



Monthly Newsletter

# HANDLOOM EXPORT

Vol. I No.8 Rs. 50

November 2018



## India

Textiles  
Sourcing

The Leela Ambience Convention Hotel, Delhi.

16<sup>th</sup> - 18<sup>th</sup> February 2019



**OPPORTUNITY TO MEET  
120 OVERSEAS BUYERS**  
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**THE HANDLOOM EXPORT PROMOTION COUNCIL**

## Proposed Calendar of Events 2018 - 2019

Sl. No.	Name of the Event	Date	Status/Remarks*
1	Hong Kong International Home textiles & Furnishing Fair, Hong Kong	20-23 April 2018	Completed
2	Global Indian Festival, Kuala Lumpur	9 - 17 June 2018	Completed
3	India Home Furnishing fair, Japan	18 - 20 July 2018	Completed
4	Inter textile SHANGHAI home textiles, Shanghai	27-30 August 2018	Completed
5	Sourcing at Magic, Las Vegas, USA	12-15 August 2018	Completed
6	India Trend Fair, Tokyo, Japan	19-21 September 2018	Completed
7	WHOS NEXT, Paris, France	7-10 September 2018	Completed
8	IHGF Delhi	October 2018	Completed
9	International Sourcing Expo, Sydney, Australia	20-22 November 2018	Completed
10	Heimtextil, Frankfurt, Germany	8-11 January 2019	Registration Closed
11	Domotex, Hannover, Germany	11-14 January 2019	Registration Closed
12	WHO's NEXT, Paris, France	18-21 January 2019	Registration Closed
13	Sourcing at Magic, Las Vegas, USA	4-7 February 2019	Registration Open
14	Ambiente, Frankfurt, Germany	8-12 February 2019	Registration Closed
15	Domotex, Atlanta, USA	February 28-March 2, 2019	Registration Open (Subject to space Confirmation)

\* Status as on 30.11.2018



## HANDLOOM EXPORT

Newsletter of Handloom Export Promotion Council  
November 2018 Vol.L No.8

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hepcindia.com

Dear Members,

Government of India has launched 12 historic initiative for greater synergy to MSME sector. The newly launched tailor-made scheme for MSMEs will facilitate the sector in terms of access to credit, access to market, technology upgradation etc. To abate the working capital bottleneck for MSME sector, loans upto Rs.1 crore can be granted through online portal in just 59 minutes under this programme. Further, Interest subvention of 2% is allowable for all GST-registered MSMEs on fresh and incremental loans. For exporter who receive loan in pre-shipment and post shipment period, the Union Government has announced an increase in interest rebate from 3% to 5%. As per the directive from the Government, all officials of HEPC had joined in the campaign across the country and had presentations on export opportunities and marketing support for handloom products, interactive sessions in the selective districts.



Lured by the promising prospects of the thriving e-commerce market, both traditional retailers and ecommerce players have stepped up their online expansion. In particular, B2C marketplaces have seen rapid development over recent years. In many Asian countries, with m-commerce (commercial transactions conducted electronically by mobile phone) getting more popular among online shoppers, the move towards a cashless society is gaining steam. Some retailers have also partnered with payment service providers to offer electronic payment services and mobile wallets to provide their online customers a frictionless payment experience. One step forward, along with private players, now Department of posts, Government of India is going to open its e-commerce portal through its own transmission channels.

Council organised participation in International Sourcing Expo, Melbourne, Australia during 20-22 November 2018 which is one of the key trade fairs in Australia for Apparel, accessories & Textiles sector. As per the feedback received from HEPC participants, there were 250 business visitors who placed spot orders worth Rs.93.60 lakh & made business enquiries worth Rs.3.63 crore.

**Council has taken measures for wider publicity of India Textiles Sourcing Fair 2019 (ITSF) to make this event a grand success. I met Shri Vinod Michael, office bearer of buying agent association in Delhi and he stated that general body of the association has approved to support ITSF 2019. Council has already started receiving profiles from buyers and I request all exporters to make use of this opportunity and confirm their participation to the Council.**

With warm regards,

Dr. K.N. Prabhu,  
Chairman



(Shri Vinod Michael, Office bearer of Buying Agent Association presenting a memento to Shri K.N.Prabhu, Chairman, HEPC)

Shri K.N.Prabhu, Chairman, HEPC had a meeting with office bearers of buying agents association (BAA) in New Delhi inconnection with mobilising buyers for the forthcoming India Textiles Sourcing Fair 2019 to be held between 16-18 February 2019. The Buying Agent Association has stated that their General Body has approved to support India Textiles Sourcing Fair 2019 and the curtain raiser event to be held on 2<sup>nd</sup> February 2019.



Shri K.N.Prabhu, Chariman, HEPC meeting with Shri Ajay Tanta, Hon'ble Minister of State for Textiles to discuss issues on Textile Export industry.

## ACTION TO STRENGTHEN THE ECOSYSTEM FOR MSMEs

Hon'ble Prime Minister has Launched the scheme to Strengthen the Ecosystem for MSMEs at New Delhi on 02.11.2018. As informed, Council has deputed officials for the launch of campaign to strengthen the ecosystem for MSMEs (MSME Abhiyan) to eight districts as listed.

The audience at various districts were connected for the launch event through video conferencing. Hon'ble Prime Minister explained that MSMEs those of whom are filing GST returns and IT returns can register in the portal <https://www.psbloansin59minutes.com/> and avail for loan up to 1 crore within 59 minutes. He added that since data is already available with Government only analysis has to be done by Banks and therefore this new scheme has been launched. He informed the scheme has been tailor made for MSMEs and provides the following benefits:

- Ease of Credit.
- Reduced cost of Credit.
- Easing of Cash cycles.
- Access to Market.
- Ease of processes & Compliances.

12 Historic initiatives taken by the Union Government for MSME sector

- Loan upto 1 Cr. within 59 minutes through online portal
- Interest subvention of 2% for all GST registered MSMEs on fresh or incremental loans
- All Companies with a turnover of more than 500 cr. to be mandatorily on TReDS platform to enable entrepreneurs to access credit from banks, based on their upcoming receivables, thus solving the problems of cash cycle.
- All PSUs to compulsorily procure 25 percent from MSMEs instead of 20% of their total purchase.
- Out of the 25 percent procurement mandated from MSMEs, 3 percent reserved for women entrepreneurs.
- All CPSUs to compulsorily procure through GeM portal.
- 100 Technology centres to be established at the cost of Rs.6000 cr.
- Govt. of India to bear 70% of the cost for establishing pharma clusters.
- Returns under 8 labour laws and 10 union regulations to be filed once in a year.
- Establishment to be visited by an inspector will be decided through a computerized random allotment.
- Single consent under air and water pollution laws. Returns will be accepted through self-certification and only 10 percent MSME units to be inspected.
- For minor violation under the companies act, entrepreneurs no longer have to approach court but can correct them through simple procedures.

## Districts allotted to HEPC

District	Prabhari Officer	Name of the HEPC official deputed/ contact details
Papumpare (Arunachal Pradesh)	Shri Amit Yadav, JS, DoT	Shri.W.D.Jude, Sr. Executive
Kamrup (Assam)	Shri Paban Kumar Borthakur, Chairman, APEDA, D/o Commerce	Shri Saikia, TFO
Gaya (Bihar)	Shri Bimbadhar Pradhan, AS& FA DOAC&FW	Shri R P.Rajalingam Consultant
Panipat and Sonipat (Haryana)	Ms.SumitaMisra, JS NITI Ayog	Shri Lakshminarayan, Assistant Director
Bhagalkot (Karnataka)	Shri Ritvik Ranjanam Pandey, DoRevenue	Cancelled due to election.
Bargarh (Odisha)	Shri Suresh Kumar Vasishth, JS food & PD	Shri S.Gurusaranaraj Assistant Director
Murshidabad (West Bengal)	Shri Vivek Bhardwaj, JS MHA	Shri C.D.More Executive
Nadia (West Bengal)	Shri Govind Mohan, AS-DEA	Shri M.Sundar Joint Director

All officials of HEPC have joined in the campaign across the country and have presentations on export opportunities and marketing support for handloom products, interactive sessions in the selective districts.

Shri S.B.Deepak Kumar, Executive Director, HEPC along with Shri Saikia, Trade Facilitation Officer had attended the inaugural function at **Kamrup Dist., Assam** and coordinated with Shri Paban Kumar Borthakur, Chairman, APEDA, D/o Commerce, Prabhari Officer. Shri Kamal Kumar Baishya, DC, Kamrup (Rural) with other officials from State Bank of India, Directorate Handlooms & Textiles (Guwahati), WSC, DGFT, MSME and NIC have attended the function. During the meeting, council official has made powerpoint presentation on HEPC's activities in assamese language.

Shri M.Sundar, Joint Director had attended the inaugural function at **Nadia Dist., West Bengal** and coordinated with Sr.Officer from MHA Shri Govind Mohan IAS, AS, MHA, Prabhari Officer. The officials from UBI bank, MSME (Kolkata), WSC (Nagaland), KVIC (Kolkata) have attended the function. During the meeting, Council official has explained about the activities of HEPC.

Shri S.Gurusaranaraj, Assistant Director had attended the inaugural function at **Bargarh, Odisha** and coordinated with Shri Suresh Kumar Vasishth, JS, Food and PD, Prabhari Officer appointed for Bargarh. The officials from State Bank of India, MSME, CBEC have also attended the function. The entire event was coordinated by the lead bank State Bank of India at Bargarh.

Shri Lakshmi Narayan, Assistant Director has attended and coordinated for inaugural function at **Panipat and Sonipat**, the centres selected to support for handloom MSMEs. Shri Satya Pal Singh, Hon'ble Minister of State for Human Resources Development (Higher Education) was the Chief Guest for programme held at Panipat. 500 audience including weavers, MSMEs from Handloom, Textiles and automobile sector were present for this event.

Shri Manohar Lal Khattar, Hon'ble Chief Minister of Haryana was the Chief Guest for the programme held at Sonipat. The event was attended by Ms.Kavita Jain, Hon'ble Minister of Woman and Child Development, Govt of Haryana, Shri Ramesh Kaushik, Member of Parliament, Sonipat, Shri Devender Singh, Additional Chief Secretary and Financial Commissioner for Industries, Govt. of Haryana, Shri Vinay Singh, Deputy Commissioner, Sonipat, Smt.Sunita Mishra, Jt.Secretary, Niti Aayog.

Shri R.P.Rajalingam, Consultant has attended and coordinated the event held at **Gaya, Bihar** and the event was jointly organized by Punjab National Bank and State Bank of India with support of state Government. Shri Radha Mohan Singh, Hon'ble Union Minister of Agriculture & Farmers Welfare, Government of India was the chief guest. Dr. Prem Kumar, Hon'ble Agriculture Minister, Government of Bihar, Shri Hari Manji, Member of Parliament and Member of Legislative Assembly have also graced the occasion.

Shri W.Desmond Jude, Senior Executive has attended the inaugural event at Itanagar, **Papum Pare Dist., Arunachal Pradesh** and coordinated with Shri Amit Yadav, IAS, JS, DoT, Prabhari Officer. Shri Joram Beda, IAS, DC, Papum Pare Dist., Shri Nitu Tsering Glow, IRS, Secretary (Textiles & Handicrafts), Shri Haj Dodung, Director (Textile & Handicrafts) Itanagar and other officials from Industries, Tax & Excise Department, GST, Labour Department, MSME, WSC and NHDC were inaugurated the event. HEPC's pamphlets, applications forms were distributed to the attendees.

Shri Chandrakant More has attended and coordinated for the event at **Murshidabad, West Bengal**. Ms. Roopa Gangoli, Member of Parliament was the Chief Guest for the event. In Murshidabad Mega Handloom Cluster under Comprehensive Handloom Cluster Development Scheme (CHCDS), O/o. Development Commissioner for Handloom, Ministry of Textiles, Govt. of India is under implementation. WSC, Kolkata is implementing the mega cluster, where skill Up-gradation & construction of work-shed is in progress. Around 350-400 participants from different industries were present for this event.



Panipat, Haryana



Sonipat, Haryana



Gaya, Bihar



Papum Pare Dist, Arunachal Pradesh



Kamrup Dist. Assam



NADIA Dist. West Bengal



Murshidabad, West Bengal



Murshidabad, West Bengal

<b>Name of the Fair</b>	: <b>International Sourcing Expo (ISE) Australia</b>
<b>Organiser</b>	: International Exhibition & Conference Group Pty Ltd Level 1, 197 Bay Street Brighton VIC 3186, Australia T: +61 3 9596 9205
<b>Venue</b>	: <b>Melbourne Convention &amp; Exhibition Centre (MCEC)</b> 2 Clarendon Street SOUTHBANK VIC 3006, Australia
<b>Duration</b>	: 3 days (20-22 November 2018)
<b>No. of HEPC participants</b>	: 19 Nos. + Central Promotional Stall for HEPC
<b>Participants Feedback: -</b>	
<b>Products Displayed</b>	: Handloom Table place mats, Table Covers, Runner, Cushion Covers, Scarves, Stoles, Shawls, Beach towel, Bed sheet, Womenswear : Apparels, Ladies Garments, Kitchen linen, Table linen, Napkins, table runners, Towels, Beach towels, Quilts, Bags, bath towel, Rugs, bathmats, bath rugs & Cotton Durries
<b>No. of Visitors in HEPC stalls</b>	: 250
<b>Visitors from</b>	: Australia & New Zealand
<b>Spot Orders</b>	: Rs.93.60 lakh
<b>Enquiries Generated</b>	: Rs.3.63 Crore

#### India –Australia:

India and Australia have several commonalities, which serve as a foundation for closer cooperation and multifaceted interaction. Both are strong, vibrant, secular and multicultural democracies. Both the countries have a free press and an independent judicial system; the English language is an important link.

#### Handloom products export to Australia:

During 2017-18, Australia imported Rs.74.82 crore worth of handloom goods from India and there was a decline to an extent of 16.23 % as compared to Rs.89.32 crore during 2016-17. Top 5 handloom products being exported to Australia during 2017-18 include Carpet and floor coverings (Rs.24.16 crore), other furnishing articles (Rs.18.36 crore), Cushion covers (Rs.15.70 crore), other made-ups (Rs.6.29 crore) and other fabrics (Rs.4.61 crore).

#### About International Sourcing Expo:

International Sourcing Expo (ISE) is one of the key sourcing trade fair in Australia for Apparel, Accessories & Textiles sector. It provides unique opportunity for international manufacturers with Australian brands and buyers across the fashion and textile product categories. ISE offers unparalleled opportunities for international manufacturers seeking to access the growing Australian market.

International Sourcing Expo also offers a unique opportunity to access Australia and New Zealand trade buyers who are mainly interested in garments, fashion accessories, madeups, footwear, home textiles, fabric and handicrafts. This fair provides immediate access to a strong trade buying audience focused on connecting and contracting with international suppliers. As Australia is a large, growing and stable economy, with strong import growth in fashion and textiles, this fair is organised by one of the world's leading exhibition organisers viz. International Expo Group, Australia who claim to have established a professional platform for connecting with all levels of the Australian fashion and textiles market. ISE is co-located with the Footwear & Leather Show & China Clothing Textile Accessories Expo 2018.

#### Highlights of Fair reported by Fair Authorities:

##### Visitor Attendance:

Total Visits: 4,380 (10.2% higher than prior year)

Unique Visits: 3,623 (13% higher than prior year)

With visitor numbers 10.2% higher than previous year, and more VIP buyers in attendance, the expo delivered more than ever before.

##### Exhibitor Participation from around the world:

China, India, Pakistan, Bangladesh, Hong Kong, Indonesia, Vietnam, Malaysia, Singapore, United States, Fiji, Australia, Turkey, South Africa, Taiwan, Nepal, Serbia, Italy, Thailand.

##### Number of Exhibitors:

International Sourcing Expo - 242 (237 in 2017)

Footwear & Leather Show – 125 (108 in 2017)

China Clothing Textiles Accessories Expo – 362 (366 in 2017)

Total number of exhibitors: 729\* (711 total exhibitors in 2017) - \*130 Indian exhibitors in 2018

Gross Floor space: 16,500 sq.m

##### Participating International Trade Bodies & Supporters:

Federation of Indian Export Organisations, India

Handloom Export Promotion Council, India  
 Apparel Export Promotion Council, India  
 Wool and Woollen Export Promotion Council, India  
 Council for Leather Exports, India  
 South Africa Footwear and Leather Export Council, South Africa  
 Textile Clothing and Footwear Council, Fiji  
 Export Promotion Bureau, Bangladesh  
 Trade Development Authority of Pakistan  
 Taiwan Textile Federation, Taiwan  
 Serbian Chamber of Commerce, Serbia  
 Taiwan Footwear Developing Association, Taiwan  
 Vietnam Textile Apparel Association, Vietnam  
 Italian Chamber of Commerce and Industry, Italy  
 Australian Fashion Council, Australia  
 Australian Retailers Association, Australia

#### Visitor Catchment

Victoria 71.7%  
 NSW 13.4%  
 QLD 7.3%  
 Rest of Australia: 4.7%  
 International 2.9%

#### International Visitor Attendance

New Zealand, China, India, Hong Kong, United States, Bangladesh, Romania, South Korea, Indonesia, Pakistan, Sri Lanka, Vietnam, Western Samoa, Fiji, Bolivia, United Kingdom, Singapore, South Africa, France, Denmark, Brazil, Australia, Italy, Malaysia, Anguilla, Antigua and Barbuda, Germany.

#### Key Trade Visitor Type:

Distributor/Wholesaler 17.3%  
 Manufacturer 12.8%  
 Importer 11.3%  
 Independent Retailer 15%  
 Hybrid (incl. online) 27.7%  
 Retail Franchise/Chain/Department Store 4.8%  
 Agency 4.8%

#### Global Runway

A highlight of the 2018 event was the launch of Global Runway, where emerging and established designers from Indonesia, China and Australia showcased their collections on the runway. Positioned on the show floor, the runway shows were supported by Australian Fashion Council and enjoyed by strong crowds across two days.

“Global Runway was an energetic addition to our successful and established program. The designers brought their collections to life on the runway and feedback from our visitors has been very positive. We are always looking for new ways to showcase the incredible breadth of the expo’s exhibitors and we are delighted to have introduced Global Runway to highlight some of the vast talent and craftsmanship on the show floor,” Marie Kinsella, CEO, IEC Group Pty. Ltd.

#### Visitor business profile

The visitors business profile of ISE 2018 include Wholesalers, Distributors, Chain Stores, Hotel Industries, Education, Government/Peak Body Importer, Manufacturers, Media, Retail Chain/Franchise, Retail Online, Retailer, Trade Supplier.

#### Product profile

International Sourcing Expo features a diverse range of products including Accessories, Apparel, Millinery, Leather goods, Lingerie and intimate apparel, Sportswear, outdoor and sporting goods, Womenswear and menswear, Footwear, Workwear/uniforms, Streetwear, Embroidery, trims, **Home textiles**, handicrafts and **handlooms**, Luggage, bags and wallets, Giftware, Eyewear and headwear, Small leather goods, Jewellery, Denim, leather, silk, embroidery, yarn and knitwear, Swimwear, Textiles and Ready-made garments/made ups.

#### About HEPC’s participation in ISE 2018

Handloom Export Promotion Council, under National Handloom Development Programme of Development Commissioner (Handlooms), Ministry of Textiles, Govt. of India, organised participation of 19 members besides

Central Promotion stand for HEPC in the International Sourcing Expo, held during 20-22<sup>nd</sup> November 2018 at Melbourne Convention and Exhibition Center, Melbourne, Australia in an area of 207 sq.m.

Member participants displayed wide range of products viz. handloom madeups, table cloth, runner, placemats, scarves, stoles, shawls, bath mats, cushion covers, cushions, terry towels, home textiles, quilts, table linen, bed linen, Womenswear Apparels, durries and floor coverings.

Shri.Rajesh Kumar Sahu, Addl. Development Commissioner for Handlooms, Ministry of Textiles, Govt. of India visited the fair to study the market trends & also to make an assessment of existing export strategies by interacting with member participants, importers & other stake holders in the industry to enhance the export trade of Indian handwoven textiles to Oceanic countries.

HEPC had set-up a Central Promotional Stall during the 3 day event & distributed brochures and pamphlets. Publicity was given for India Handloom Brand through brochures and posters. Apart from promotion of handwoven products from India, Central Promotional Stall was also utilised as one point contact for buyer's mobilisation for the India Textiles Sourcing Fair 2019. Council also arranged continuous audio video display of Handloom products, pictures & information about India Handloom Brand, Handloom mark, Handloom week, Kalamkari, etc. The visitors who expressed their interest to participate in the India Textiles Sourcing Fair 2019, were provided with necessary information and their email address/business cards were also collected.

Apart from HEPC's participation, Federation of India Exporters Organisation (FIEO) along with Apparel Export Promotion Council (AEPC) and Wool & Woollens Export Promotion Council (WWEPC) organised group participation in the event. FIEO led the delegation, with a large representation from India to this fair.

#### Feedback from participants: -

HEPC participants informed that the overall turnout of buyers was good, and they were able to penetrate into new markets, viz. Australia & New Zealand.

As per the feedback received from HEPC participants, there were 250 business visitors who placed spot orders worth Rs.93.60 lakh & made business enquiries worth Rs.3.63 crore.

The visitors were mainly from Australia and New Zealand. Spot orders were received for scarves & shawls, towel, table linen, mats, cushion covers, garments and floor coverings, and business enquiries were generated for table linen, kitchen linen, bed linen, bath linen, cushion covers, carpets and floor coverings, fashion accessories, towels, scarves & shawls, placemat, runners.

All the member exporters participated through the Council expressed their satisfaction over the business generated, and almost all of them evinced interest to participate again in the next edition. During the 3 days of the fair, seminars were also organized. A large number of visitors to the fair were retailers and manufacturers who are looking to source products. Only a few wholesalers visited the event. The fair was suitable for HEPC exporters and also to small firms who are stepping into international trade. HEPC's participation was coordinated by Shri.S.Ramesh, Senior Executive.



#### Observations at the fair:

The locations of HEPC's stalls were in an advantageous position. This enabled our participants to showcase their products in a vibrant and pleasing way to the visitors. Many of the visitors of the fair were retailers and manufacturers who are looking to source products, but not in high quantities. This fair is very suitable for budding exporters and small firms who are stepping into international trade. Many of the visitors in this fair are looking for small quantity only.

#### Conclusion:

Overall this is well established exhibition which will benefit mainly the upcoming and small and medium exporters. The main visitors to this fair being retailers from Australia and New Zealand, it is worth while to participate in this fair but not expecting orders in large quantities. The quality of the buyers is fairly good. With better preparation and a little market knowledge about Australia and their choice of products, an upcoming exporter would find this fair very beneficial. This fair would either provide him with good business or make the participant aware about the expectations of the Australian Buyer.

#### Next Edition:

The next edition of International Sourcing Expo will be held during 12-14 November 2019 at Melbourne Convention and Exhibitor Centre, Melbourne, Australia.





- S. Ramesh, Senior Executive



### MARKET FOR TEXTILES & CLOTHING (MTC)<sup>1</sup> 2017

The Indian Textiles and Clothing (T&C) industry plays a crucial role in the Indian economy and contributes about 7 percent of industrial production and 2 percent of Gross Domestic Product (GDP) of the country.<sup>1</sup> The industry also creates employment opportunities for about 45 million<sup>1</sup> people and accounts for 12.57 percent<sup>2</sup> of the export of the country with a share of 5.03 percent<sup>2</sup> in textiles (HS Chapter 50 to 60) and 7.54 percent<sup>2</sup> in clothing and made-ups (HS Chapter 61 to 63) in the global market during 2017.

2. The domestic demand of textiles, which is characterised by demand from Household and Non-Household sector, plays a significant role in the overall growth and performance of the Textiles Industry of India. The Household sector is the major growth driver and contributes about 53.39 percent to the overall demand of textiles and clothing products.

3. In order to estimate the domestic demand for Textiles and Clothing in the Household sector, the Textiles Committee has been publishing an Annual Report titled "Market for Textiles and Clothing (MTC)" since the year 1969.

<sup>1</sup> Annual Report, 2017-18, Ministry of Textiles.

<sup>2</sup> International Trade Centre (ITC) - Trade Map ([www.trademap.org](http://www.trademap.org)).

4. The report estimates the per capita and aggregate demand of textiles & clothing in the country by region, gender, area, income group etc. besides estimating the preference pattern by fibre, product groups viz. woven apparels, knitted apparels, home textiles, etc. in the Household sector of the country. This is the only authenticated report available in the country, which provides domestic market size of textiles at disaggregated level.

5. The report is published on the basis of the textile purchase data collected bi-monthly from selected panel Household across the country. The data base generated from the collected data is analyzed and findings of the report are published in the form of an annual Report. The latest annual report "Market for Textiles and Clothing (MTC): National Household Survey 2017" has been prepared by the Textiles Committee. Besides, estimating the domestic demand for 2015 & 2016, the report has also forecasted the market size for 2017 & 2018.

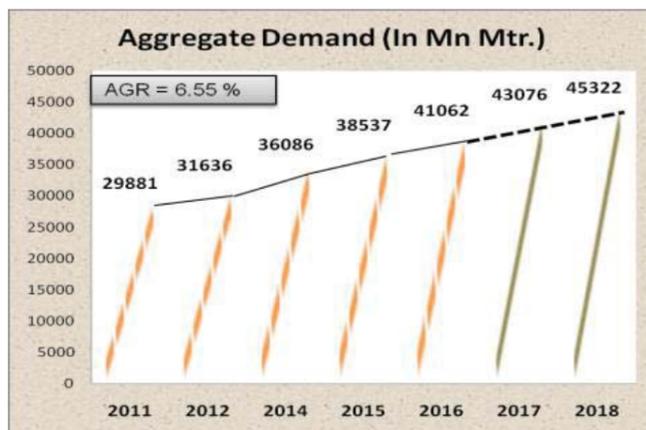
6. The key findings of the "Market for Textiles and Clothing (MTC)" are as follows:

### I. Domestic demand of Textiles in the Household sector:

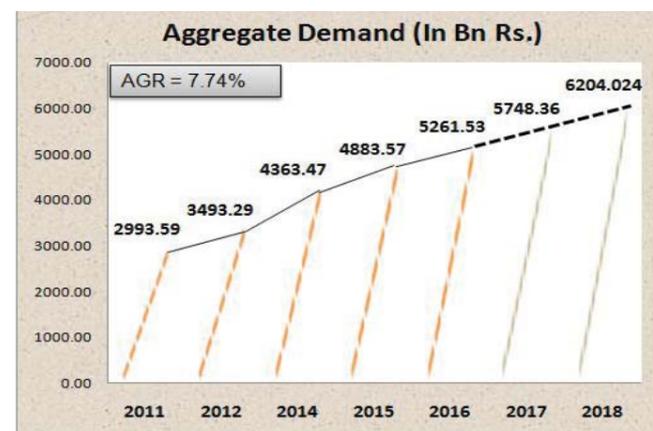
The overall market size of Textiles and Clothing including exports has increased from USD 145.71 billion in 2015 to USD 146.63 billion in 2016, which is expected to touch USD 164 billion by 2018. Out of USD 146.63 billion (2016), exports accounted for USD 35.43 billion where as Household sector accounted for USD 78.28 billion followed by USD 32.91 billion of Non-Household sector in 2016. Thus, the Household sector contributed 53.39 percent to the overall market size of the Textiles and Clothing and the same has been analysed in detail in the MTC, 2017.

### II. Aggregate demand for Textiles & Clothing in Household sector in terms of quantity and value:

The aggregate demand for Textiles & Clothing was 41.06 billion metres in 2016 as compared to 38.54 billion metres in 2015 and have experienced an annual growth rate of 6.55 percent and demand is expected to touch 45.32 billion, metres by 2018, growing at a Compound Annual Growth Rate (CAGR) of 5.34 per cent between 2011 -2018.

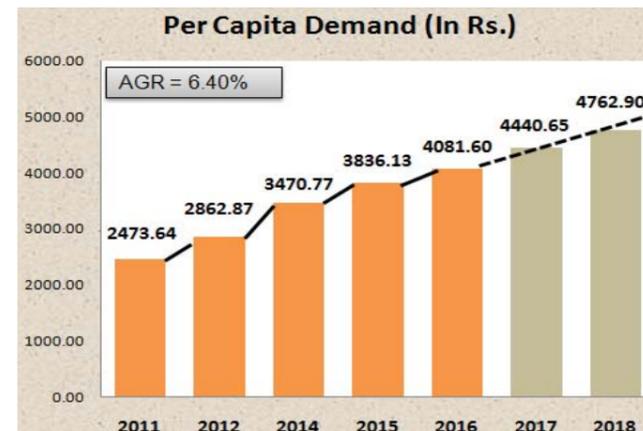


In terms of value, the demand has increased to Rs.5261.53 billion in 2016 as compared to Rs.4883.57 billion in 2015 and has experienced an annual growth rate of 7.74 percent and demand is expected to touch Rs.6204.02 billion by 2018, with CAGR of 9.54 per cent between 2011 -2018.

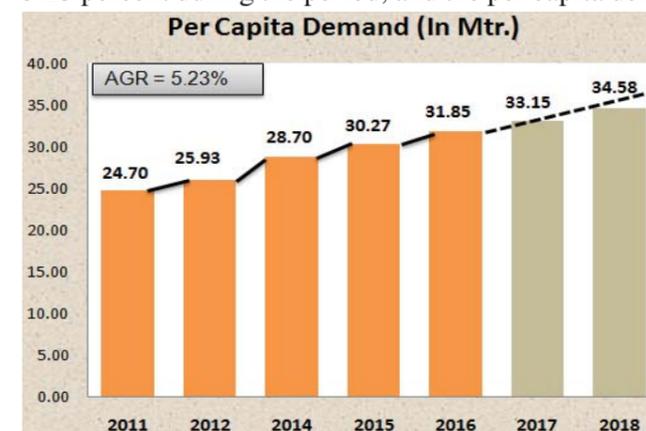


### III. Per Capita Demand for Textiles & Clothing in the Household Sector:

The per capita demand for textiles was Rs. 4081.60 in 2016 as compared to Rs. 3836.13 in 2015 and has experienced a growth of 6.40 percent and the per capita demand is expected to touch Rs.4762.90 by 2018, with a CAGR of 8.53 per cent between 2011 -2018.



On the other hand, the per capita demand for textile in terms of quantity has increased to 31.85 metres in 2016 as compared to 30.27 metres in 2015 with a growth of 5.23 percent during the period, and the per capita demand



is expected to touch 34.58 mtrs. by 2018, with a CAGR of 4.30 per cent between 2011 -2018.

The change in per capita demand indicates that an average person's consumption of textile has increased by 1.58 metres during the period 2015-16. It is pertinent to mention that while the growth in demand was 6.91 percent in the urban area, it was 6.01 percent in the rural area during the same period.

### IV. Fibre wise Demand for Textiles:

The aggregate demand for **cotton fibre** based product was 17.22 billion metres in 2016 as compared to 16.51 billion metres in 2015 and has experienced an annual growth of 4.28 percent and aggregate demand is expected to touch 19.29 billion meters by 2018. The demand for **manmade fibre based product** was 23.34 billion metres in 2016 as against 21.60 billion metres in 2015 with a growth of 08.04 percent which is expected to touch 25.46 billion metres by 2018.

Similarly, the aggregate demand for **pure silk and woolen** fibre based product was 0.34 and 0.16 billion metres respectively in 2016 as against 0.27 and 0.15 billion metres in 2015, showing a positive growth of 25.18 percent and 8 percent respectively, which is expected to touch 0.37 and 0.20 billion metres respectively by 2018.

The survey reveals that out of the total aggregate consumption of 41.06 billion million metres (Per Capita 31.85 metres) of textiles in the year 2016, Manmade and Blended/Mixed textiles together have the largest share of 56.83 percent followed by **Cotton** textiles with 41.94 percent, **Pure Silk** textiles with 0.84 percent and **Woolen** textiles with 0.39 percent. Hence, the demand for manmade fibre based products has been growing and contributing significantly to the overall demand in the Household sector.

### V. Demand for Textiles as per the Sector of Manufacturing:

The **Mill/ Powerloom** sector has contributed 33.97 billion metres (82.72 percent) to the overall demand for textiles in 2016 compared to 31.85 billion metres in 2015 (82.65 percent). Similarly, the **Knitted sector** has contributed 4.94 billion metres (12.04 percent) to the total basket in 2016 as against 4.77 billion metres (12.39 percent) in 2015.

At the same time, the **handloom sector** contributed 5.24 percent to the total demand for textiles in the Household sector. The aggregate demand for handloom textiles is 2.15 billion metres in 2016 as compared to 1.91 billion metres (4.96 percent) in 2015. The demand for handloom textiles has increased by 12.66 percent as compared to the previous year.

The projected aggregate demand for textiles by sector of manufacturing is estimated for Mill made/ Power loom, Knitted/Hosiery and Handloom sector to be 37.24 billion Metres, 5.56 billion Metres and 2.53 billion metres respectively for the year 2018.

### VI. Major Varieties demanded by the Household sector:

Some important varieties which are highly demanded in the Household sector pertains to (i) personal clothing and (ii) home textiles.

Among the **personal clothing's**, products like shirt, trousers, frock, skirt midi, jeans (male and female), sweater, saree, kurta pyjama, leggings constitutes the major varieties in the reference period. Similarly, the inner wears like Banian, underwear, briefs, petticoat, panties, brassiere, are also contributing a major chunk of demand in the personal clothing categories.

The MTC 2017 report indicates that the market size of personal clothing items was 37.87 billion metres during 2016 as against 35.52 billion metres in 2015 and has experienced a growth of 6.60 percent during the reference period. The market size of personal clothing items is expected to touch 39.64 billion metres during 2017 as against 41.66 billion metres in 2018 and experiencing a growth of 5.08 percent during this same period.

#### Demand for some major varieties from Personal Clothing & Home Textiles:

SI. No.	Product	2015	2016	2017	2018
	<b>Personal Clothing</b>	(In million	pieces)		
1	Shirt	1061	1071	1279	1409
2	Trousers	439	553	603	633
3	Frock	179	202	191	188
4	Jeans (M)	344	408	569	615
5	Jeans (F)	48	49	77	87
6	T-shirt (M)	389	476	510	555
7	T-shirt (F)	52	63	73	84
8	Sweater (M)	208	279	228	232
9	Saree (5.25 Metres)	2347	2510	2577	2690

10	Dhoti (M)	266	305	320	362
11	Lungi (M)	292	342	318	333
12	Odhani/ Parihiya Saree (F)	154	192	194	211
13	Blouse/Choli (F)	153	189	165	164
14	Kameez (F)	65	90	101	116
15	Pajama (M)	37	63	60	69
16	Kurta Pajama Set (M)	49	50	60	67
17	Salwar Suit (F)	515	637	652	695
18	Banian / Ganji (M)	707	1015	816	813
19	Underwear (M)	973	817	956	1014
20	Underwear / Panties (F)	327	291	340	367
21	Petticoat Full Length (F)	448	577	442	439
22	Brassier (F)	104	114	99	97
23	Leggings (Woven)	53	50	59	70
24	Leggings (Knitted)	51	101	92	111
	<b>Home Textile Items</b>				
25	Chaddar-Single/ Pechori	94	116	76	62
26	Bed sheet-single	352	333	377	407
27	Terry towel	15	14	13	12
28	Blanket	69	59	87	102
29	Mosquito net	30	26	30	33
30	Pillow cover	139	191	190	208
31	Quilt / Rajai	13	18	24	30

As regards Home textiles items, products like chaddar, bedsheets, towel and terry towels contributed significantly to this segment. In addition, the products like mosquito net, pillow cover or cushion cover, furnishing materials, blankets have also increased their presence in the product basket.

#### Conclusion

The demand for the Household sector is the major contributor to the overall growth of the sector with 53.39 percent (USD 78.28 billion) share in the total market size, which is expected to touch 54.90 percent (USD 89.88 billion) in 2018. While the export of T&C decreased at 4.66 percent and the demand in Household & non-Household sector grew by 2.82 and 1.51 percent respectively during 2016. For the year 2018, is the exports are expected to increase by 12.79 percent, whereas the demand in Household & Non-Household sectors are expected to increase by 14.82 percent and 2.89 percent respectively.

It is worth mentioning that the growth in Household demand for textiles has brought about additional demand for 2.53 billion metres of fabrics in 2016, which is expected to touch 4.76 billion metres in 2018 from 2015, which is pointer towards required capacity expansion in the fabrics manufacturing in the country. Similarly, the growing demand for the newly emerged products like legging etc. provides an indication at the change in preference pattern of the consumers in the country during the period. Hence, the many findings in the report may provide authentic data & insights for informed decision making by the businesses, trade & industry, researchers & policy makers etc.

**VAT EXEMPTIONS ON FOUR TYPES OF SERVICES OFFERED TO RMG MANUFACTURERS IN BANGLADESH**

The National Board of Revenue (NBR), Bangladesh issued a Statutory Regulatory Order on 29 November, exempting export-oriented readymade garment (RMG) manufacturers from value-added tax (VAT) on expenditure on workers welfare and entertainment, laboratory tests, IT-enabled services, and rent-a-car facility. VAT ranging from 5% to 15% was applicable to those services. Officials said that NBR offered the exemptions to the RMG sector following demands from the country’s apparel associations including Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA). The two apparel associations had long been demanding VAT exemption for all types of services citing difficulties in record-keeping. In addition to the four newly exempted services, since 2005, apparel manufacturers have been enjoying 100% VAT exemption on 13 types of services including supply of goods and services, security, transport and port services, and partial exemption of up to 80% on another three types of services including electricity, water and gas bills.

Source: The Financial Express

**VIETNAM PLANS TO LIFT FOREIGN OWNERSHIP CAPS**

The Ministry of Finance, Hanoi has released a revised draft Law on Securities which would remove the existing 49% foreign ownership cap in many sectors, allowing majority or even 100 percent ownership of a company. Companies in securities, defence, telecommunication, and insurance, for which the limit will be kept at 49%, and banking, for which the limit will remain at 30%.The draft law is expected to be submitted to lawmakers for approval next year and take effect in January 2020. According to experts, some foreign investors prefer investment in Vietnamese companies through capital contribution, share purchase or merger and acquisition (M&A) to setting up companies themselves, as they can start operating immediately and do not have to apply for and wait for investment licenses.

(Source: VnExpress International)

**EUROPEAN COMMISSION AGREES TO FTA WITH VIETNAM**

On 17 October, the European Commission agreed to submit the EU-Vietnam Free Trade Agreement (EVFTA) to the European Council to seek its approval for the signing of the deal slated for late 2018 and to the European Parliament for ratification in 2019. According to the agreement memo, the EVFTA will eliminate over 99% of all tariffs on bilateral trade – worth US\$54 billion a year – and partly remove the rest through limited zero-duty quotas. About 65% of duties on EU exports to Vietnam will be eliminated immediately when the EVFTA comes into force, with the remaining gradually removed over a 10-year period. Main EU imports from Vietnam include telecommunications equipment, clothing and food products. The EU mainly exports to Vietnam goods such as machinery and transport equipment, chemicals and agricultural products.

Source: European Commission



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