniforms to various agencies in different countries. It had been supplying around one lakh uniforms annually to the Israel police over the last several years and received orders for this year also.

The firm has considerable social relevance too, with 95 percent of its 1,500 odd workforce being women from the locality. ■

MINISTRY OF TEXTILES EXTENDS IMPLEMENTATION OF GEO TEXTILES (QUALITY CONTROL) ORDER, 2022 FROM JANUARY 1st, 2024

The Ministry of Textiles, Government of India, has announced the extension of the implementation date for the Geo Textiles (Quality Control) Order, 2022. The Quality Control Order (QCO), which was originally scheduled to come into effect on 7th October 2023, will now be enforced from 1st January 2024.

The decision to extend the implementation date was made in consideration of requests made by firms for time to comply with the specifications of Bureau of Indian Standards (BIS), including ongoing certification processes at the BIS for the 19 items covered under S.O. 1706(E) dated 10th April 2023 and the subsequent Geo Textiles (Quality Control) Amendment Order, 2022 dated 24th May 2023.

The gazette notification pertaining to this extension is under issuance, and the Ministry of Textiles further

expressed its commitment for ensuring quality of these products as these are used in infrastructure projects. ■



SHRI PIYUSH GOYAL CHAIRS A CHINTAN SHIVIR WITH INDUSTRIALISTS ON "UNLEASHING THE POWER OF INDIA'S MANUFACTURING INDUSTRY"

The Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry in association with SCALE Committee and Invest India organized a "Chintan Shivir - Unleashing the power of India's manufacturing industry". The event brought together industry leaders from across CII, FICCI, ASSOCHAM, ACMA, SIAM along with knowledge partners BCG and McKinsey. The event was successfully hosted at Bharat Mandapam, Pragati Maidan, New Delhi.

Union Minister of Commerce & Industry, Consumer Affairs, Food & Public Distribution and Textiles, Shri Piyush Goyal highlighted various reforms and schemes undertaken by the government to support the manufacturing ecosystem and welcomed the suggestions to catalyse the process for achieving economies of scale. While chairing the "Chintan Shivir - Unleashing the power of India's Manufacturing Industry" at Bharat Mandapam, New Delhi, the Minister commended the attendees, recognizing their spirited engagement and unwavering dedication to propelling India's manufacturing sector to scale greater heights and to become globally competitive.



Shri Goyal also asked the industry to accelerate production activity and contribute in making India a global hub for manufacturing. The Minister emphasized the Government's steadfast commitment for providing consistent policies while acknowledging the pivotal role and the support from industry leaders. The presence of Union Minister of State for Commerce and Industry, Shri Som Prakash, further underscored the significance of the occasion, emphasizing the collaborative spirit driving India's industrial growth.



The conclave served as a crucial platform for discussing the challenges and opportunities within India's manufacturing sector. The major focus was to understand and deliberate on increasing manufacturing capacities across various sectors and enhance contribution to GDP by 2030.

The event evoked enriching discussions on 12 sectors (Textiles, Capital Goods, Auto and EV, Defence, Aerospace & Space, Metals & Mining, Leather & Footwear, Energy, Food Processing, Chemicals, Medical Devices, ESDM Value Chains, Drones) from manufacturing industry on key topics such as creating manufacturing ecosystem, maintaining quality standards, promoting domestic value addition, government policies and support, fostering industry agility. These discussions laid the foundation for innovative strategies, trade enhancement, integration with global supply chains and increased investments in the Indian Manufacturing Industry.

The presentations made by each sector encompassed a comprehensive industry snapshot, detailing the current and projected industry potential and export potential. The presentations delved into the critical enablers necessary for achieving these goals spanning the ecosystem, policy landscape, technological advancements, and skill development initiatives. Moreover, attendees experienced a detailed overview of the proposed collaborative plans between the government and the industry to drive these initiatives forward.

The discussions were the culmination to the sector-based brainstorming session of the working groups held with Industry Members and the SCALE Committee. ■



UNION TEXTILES MINISTER SHRI PIYUSH GOYAL LAUNCHES WEBSITE OF “KASTURI COTTON BHARAT”

Shri Piyush Goyal, Hon'ble Union Minister of Textile, Commerce & Industry, Consumer Affairs and Food & Public Distribution, launched website <https://kasturicotton.texprocil.org> of Kasturi Cotton Bharat. This website provide a digital platform for necessary information and updates on this initiatives and highlights the registration process for ginners to produce Kasturi Cotton Bharat Brand and its processes that make the branded Indian cotton unique.

The Kasturi Cotton Bharat is a joint initiative by the Ministry of Textiles, the Cotton Corporation of India, Trade Bodies & Industry to work on the principle of self-regulation by owning complete responsibility of Branding, Traceability and Certification of Indian Cotton to enhance its' competitiveness in the global market and create a sustainable ecosystem for all stakeholders involved.

Earlier, on the eve of World Cotton Day on 7th October, Ministry of Textiles announced the “Kasturi Cotton Bharat” brand of cotton by which Indian cotton has been endowed with a brand and a logo that represents Whiteness, Softness, Purity, Lustre and Indianness. Thereafter, an MoU has been signed between CCI on behalf of Govt. of India and TEXPROCIL on behalf of the Textile Industry on 15th December 2022 for a mission-mode approach in positioning of Kasturi Cotton Bharat brand.

All the ginners in the country have been empowered to produce Kasturi Cotton Bharat brand as per stipulated protocol. Besides this, to provide complete traceability of Kasturi Cotton Bharat across the supply chain, QR based certification technology will be used at each stage of the processing and a blockchain based software platform will provide end to end traceability and transaction certificate.

Speaking on the occasion, Textile Minister remarked that “with the Kasturi Cotton Bharat Initiative, we are not just launching a brand, we are sharing India's rich heritage with the world. Let's weave a future that echoes our past.” In an era of global competition, this initiative will strategically position Indian cotton on the world map for its quality standards and commitment to best practices, said the Shri Piyush Goyal. ■



DUTY DRAWBACK RATES REVISED, APPAREL EXPORTERS THANK GOVERNMENT

The Government has announced the new rates of duty drawback and a few products have had a significant increase in rates.

Cotton T-shirts now have a drawback rate of 3.1 per cent compared to 2.1 per cent of earlier, rates for man-made T-shirts also increased by 0.5 per cent, babies garments (blended and cotton) do have a little increase.

Regarding drawback value cap per unit, there is a significant revision, as for babies garments, now the cap is Rs. 29.4 which was earlier Rs. 13, similarly in blended babies garments, earlier the cap was of Rs. 6 which is now Rs. 12.5.

This revision has come more than after three years as prior to this, the last revision was done on 28th January 2020.

The Department of Revenue, Ministry of Finance, Government of India has issued a Notification recently by revising the Drawback schedule. This notification shall come into effect from 30th October 2023.

The notification also says that in respect of the tariff items in Chapters 60, 61, 62 and 63 of the said schedule, the blend containing cotton and man-made fibre shall mean that content of man-made fibre in it shall be more than 15 per cent but less than 85 per cent by weight and the blend containing wool and man-made fibre shall

mean that content of man-made fibre in it shall be more than 15 per cent but less than 85 per cent by weight. The garment or made-up of cotton or wool or man-made fibre or silk shall mean that the content in it of the respective fibre is 85 per cent or more by weight.

Shri K.M. Subramanian, President, Tirupur Exporters Association (TEA) said, "We are happy with this decision as we have appealed for the revision of drawback rates and value cap upwards for knitwear garments."

The revision of rates will provide apparel exporters with the great opportunity to reduce costs and enhance the look of their products in international markets, ultimately bolstering the growth of the overall trade in the long run. ■



VIBRANT GUJARAT SUMMIT TO BE HELD IN JANUARY 2024



Bharat' will take place on November 23, 2023, at The Southern Gujarat Chamber of Commerce and Industry (SGCCI), Platinum Main Hall, Surat, Gujarat from 9 am onwards.

The event is expected to witness participation from several reputed national and global industry players, government officials as well as other relevant stakeholders to deliberate, envision, and charter Gujarat's textile and apparel sector's role for Viksit Bharat @ 2047, the Associated Chambers of Commerce and Industry of India (ASSOCHAM) said in a press release.

The Tenth Vibrant Gujarat Global Summit will be inaugurated by Prime Minister Narendra Modi on January 10, 2024. The summit presents a global platform to synergise collective action towards addressing priorities and concerns of contemporary times. ■

The government of Gujarat is organising the Tenth Vibrant Gujarat Global Summit from January 10-12, 2024, in Gandhinagar, Gujarat. A pre-vibrant seminar on the textiles and apparels sector themed 'Future Ready 5F: Gujarat's Textile vision for Viksit



WTO ISSUES NEW EDITION OF TRADE PROFILES



The WTO issued the 2023 edition of Trade Profiles, an annual publication providing key data on merchandise trade and trade in commercial services for 197 economies. Each two-page profile provides a breakdown of the economy's major exports and imports and its main trading partners.

For merchandise trade, top exports and imports are broken down by agricultural and non-agricultural categories. For trade in services, data is provided for transport, travel and other commercial services. Statistics on intellectual property, such as patent and trademark applications, are also provided.



WORLD TRADE
ORGANIZATION

The profiles are available for all WTO members and observers as well as for other selected economies, providing a concise overview of global trade.

The publication can be downloaded in English, French and Spanish. Printed copies will be available in November.

Additional data are available through the WTO statistics webpage, the WTO Stats Portal and the WTO Stats Dashboard, a data visualization tool that provides graphical representations of the data presented in Trade Profiles.

Short-term trade data is also available through the WTO Stats Portal. Direct downloads of annual data on merchandise and commercial services trade may be found [here](#). ■



WHAT ARE THE PROSPECTS FOR GLOBAL TRADE GROWTH IN 2023 AND 2024?

Authored by Ralph Ossa, WTO Chief Economist

The latest edition of the WTO's "Global Trade Outlook and Statistics", provides revised forecasts for global trade in 2023 and 2024.

For 2023, we are downgrading our forecast for world merchandise trade volume growth to 0.8 per cent, less than half the 1.7 per cent growth we forecast last April.

However, the outlook for next year has not been downgraded and remains relatively strong. We predict 3.3 per cent trade growth in 2024, slightly higher than our estimate of 3.2 per cent in April.

So, what has led to this revised forecast?

The global situation over the past year

The downgrade is not entirely surprising as we had already considered the risks to be mostly on the downside in our April forecast.

Several factors have contributed to this revision. The global economy has been grappling with rising inflation and high interest rates since the fourth quarter of 2022, particularly in the European Union and the United States.

While falling energy prices and the end of COVID-19 pandemic restrictions raised hopes of a quick rebound, strained property markets have prevented a stronger recovery from taking root in China. Added to these factors, the ongoing Ukraine conflict also continues to weigh on the global economy.

The trade slowdown in the first half of 2023 appears to have involved a large number of economies and a wide array of goods, specifically certain categories of manufactured goods such as iron and steel, office and telecom equipment, textiles and clothing, although sales of passenger vehicles have surged in 2023.

The stronger growth predicted for 2024 is likely to be driven by increased trade in goods closely linked to the business cycle, such as machinery and consumer durables, which tend to recover when economic growth stabilizes.

The world GDP growth at market exchange rates, anticipated to be 2.6 per cent in 2023, show little change since the April forecast. However, shifts in the regional composition of growth could influence trade.

Specifically, GDP growth rates for North America in 2023 and 2024 have been revised upwards, from 1.5 per cent and 1.0 per cent, respectively, in April, to 2.2 per cent and 1.4 per cent in the current report. Meanwhile, estimates for Asia for 2023 and 2024 have been revised downwards, from 4.2 per cent and 4.3 per cent, respectively, in April, to 4.1 per cent and 4.0 per cent. European GDP growth in 2023 should come in at 1.0 per cent, up slightly from 0.9 per cent in the April

forecast, while growth in 2024 should be 1.4 per cent, down from 1.8 per cent previously. Finally, output in the Commonwealth of Independent States (CIS) region is expected to be stronger than previously forecast, both this year and next year.

In terms of imports, demand appears to be weakening in manufacturing economies, with import volumes in 2023 expected to contract by between 0.4 per cent and 1.2 per cent in North America, South America, Europe and Asia. Meanwhile, imports appear set to rise sharply in regions that export fuels disproportionately, thanks to the increased revenues flowing from higher prices.

Effects of trade fragmentation on the global economy

Many people may be wondering how much of the current trade slowdown is due to trade fragmentation, possibly as a result of rising geopolitical tensions, and how much is due to tighter financial conditions as countries around the world raised interest rates to fight inflation. The report suggests that, while we do see initial signs of fragmentation, we do not see evidence of broad-based de-globalization.

For example, the share of intermediate goods in world trade, which provides an indication of the health and extent of global supply chains — a key indication of the extent of trade fragmentation — fell to 48.5 per cent in the first half of 2023, having averaged 51.0 per cent over the previous three years. While this suggests that supply chains may be contracting, it may also simply reflect higher commodity prices as these have a greater influence on the cost of intermediate goods than on final goods costs.

A possible indication of an increase in near-shoring is the recent decline in the share of Asian trading partners in US trade in parts and accessories, which is an important component of intermediate goods. However, while this share fell from 43 per cent in the first half of 2022 to 38 per cent in the first half of 2023, it remains close to the pre-pandemic (2019) share of 39 per cent.

Similarly, the share of politically like-minded trading partners (as measured by United Nations voting patterns) in US total trade recently rose to 77 per cent in the first half of 2023, from 74 per cent in the first half of 2022. Again, while this could signal increased friend-shoring, in fact the 2023 share is very close to the 2019 share of 77 per cent.

These findings are in line with the results we presented in the 2023 World Trade Report on 12 September 2023. While they do not yet suggest broad-based de-globalization, nevertheless, we will continue to monitor these trends carefully going forward. ■



FINDING CHINA ALTERNATIVES FOR APPAREL MAKING HITS COST, SKILL BARRIERS

Global apparel and footwear makers like Adidas to Nike have been shifting some of their supply chains out of China for the past decade.

The moves, initially driven by lower operating costs, have lately been pushed by mounting geopolitical tensions between China and the west.

But China remains the world's top clothing exporter — about one-third of all garments globally come from its factories — and the limits of the viable alternatives may have been reached, as Bloomberg reported.



America Is Diversifying Its Clothing Sources

US and European brands say they want to further cut ties with China to reduce potential political risks. But finding established production locations elsewhere brings

challenges: a lack of skilled workers, insufficient raw materials, or underdeveloped infrastructure and logistics networks.

The latest headwind is a weakening of consumer demand, which makes the investment in expansion or the pursuit of a China-plus-one sourcing strategy even less attractive.

So, some Chinese garment manufacturers that have built factories in Vietnam and other Southeast Asian nations have retreated back to China, our story explains. Some paused expansion to reduce potential losses.

While there's ongoing discussion on reducing reliance on Chinese raw materials to avoid escalating sanctions, that's going to be tough to do.

The Vietnamese clothing industry, for instance, still relies mostly on Chinese-made buttons, thread, labels and packaging, with only about 30% to 40% of such materials made domestically.

And even if the drive to shift production and raw material sourcing away from China, it remains to be seen if customers are willing to pay a higher cost.

"Therein lies the dilemma," said Michael Laskau, a Vietnam-based businessman who links local apparel manufacturers and overseas buyers. "Customers want the fabric produced in Vietnam but they don't want to pay the price. They want everything to be as cheap as it can be." ■

Source: Bloomberg

NEW RMG WAGE STRUCTURE TO TAKE EFFECT FROM 1 DECEMBER: STATE MINISTER FOR LABOUR AND EMPLOYMENT, BANGLADESH

Readymade garment workers' new wage structure will be finalised by 30 November and in effect from 1 December this year, State Minister for Labour and Employment Begum Monnujan Sufian said.



She made this announcement at an emergency meeting with the trade union and federation leaders at Shromo Bhavan over the ongoing situation in the industrial zones.

"We called you to uncover the backstory behind the ongoing strike," she said, raising questions, "Are there any benefits for workers in a vandalised workplace? Ensuring peace in the workplace is key to positive outcomes for employees."

She added, "If any factory is vandalised, workers will be affected first."

Md Ehsan-e-Elah, secretary at the Ministry of Labour and Employment, said, "The RMG wage board has yet to reach a decision despite receiving proposals from both workers and factory owners' representatives. This provides us with an opportunity to discuss further before reaching a final decision."

In the last few days, some factories have faced shutdowns and vandalism, he said, adding that the export-oriented garment industry is a lifeline, and

nobody should not do anything that will affect this industry.

However, at the meeting, ruling Awami League Presidium member Shajahan Khan expressed his concerns about certain external influences that seemed to be inciting the workers and prompting unnecessary demonstrations. He urged the timely announcement of an acceptable wage structure.

Readymade garments factory owners proposed to the minimum wage board Tk10,400 as the minimum monthly wage, against the proposal of Tk20,393 as the minimum wage from the workers' organisations at the fourth meeting of the wage board.

Different labour rights groups rejected both aforesaid proposals and instead demanded Tk23,000-Tk25,000 as the minimum monthly wage.

The Industrial Bangladesh Council (IBC), which consists of 18 labour federations, demands a Tk23,000 minimum wage, with a 65% basic wage and an annual 10% increment. ■

BANGLADESH GARMENT INDUSTRY SEEKS IMF SUPPORT AMID DOLLAR CRISIS



In a recent meeting held, Faruque Hassan, the president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), requested International Monetary Fund (IMF) support

for Bangladesh's Ready-Made Garment (RMG) industry. The meeting took place at Uttara's BGMEA Complex, where Hassan highlighted the industry's significant role in the country's economic growth and international trade.

The IMF delegation, led by Rahul Anand, included other notable members such as Jayendu De, Chris Papageorgiou, Suphachol Suphachalasai, Piyaporn Sodsriwiboon, Senior Economists Seok Hyun Yoon and Estelle Xue Liu, and Economist Richard Varghese. They engaged in discussions with Hassan about the current challenges facing the RMG industry.

Among the issues raised were disparities in apparel export proceeds repatriation and complications related to letters of credit. These concerns come amid a dollar crisis affecting the garment industry. The IMF delegation also sought insights into potential future challenges that could impact the industry.

Despite these concerns, Hassan downplayed the differences, stating they were "not too much." He remains hopeful that with IMF backing, Bangladesh's RMG sector can continue to thrive and contribute to the nation's economic prosperity. ■

CHINA'S TEXTILE & GARMENT EXPORTS DOWN TO \$223 BN IN JAN-SEPT 2023

In the January to September period of 2023, China recorded a decrease in the cumulative exports of textiles, garments, and accessories, according to data released by the General Administration of Customs of China. It indicated a drop to \$223.147 billion, which represents a 9.49 per cent decline compared to the \$246.55 billion reported during the same period in 2022.

This reduction was seen across various categories with garment exports experiencing an 8.8 per cent fall. In detail, the exports of garments and accessories accounted for \$121.227 billion, down from \$132.887 billion in the corresponding timeframe in 2022.

Textile products such as yarn and fabric also witnessed a significant decrease. The first nine months of 2023 saw a dip of 10.3 per cent year-on-year, reducing the total to \$101.920 billion from \$113.663 billion in the same period of 2022.

In the month of September 2023, the exports amounted to \$11.638 billion in textiles and \$14.558 billion in garments.



Furthermore, there was a notable decline in China's imports of textile yarn and fabric products, standing at \$8.612 billion, 8.3 per cent less than the \$9.396 billion in the first nine months of 2022. The value of these imports for September 2023 alone was \$1.104 billion.

In 2022, the country experienced a modest growth of 2.53 per cent in the textile, clothing, and accessory sector with exports amounting to \$323.344 billion. This included \$175.396 billion from garments and accessories and \$147.948 billion from textile products such as yarn and fabric. ■

EGYPT SIGNS DEAL FOR \$100M WORTH OF CHINESE TEXTILE AND APPAREL PROJECTS

The Suez Canal Economic Zone (SCZONE) has signed letters of interest regarding several new projects with Chinese textile and apparel companies.



The news follows a visit by SCZONE's president to Hangzhou in Shanghai, where he met with investors and business owners from the textile and ready-made garment sector.

Last May, SCZONE's chairman Waleid Gamal El-Dien visited China and signed a letter of interest with ready-made garment and accessories manufacturer Shanghai Shengda Company. This has now progressed into a final contract, with a \$28.5m investment.

This was the first Chinese project in the West Qantara Industrial Zone, which has encouraged more Chinese apparel and textile manufacturers to work with SCZONE and establish projects in the West Qantara Industrial Zone.

SCZONE chairman El-Dien has now also

announced a new dyeing, processing and textile manufacturing project with Chinese company Hengsheng Dying Zhejiang Company in the region, with an investment of \$70m.

SCZONE's chairman has also signed a letter of interest with fabric producer Shaoxing Yuding Textile Company, which plans to open a new 12,700sqm factory in the West Qantara Industrial Zone, investing \$5m in the region. The new factory is expected to export 90% of its products to Europe and the US.

Shengzhou Captain Industrial & Trading, which is one of US retailer Target's suppliers, has also signed a letter of interest with SCZONE. The company plans to manufacture spandex, polyester and elastic yarns in the region and plans to invest \$5m in the project. ■



VIETNAM'S 2023 GARMENTS AND TEXTILE EXPORTS LIKELY TO DROP 5.0%-6.3%



Vietnam's textile and garment exports are expected to fall 5.0 per cent- to 6.3 per cent to between \$40.5 billion and \$41 billion this year

on the continued weak global demand, the head of the country's textile and garment association said.

Textiles and garments are Vietnam's third-largest export earner after smartphones and electronics, manufacturing items for major high street brands that include Nike, Calvin Klein, Zara, Adidas and Ralph Lauren.

"The global economy hasn't recovered, keeping consumers from spending on goods including on garments," Vu Duc Giang, chairman of Vietnam Textile & Apparel Association said.

"This is a challenge for the global garment and textile industry, not only for Vietnam," he said.

Several garment and textile firms have so far this year been forced to scale down their production and cut thousands of jobs amid the lack of orders.

Giang said there had been signs of recovery, however, a trend he said would continue into 2024, noting that Vietnam's textiles-related exports fell 13.5 per cent for the first nine months of the year, a slight improvement from the 17 per cent drop in the first half.

"I believe next year will be a better year for the industry," Giang added. ■

BANGLADESH'S TEXTILE SECTOR RECEIVES HIGHEST FDI OF \$1,229 MN IN FY23

Though foreign direct investment (FDI) into Bangladesh contracted by over 7 per cent to \$3.2 billion in fiscal 2022-23 (FY23), the textile sector received the highest FDI of \$1,229 million, according to central bank data released recently.

The textile sector received \$435 million in FDI from South Korea, followed by Hong Kong (\$174 million), China (\$112 million) and India (\$54 million).

The highest overall FDI came from the United Kingdom (\$622 million), followed by South Korea (\$603 million).

Other major contributors included the Netherlands (\$512 million), Hong Kong (\$371 million), the United States (\$347.2 million), Singapore (\$330.62 million) and China (\$232 million).

The country's energy sector received \$340 million in FDI, including \$111 million from the Netherlands and \$202 million from the United States,

according to domestic media reports.

Disinvestment witnessed an uptick in the fiscal, and was attributed to potential fund withdrawals. Equity investment plummeted by 40.91 per cent, while intra-company loans falling by 40.14 per cent during the fiscal, the Bangladesh Bank's recent report noted.

Reinvestment by existing foreign-owned companies, however, saw a surge of nearly 16 per cent during the fiscal.

FDI in Bangladesh primarily focuses on three areas: economic zones (EZ), export processing zones (EPZ) and non-export processing zones (non-EPZ).

In FY23, non-EPZ areas attracted the highest net FDI inflows of around \$2.8 billion, while EPZs received \$406 million. The EZ areas received nearly \$4.2 million. ■





GERMANY'S HEIMTEXTIL 2024 TO LAUNCH ECONOGY FOR SUSTAINABLE TEXTILES

The upcoming global trade fair for home and contract textiles in Germany, Heimtextil 2024, also forms the launch of Econogy, a realignment of sustainable formats in the global Textpertise Network. Econogy standardises the evaluation criteria of all Messe Frankfurt textile events and creates cross-fair transparency for resource-saving products and exhibitors.

New international contacts, inspiring business encounters, and intensive networking—Heimtextil 2024, which is set to take place in Frankfurt am Main from January 9–12, 2024, records strong registration figures across all product segments. With over 2,600 exhibitors participating, demand exceeds the number of exhibitors at the previous event,

organiser Messe Frankfurt said in a press release.

“Heimtextil provides a bundled and therefore efficient market overview of all global trends in the home and contract textiles industry on a central platform over four days. In 2024, we are pleased to be able to intensify this experience with the launch of the new Carpets & Rugs product segment and an increased number of exhibitors,” said Olaf Schmidt, vice president, textiles and textile technologies.

For the Asian Excellence and Asian Selection, both the house textiles and home textiles segments have a strong presence at Heimtextil 2024. Quality in all quantities meets private label excellence here. To exhibit in the Asian Excellence halls on levels 6.1 and



10.2, an independent panel of experts selects high-quality producers. The evaluation includes questions about workmanship, colour concept, stand construction, quality and materials.

The top four exhibiting nations of Asian Excellence and Asian Selection are China/Hong Kong, Pakistan, India, and Bangladesh. Among others, D Decor, GM Fabrics, GM Syntex, Grasim Jana Seva Trust from India, and Karupannya Rangpur from Bangladesh will be present. In addition, key market players such as Adamjee Textile Mills, AlKaram Textile Mills, Export Promotion Council of Handicrafts, Gul Ahmed Textile Mills, Handloom Export Promotion Council, Indo Count Industries, Kamal, Kanodia Global, Mittal International, Premiere Fine Linens, Sadaqat, Towellers Limited, Trade Development Authority of Pakistan, and Trident and Union Fabrics are also participating.

At Heimtextil 2024, a realignment of all sustainable formats of the worldwide Texpertise Network will be launched with Econogy. Econogy standardises the evaluation criteria of all Messe Frankfurt textile events for sustainability and clarifies the holistic connection between economy and ecology.

The Econogy offering at Heimtextil includes the Econogy Finder. The directory helps visitors find certified suppliers. Since many years, Heimtextil exhibitors have the opportunity to have sustainability checks carried out in order to be listed in special directories. In the future, these checks will be harmonised across all textile fairs of Messe Frankfurt. Econogy thus creates transparency and comparability across trade fairs with regard to criteria used to select resource-saving products and exhibitors. In cooperation with independent external sustainability experts, the current status of recognised seals and certificates are included and the SDGs are also integrated into the checks.

Other components of the Econogy offering are the Econogy Hub—the platform for seal providers and certifiers—and the one-hour Econogy Tours. The tours are led by an independent consultant and offer an intensive exchange between visitors, exhibitors, and experts. And the Econogy Talks enable advanced training and knowledge transfer in numerous conference and lecture formats on the latest green textile innovations.

In close cooperation with the UN Conscious

Fashion and Lifestyle Network, Messe Frankfurt's Texpertise Network has been promoting the visibility of the Sustainable Development Goals at all Messe Frankfurt textile fairs worldwide since 2019. The very first Texpertise SDG Report, published this summer, summarises all milestones of the SDG actions so far.

The Heimtextil Trends have been forming the heart of Heimtextil for many years. They translate megatrends into textile visions. A visit to the Heimtextil Trends is a must for all textile professionals who are constantly expanding their knowledge of textile materials.

Under the overarching theme of New Sensitivity, textile transformation is the focus of the Heimtextil Trends 24/25, with three approaches showing ways to a more sensitive world of textiles—plant-based production of textiles, supporting textile circularity through technology, and the bio-engineered use of natural ingredients. In addition, the Future Materials curate regenerative materials and designs.

Building on the Materials Manifesto, the Heimtextil Trends are carefully designed to be low-waste and environmentally conscious. Only local, eco-friendly, or borrowed materials are used in each stand design.

Following its successful launch in 2023, the separate Fibres & Yarns area for decorative and upholstery fabrics is returning to Hall 4.0 this time on a larger scale. There, fabric and curtain manufacturers, weavers, product developers, and designers can expect a bundled offering with companies such as Antex (Angles Textil), Indorama Ventures Fibers Germany GmbH (Trevira), Korteks or Reliance. ■



25TH TEXTILE ASIA TRADE FAIR IGNITES CHINA-PAKISTAN TEXTILE SYNERGY



The 25th Textile Asia International Trade Fair featured over 550 international brands and attracted more than 450 foreign delegates from 27 countries, was held in Pakistan.

“The expo acts as a source of motivation and real opportunities for business ventures to the local businesses and industries,” stated Moazzam Ghurki, President of Pakistan China Joint Chamber of Commerce and Industry (PCJCCI), the organizer of the event.

“We will try to facilitate joint ventures of the international brand owners with local companies from Gujranwala, Lahore, Sialkot, and Faisalabad, and we will also arrange training for engineers from these cities who manufacture spare parts for sewing and textiles,” he added according to a report carried by Gwadar Pro on Friday.

Dongqi Group, one of the leading Chinese textile enterprises, participated in the event. “The expo provided an excellent opportunity to showcase our advanced technology and high-quality products to potential partners and customers.

We were particularly interested in establishing collaborations with Pakistan’s textile industry, which has great growth potential,” said the exhibitor of Dongqi Group.

During the exhibition, Dongqi Group had fruitful interactions with visitors from Pakistan and other countries. “We secured significant orders and established preliminary cooperation intentions with promising partners,” he added.

Salahuddin Hanif, Secretary General PCJCCI highlighted the immense interest shown by many Chinese companies in Pakistan’s textile industry.

“Companies from cities and provinces like Shanghai, Guangzhou, Jiangsu, Fujian, and Shandong have expressed their desire to relocate their production units to Punjab (Pakistan), with a minimum investment of \$25 million per unit.

The companies also plan to transfer their technologies, besides buying back Pakistani products after value-addition here. This will not only boost local exports but also contribute to reducing the trade deficit between Pakistan and China.” He shared.

The success of the Textile Asia International Trade Fair further highlights the strong cooperation between the textile industries of Pakistan and China.

This exhibition serves as a testament to the robust bilateral relations between the two countries and their commitment to fostering economic growth and trade partnerships. ■



GLOBAL SUSTAINABLE APPAREL MARKET TO REACH US \$ 20.51 BILLION BY 2030

According to the SNS Insider report, the sustainable apparel market is projected to reach US \$ 20.51 billion in 2030 from US \$ 10.22 billion in 2022, exhibiting a CAGR of 9.1 per cent during the forecast period spanning from 2023 to 2030.

SNS Insider is a market research company that delivers evidence based strategies for clients seeking growth. The SNS insider believes in adopting a data-oriented approach to aid organizations.

Sustainable apparel, also known as eco-friendly or green clothing, is clothing items that are designed, manufactured, distributed and utilised in the most environmentally responsible manner. The central goal is to minimise the adverse impact on the environment, conserve energy resources and foster social responsibility, all while offering consumers top-notch, stylish clothing.

The report says that one of the primary reasons propelling the sustainable apparel market's expansion is the growing consumer awareness of environmental concerns and social responsibilities.

This heightened consciousness has generated a

substantial demand for sustainable apparel, compelling manufacturers to produce more eco-conscious clothing lines. Technological advancements have revolutionised the production of sustainable clothing. Innovative techniques such as 3D knitting and digital fabric printing enable the efficient utilisation of materials.

North America, Europe and the Asia-Pacific region are all experiencing a growing trend towards sustainable apparel, says the report. In the Asia-Pacific region, known for textile and garment production, countries like India and Bangladesh are gradually adopting sustainable practices to meet international demand. ■





RECENT IMPORTANT UPDATES AND CIRCULARS UNDER GST

- Authored by: CA BALKISHAN CHHABRA

The gross GST revenue collected in the month of September, 2023 is ₹1,62,712 crore out of which CGST is ₹29,818 crore, SGST is ₹37,657 crore, IGST is ₹83,623 crore (including ₹41,145 crore collected on import of goods) and cess is ₹11,613 crore (including ₹881 crore collected on import of goods).

The revenues for the month of September, 2023 are 10% higher than the GST revenues in the same month last year. During the month, the revenues from domestic transactions (including import of services) are 14% higher than the revenues from these sources during the same month last year. It is for the fourth time that the gross GST collection has crossed ₹1.60 lakh crore mark in FY 2023-24.

The gross GST collection for the first half of the FY 2023-24 ending September, 2023 [₹9,92,508 crore] is 11% higher than the gross GST collection in the first half of FY 2022-23 [₹8,93,334 crore].

GST Updates

DGFT enables Input Tax Credit on GST paid on materials under Advance Authorization Scheme

The Directorate General of Foreign Trade (DGFT) has enabled Input Tax Credit on Goods and Services Tax (GST) paid on materials under the Advance Authorization Scheme by amending the Handbook of Procedures, 2023 via issuing a public notification.

The transfer of any duty-free material is imported or procured for manufacturing purposes against Advance Authorization from one unit of a company to another unit, then shall be done with prior intimation to the jurisdictional Customs Authority. Now, ITC has been enabled on such duty-free material on which GST has been paid.

GSTN Advisory for new compliance Form DRC-01C (Difference in ITC available in GSTR-2B & ITC claimed in GSTR-3B)

1. The Government vide Notification No. 38/2023 - Central Tax dated 04th Aug, 2023 inserted the Rule 88D in CGST Rule, 2017 dealing with difference in input tax credit available in GSTR-2B and ITC availed in GSTR-3B. This functionality vis a vis this rule has now started operating on the GST portal.
2. The system now compares the ITC available as per GSTR-2B/2BQ with the ITC claimed as per GSTR-3B/3BQ for each return period. If the claimed ITC exceeds the ITC available as per GSTR-2B by predefined limits, as directed by competent authority, the taxpayer shall receive an intimation in the form of Form DRC-01C.
3. Upon receiving the intimation, the taxpayer must file a response using Form DRC-01C Part B. The taxpayer has the option to either provide details of the payment made to settle the difference using Form DRC-03 or provide an explanation for the difference out of the options provided in the form or even choose a combination of both options and file it.
4. In case, no response is filed by the impacted taxpayers in Form DRC-01C Part B, such taxpayers will not be able to file their subsequent period GSTR-1/IFF.

GSTN has enabled the enrolment of unregistered persons for selling goods through e-commerce operators.

In terms of the recent amendments to the Act and the rules and Notification No. 34/2023 dated 31.07.2023, persons supplying goods through e-



commerce operators shall be exempt from mandatory registration under the CGST Act even if they supply goods through e-commerce operators (ECO) if they satisfy the following conditions:

(a) such person is engaged in the supply of goods through the ECO and such supplies are made only in one State/UT,

(b) such person does not make any inter-state supply,

(c) the said person has a Permanent Account Number (PAN) under the Income Tax Act, 1961,

(d) such persons shall declare his PAN (which shall be validated) on the common portal (i.e. GST Portal) along with the address of his place of business and the name of the State/UT or Union territory before making such supplies,

(e) such person has been granted an enrolment number on the common portal upon validation of his PAN before which he shall not make any such supply through any ECO.

Any unregistered person desirous of enrolling on the GST portal for making supplies of goods through ECOs in any one State/UT are hereby advised to follow the below mentioned procedure:

a) Visit the GST Portal at <https://www.gst.gov.in/> and click the GST Portal link

b) Select the “User Services” Tab and choose “Generate User Id for Unregistered Applicant”;



GST on Bank Guarantee given by Directors or Corporates:

The GST Council in its 52nd meeting held on 07th Oct 2023 has clarified regarding taxability of personal guarantee offered by directors to the bank against the credit limits/loans being sanctioned to the company and regarding taxability of corporate guarantee provided for related persons including corporate guarantee provided by holding company to its subsidiary company:

The Council has inter alia recommended to:

(a) issue a circular clarifying that when no consideration is paid by the company to the director in any form, directly or indirectly, for providing personal guarantee to the bank/ financial institutes

on their behalf, the open market value of the said transaction/ supply may be treated as zero and hence, no tax to be payable in respect of such supply of services.

(b) to insert sub-rule (2) in Rule 28 of CGST Rules, 2017, to provide for taxable value of supply of corporate guarantee provided between related parties as one per cent of the amount of such guarantee offered, or the actual consideration, whichever is higher.

(c) to clarify through the circular that after the insertion of the said sub-rule, the value of such supply of services of corporate guarantee provided between related parties would be governed by the proposed sub-rule (2) of rule 28 of CGST Rules, 2017, irrespective of whether full ITC is available to the recipient of services or not.

Clarificatory Revision to GST Section 138 Regarding Payment to the Supplier

In order to align with the return filing system established in the CGST Act, the updated provision states that if a recipient fails to settle the invoice amount, which includes taxes, to the supplier within 180 days from the invoice date, the recipient must pay an amount equivalent to the Input Tax Credit (ITC) they have claimed. This payment is in addition to the interest outlined in Section 50 of the CGST Act. The amendment brings a change to the previous provision, where ITC was considered an addition to the output tax liability. Instead, it now imposes a new requirement for either payment or ITC reversal.

As a result, the determination of interest liability on aforesaid reversal will follow the guidelines of Section 50(3) rather than 50(1) of the CGST Act, but only when the incorrectly claimed credit is used by the registered person. ■

[The author is Senior Partner in M/s. CHHABRA B K & ASSOCIATES (Delhi / NCR).]



MINISTRY NOTIFICATIONS

SUB – Submission of data to RODTEP Committee for review of RoDTEP rates- reg

RODTEP Committee has been constituted for review of RODTEP rates. After consultation with the industry, the Drawback Division has now finalized the formats for submission of data. The last date for submission of information to the RODTEP Committee in the designated formats as given in Annexure B (Part 1 and Part 2) is 30th November 2023. Relevant orders and data formats etc. have been made available in the public domain at CBIC website (cbic.gov.in) under the link > Taxpayer and Stakeholder Assistance > Public Information > RODTEP Committee.

Exporting community is requested to make use of this opportunity and submit required information well within the laid down timelines with copy in MS Excel format to the email id- rodtep.dbk@gov.in



SUB- Regulation of Payment Aggregator – Cross Border (PA - Cross Border)

A reference is invited to the Reserve Bank of India (RBI) circulars on –



a) 'Guidelines on Regulation of Payment Aggregators and Payment Gateways' – (a) DPSS.CO.PD.No.1810/02.14.008/2019-20 dated March 17, 2020 and (b) CO.DPSS. POLC. No.S33/02-14-008/2020-2021 dated March 31, 2021,

b) 'Processing and Settlement of Export related receipts facilitated by Online Payment Gateways' - A.P. (DIR Series) Circular No. 17 dated November 16, 2010,

c) 'Processing and Settlement of Export related receipts facilitated by Online Payment Gateways – Enhancement of the value of transaction' - A.P. (DIR Series) Circular No. 109 dated June 11, 2013,

d) 'Processing and settlement of import and export related payments facilitated by Online Payment Gateway Service Providers' – A.P. (DIR Series) Circular No.16 dated September 24, 2015, and

e) 'Processing and settlement of small value Export and Import related payments facilitated by Online Export-Import Facilitators (OEIF) (erstwhile OPGSP)' – draft circular issued on April 7, 2022 for seeking feedback from banks and other stakeholders.

2. All Payment Aggregators (PAs) which facilitate processing of domestic transactions in online mode are covered within the scope of the circulars referred to above at paragraph 1(a). Further, instructions for cross-border payment transactions are provided for in the circulars mentioned above at paragraphs 1(c) to 1(e) as well as through specific approval given by the RBI to banks for their collection agent arrangements.

3. Keeping in view the developments that have taken place in the area of cross-border payments, it has been decided to bring all entities facilitating cross-border payment transactions for import and export of goods and services under direct regulation of the RBI. Such entities shall be treated as Payment Aggregator-Cross Border (PA-CB); details thereof are provided in Annex.

4. Entities, including Authorised Dealer (AD) banks, PAs and PAs-CB, involved in processing / settlement of cross-border payment transactions for import and export of goods and services, shall comply with these instructions (as updated from time to time).

5. This directive is issued under Section 10 (2) read with Section 18 of the Payment and Settlement Systems Act, 2007 (Act 51 of 2007), and, Section 10 (4) and

Section 11 (1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999), and is without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,
(Gunveer Singh) Chief General Manager-in-Charge
Encl.: As above

(RBI circular CO.DPSS.POLC.No.S-786/02-14-008/2023-24 dated October 31, 2023)

Regulation of PA-CBs

1. Definition

1.1. PAs-CB are entities that facilitate cross-border payment transactions for import and export of permissible goods and services in online mode.

1.2. In the context of PAs, 'escrow account' shall refer to an account wherein PAs pool / aggregate the amount collected on behalf of the merchants on-boarded by them.

2. Requirement of authorisation

2.1. AD Category-I banks do not require separate approval from the RBI for undertaking PA-CB activity.

2.2. Non-banks which provide PA-CB services as on the date of this circular, shall apply to the RBI for authorisation by April 30, 2024 in the format provided in the circular dated March 17, 2020; they shall be allowed to continue such services till they receive communication from the RBI regarding the decision on their application. Authorisation for PA-CB activity may be sought for any one of the following categories:

i. Export only PA-CB (PA-CB-E)

ii. Import only PA-CB (PA-CB-I)

iii. Export and Import PA-CB (PA-CB-E&I)

2.3. The entities, currently carrying out this activity should ensure adherence to the guidelines on governance, merchant on-boarding, customer grievance redressal and dispute management framework, baseline technology recommendations,

security, fraud prevention and risk management framework (provided in the [March 17, 2020 circular](#)) within a period of three months from the date of this circular and should be complied with on an ongoing basis thereafter. Non-adherence to these instructions may lead to the application for authorisation being refused.

2.4. Non-bank PAs – authorised as well as those whose applications for authorisation are pending with the RBI – shall advise the Department of Payment and Settlement Systems (DPSS), RBI, Central Office (CO) within 60 calendar days from the date of this circular, about their existing PA-CB activity and whether, or not, they would want to continue it. If they wish to continue, they shall seek an approval from RBI for the same.

2.5. In future, any authorised PA which wants to commence PA-CB activity shall seek approval from DPSS, RBI, CO prior to commencement of such business. This shall also be applicable for any authorised non-bank PA-CB which wants to commence PA activity. In other words, a single authorisation will be required by a non-bank to undertake PA and PA-CB activity.

2.6. If an authorised PA-CB desires to change its activity category as mentioned in paragraph 2.2 above, it shall inform DPSS, RBI, CO at least 60 calendar days prior to commencement of business in such new activity category. It shall commence the new business only after approval from RBI for the same.

2.7. As a pre-requisite for seeking authorisation from the RBI, all non-bank PA-CBs (existing as on the date of this circular) shall register themselves with the Financial Intelligence Unit-India (FIU-IND).

3. Network criterion

3.1. Non-banks providing PA-CB services as on the date of this circular, shall have a minimum network of ₹15 crore at the time of submitting application to the RBI for authorisation and a minimum network of ₹25 crore by March 31, 2026.

3.2. New non-bank PA-CBs (i.e. entities which have not commenced operations before the date of this circular) shall have a minimum network of ₹15 crore at

the time of submitting application to the RBI for authorisation and shall attain a minimum network of ₹25 crore by end of the third financial year of grant of authorisation.

3.3. As part of application, non-bank PA-CBs (existing on the date of this circular) shall submit a certificate from their statutory auditor (format as prescribed in the circular dated March 17, 2020), along with audited statement(s) of financial accounts (latest), to evidence the network. Newly incorporated non-bank PA-CBs which may not have audited statement of financial accounts shall submit a certificate from their statutory auditor regarding the current network along with provisional balance sheet.

3.4. All existing non-bank PA-CBs which are not able to comply with the network requirement or do not apply for authorisation within the stipulated time frame, shall wind-up PA-CB activity by July 31, 2024.

3.5. Banks shall close accounts (used for PA-CB activity) of non-bank PA-CBs (existing as on the date of this circular) by July 31, 2024 unless the PA-CBs produce evidence regarding application for authorisation submitted to the RBI.

4. Import only PA-CBs

4.1. Import only PA-CB shall maintain an Import Collection Account (ICA) with an AD Category-I scheduled commercial bank.

4.2. Payment for imports shall be received in an escrow account of the PA. These payments shall then be transferred to the ICA of the PA-CB. Onward transfer to the foreign merchants shall be carried out only by debit to the ICA.

4.3. For facilitating import transactions, PA-CBs may directly on-board merchants located abroad, or may enter into agreement with e-commerce marketplaces or entities providing PA services abroad. In all such arrangements, it shall be the responsibility of PA-CBs to ensure that they undertake Customer Due Diligence (as defined in the Master Direction – Know Your Customer Direction, 2016) of merchants (i.e. directly onboarded merchants, e-commerce marketplaces or entities providing PA services abroad) and that they do not facilitate payment transactions for import of any restricted / prohibited goods and



services (not permissible under prevailing Foreign Trade Policy).

4.4. In case per unit goods / services imported is more than ₹2,50,000, then the concerned PA-CB shall undertake due diligence of buyer also.

4.5. Payments for imports can be carried out using any payment instrument provided by authorised payment systems in India, except small PPIs.

5. Export only PA-CBs

5.1. Export only PA-CB shall maintain Export Collection Account (ECA) – denominated in Indian Rupees (INR) and / or foreign currency (i.e. non-INR) – with an AD Category-I scheduled commercial bank. An ECA for each non-INR currency shall be maintained separately.

5.2. All export proceeds shall be credited to the relevant currency ECA of the PA-CB.

5.3. In arrangements where PA-CBs facilitate transactions between merchants / e-commerce marketplaces in India and customers / e-commerce marketplaces abroad, it shall be the responsibility of the PA-CBs to ensure that the transactions for export of any restricted / prohibited goods and services (not permissible under prevailing Foreign Trade Policy) shall not be facilitated.

5.4. Customer Due Diligence (as defined in the Master Direction – Know Your Customer Direction, 2016) of the merchant (i.e. directly onboarded Indian merchants, e-commerce marketplaces or entities providing PA services) shall be undertaken, and proceeds from ECA shall be settled only in the account of such merchant.

5.5. Settlement in Non-INR currencies shall be permitted only for those merchants which have been directly onboarded by the PA-CB.

6. Import and Export PA-CBs

6.1. Requirements under paragraphs 4 and 5 above (both) shall be applicable to Import and Export PA-CBs. Separate collection accounts – ICA and ECA – shall be maintained for facilitating import and export transactions.

7. ICA and ECA

7.1. For the purpose of maintenance of the ICA / ECA, operations of the PA-CBs shall be deemed to be “designated payment systems” under Section 23A of the Payment and Settlement Systems Act, after authorisation is given by the RBI.

7.2. In case a PA-CB also engages in domestic PA activity, ICA and ECA shall be kept separate from the escrow account(s) opened for such PA activity.

7.3. In addition to provisions of paragraphs 4.2 and 5.2 above, instructions on debits and credits permissible from escrow account(s) of PAs (defined in paragraph 8.9.1.1 and 8.9.1.2 of circular dated March 17, 2020) shall apply mutatis mutandis to ICA and ECA of PA-CBs.

8. Miscellaneous

8.1. Except as otherwise specified in this circular,

i. AD Category-I banks undertaking PA-CB activity shall ensure compliance with the requirements for PA-CBs by April 30, 2024.

ii. In case a non-bank PA-CB also engages in online PA activity for which it is already authorised or its application is pending with the RBI, the instructions on PA-CBs shall become applicable from the date of seeking approval for PA-CB activity.

iii. If a PA-CB changes the activity category as mentioned in paragraph 2.2 above, the requirements for the new activity category shall become applicable from the date of seeking approval from the RBI.

8.2. In respect of import and export transactions processed by PA-CBs, the maximum value per unit of goods / services sold / purchased shall be 25,00,000.

8.3. All other instructions issued by the RBI regarding PAs shall apply mutatis mutandis to PA-CBs.

8.4. For PA-CB transactions, AD banks maintaining ICA / ECA shall ensure that all requirements under FEMA, including for reporting and reconciliation of entries in EDPMS / IDPMS, are adhered to. ■

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