



# AEPC WEEKLY DOSSIER

## IT ALL UNFOLDS HERE

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### India's RMG Export to World (Value)

- April, 2024	: USD 1198.4 mn.
- April, 2023	: USD 1210.9 mn.
- Growth	: -1.0 %

### (Quantity)

- March, 2024	: 362273.79 Thousand
- March, 2023	: 321433.66 Thousand
- Growth	: 12.7 %
- Apr - Mar 2023-24	: 3486181.75 Thousand
- Apr - Mar 2022-23	: 3553364.64 Thousand
- Growth	: -1.9 %

### AEPC News

#### AEPC Appeals Exclusion of Exporters from Section 43 B(h) of Income Tax Act

The Apparel Export Promotion Council (AEPC) has formally requested the Ministry of MSME to exclude exporters from the newly introduced Section 43 B(h) of the Income Tax Act 1961. This amendment, part of The Finance Bill 2023, mandates adherence to a 45-day payment limit for deductions to micro and small enterprises. Exporters are particularly affected, facing cash flow disruptions due to extended credit periods demanded by overseas buyers, often ranging from 90 to 180 days. Furthermore, the Reserve Bank of India permits the realization of export proceeds within 9 months from the date of export. AEPC emphasizes the necessity for this exclusion to alleviate the tax burden on exporters and maintain their financial stability amidst these challenges.

This exemption, if granted, would provide much-needed relief to exporters grappling with the adverse impacts of the recent amendment on their financial operations.

#### AEPC participates in 17th IATF, Dubai, UAE

AEPC participated in the 17th edition of International Apparel and Textile Fair (IATF) at Dubai, UAE held from 20th to 22nd May 2024 with 35 exhibitors. The fair was inaugurated by H. E. Butti Saeed Mohammad Al-Ghandhi (Managing Director of Al Ghandi Investment Co. and Chairman of the Board of Emirates Investment and Development Company PSC). He visited the AEPC booth and interacted with the exhibitors. The India Pavilion was inaugurated by Sh. Satish Kumar Sivan, Consul General, Consulate General of India, UAE, along with Sh. Premal Udani, Chairman - Export Promotion, AEPC and Ms. Ketaki Deshpande, Executive, Trade and Commerce, CGI, Dubai.

More than 100 business visitors visited AEPC participant's booths. Major buyers from Dubai like Day to Day, Nesto, Apparel group, Landmark

Group, Al Jaber gallery, Red Tag, Namshi, Amazon, Lulu Group, 6th Street, Splash, Danube Home, Baby shop, Ansar, R&B, Max Fashion, Hanayen were noticed during the fair interacting with the exhibitors.

#### Shri Mithileshwar Thakur, Secretary General, Apparel Export Promotion Council, provides insight on Bangladesh's LDC Graduation

The days are not far when RMG exports from Bangladesh will no longer be able to enjoy duty free access to economies like EU and avail direct cash incentives by virtue of the country's status as LDC (Least Developed Country). With its graduation from LDC to Developing country status by 2026, Bangladesh's honeymoon with prohibited subsidies may soon be over. The Bangladesh government has already begun reducing subsidies for almost all sectors even as it aims to gradually phase these out and protect exporters from the shock of a sudden withdrawal of cash aid.

US industry has also raised concern about not-too-encouraging social compliance record of Bangladesh and that may influence their sourcing decision. On the other hand, everything seems to be going in India's favour. Indian apparel industry must leverage these factors to recover lost ground.

Shri Mithileshwar Thakur, Secretary General Apparel Export Promotion Council throws light through this video blog ( [Click here](#) )

#### AEPC Celebrates World Environment Day: Empowering Sustainability in the Apparel Industry

On the occasion of World Environment Day, celebrated globally on June 5th, 2024, AEPC took a step towards sustainability by embracing eco-friendly practices right at the office. The tea was served in earthen cups, not only minimizing waste but also symbolizing our commitment to environmental consciousness.

But that's not all. The same cups that held our refreshing tea were repurposed to nurture new life. We planted saplings in them, turning our small gesture into a lasting contribution to the environment.

This World Environment Day, AEPC reaffirms its dedication to fostering sustainability in every aspect of our operations. Together, let's embark on a journey towards a greener, more sustainable future.

At AEPC, we believe that sustainability and profitability can go hand in hand. Fashion should not come at the cost of our planet. That's why we're committed to empowering our members with practices that not only benefit the environment but also enhance their bottom line.

Join us in our mission to make fashion sustainable. Together, we can create a world where style meets sustainability, and where every garment tells a story of environmental responsibility.

## AEPC urges to DGFT for a Two-Year Extension of Interest Equalization Scheme on Pre and Post Shipment Rupee Export Credit

The Reserve Bank of India, through Notification No. RBI/2023-24/124 DOR.STR.REC.78/04.02.001/2023-24 dated 22nd February 2024, extended the Interest Equalization Scheme on Pre and Post Shipment Rupee Export Credit scheme until 30th June, 2024. This extension proved instrumental in supporting the Micro, Small, and Medium Enterprises (MSMEs) operating within the apparel export sector.

The cost of capital in India remains to be one of the highest, posing a significant challenge to the competitiveness of our exports. Apparel export industry being labour intensive and largely dominated by micro and small units requires maximum possible support from the government to compete with countries like Bangladesh, which are highly cost-competitive.

Furthermore, the industry continues to face global recessionary trends and cut throat competition in the international market from competing countries having lower input costs and preferential market access.

In light of these factors, the Apparel Export Promotion Council (AEPC) formally requested DGFT for an extension of the Interest Equalization Scheme on Pre and Post Shipment Rupee Export Credit for an additional period of two years.

### Relevant Government Notifications / PIB Releases

- [Guidelines for initiation of recovery proceedings before three months from the date of service of demand order](#)
- [Launch of a new Software Functionality for online filing of the PF member to update/correct their Member Profile](#)
- [DGFT Circular 04 dated 03.06.2024 -- Relaxation in the provision of submission of "Bill of Export" as evidence of export obligation discharge for supplies made to SEZ units in case of Advance Authorisation.](#)
- [Assumption of additional charge of DG, ESI Corporation w.e.f. 31.05.2024](#)
- [CBIC invites suggestions on draft 'Central Excise Bill, 2024' in pre-defined format from stakeholders by 26th June 2024](#)
- [DoT launches initiative to support MSMEs and Startups in Industry 4.0 transformation](#)
- [CBIC initiates electronic disbursal of duty drawback amount directly to exporter's bank accounts through PFMS from today, 5th June 2024](#)
- [DGFT Public Notice No. 09/2024 dated 06.06.2024- Revision in Para 2 \(b\) of the Guidelines For Applicants under ANF-4F of the Hand Book of Procedures 2023](#)
- [CBIC Chairperson inaugurates GST Bhawan at Rohtak, Haryana](#)
- [DGFT Public Notice No. 10/2024 dated 6th June 2024 - Enabling provisions for import of inputs that are subjected to mandatory Quality Control Orders \(QCOs\) by Advance Authorisation holders, EOU and SEZ](#)

### Top National News

- [Cotton Fell As Sluggish Milling Demand Remains Concern In Midst Of Low Yarn Demand.](#)
- [Skill Council For Apparel & Made-ups Inaugurates Centre of Excellence In Guwahati](#)
- [Indian textile industry urges immediate reforms as Modi eyes 3rd term](#)
- [Big export push on top of govt agenda](#)
- [India plans new shipping firm to capture revenue from growing trade](#)

### Top Global News

- [Service halt for new units outside industrial zones to hurt investment: BGMEA](#)
- [Vietnam's manufacturing sector sustains growth in May: report](#)
- [B2B manufacturing startup Groyyo targets 70% turnover from exports by end-2025](#)
- [Shippers fear rising freight rates could dent exports in H2](#)
- [MAS Holdings and Ambercycle Partner on Circular Polyester Offtake Agreement](#)

***For detailed news, click on the links above***

### Currency Trend

INR versus USD FY 2024-25	
Months	INR
April	83.41
May	83.35
7 <sup>th</sup> June	83.41

Source: x-rates.com

### India's Textile & RMG update for Index for Industrial Production

Quick Estimates FY 2023-24		
Months	Textiles	Wearing Apparel
April	105.6	92.1
May	107.4	112.2
June	107.8	120.1
July	108.5	103.9
August	106.9	97.6
September	107.8	102.4
October	109.0	98.5
November	103.7	93.0
December	112.4	112.8
January	111.2	118.2
February	105.8	125.5
March	109.3	143.1

Source: CSO,2024

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