

# TEXTILE



CONFEDERATION OF INDIAN TEXTILE INDUSTRY  
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**NEW FOREIGN  
TRADE POLICY 2023  
AND ITS IMPACT  
ON THE TEXTILE &  
CLOTHING  
INDUSTRY**



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Friends, The past few years have presented numerous challenges for our industry, including issues such as inventory pile-up, rising raw material prices, logistical hurdles, disruptions in the global supply chain, and the ongoing Russia-Ukraine War's impact on international trade. In light of these circumstances, we must express our gratitude to the Government, particularly the Honourable Prime Minister and Honourable Minister of Textiles, for extending their unwavering support to the textile sector, enabling us to sustain our momentum.

Recently, the government unveiled the new Foreign Trade Policy 2023 after a three-year hiatus. This policy is dynamic, futuristic, and open-ended, addressing not only the current demands of the textile sector but also the emerging challenges we face. It aims to enhance the export competitiveness of our industry and facilitate ease of doing business in India.

The new FTP reflects the visionary ideals and commitment of our Honourable Prime Minister, Shri Narendra Modi ji, in propelling the Indian economy to new heights and aligning our merchandise and service export capabilities with the global supply chain. It is founded upon the principles of trust and partnership with exporters and is built on four pillars: Incentive to Remission, Export Promotion through Collaboration, Ease of Doing Business, and Emerging Areas.

I am delighted to share that India has already surpassed \$750 billion in exports during the current fiscal year. With the new Foreign Trade Policy in place, I am confident that India will undoubtedly achieve \$2 trillion in exports by 2030. Under the new FTP, the introduction of online approvals without physical interference will reduce processing time from an average of one month to just one day. This change is expected to be a game-changer for the Textile and Apparel industry.

Further, the government has also approved the plan for development of the PM Mitra Mega Textile Park in seven states across the country: Tamil Nadu, Telangana, Karnataka, Maharashtra, Gujarat, Madhya Pradesh, and Uttar Pradesh. These textile parks are expected to create over 1.4 million new job opportunities. CITI is working towards promoting the MITRA parks in all forums. CITI is taking a delegation of senior textile industry representatives to the forthcoming ITMA Exhibitions, Milan in June 2023 for the same.

Recently, I also had the opportunity to meet Mr. Dirk Vantghem, Director General of The European Apparel and Textile Confederation (EURATEX), to discuss trade-related issues between India and the European Union (EU). During our conversation, Mr. Vantghem highlighted some non-trade issues that are crucial for enhancing trade. One of these issues is the Quality Control Orders (QCOs) on textiles that India is actively working on. He emphasized the need for India and the EU to collaborate on a Mutual Recognition Agreement (MRA) for standards, particularly in the field of Technical Textile products. Mr. Vantghem mentioned that EU companies are eager for such MRAs to optimize testing and certification processes, where Indian QCOs and EU standards align.

With the numerous QCOs being introduced in India, efforts towards ensuring their acceptance by the other countries needs to be initiated at the earliest so that the objective of strengthening India's competitiveness is fully achieved. The present duplicity in testing and certifications is costing the industry, not just in terms of cost but also ease of doing business.

The latest estimates from the Directorate General of Commercial Intelligence and Statistics (DGCI&S) reveal a concerning decline in India's textile exports. The share of textiles and apparel declined in exports from 8.95% in March 2022 to 8.39% in March 2023. While the declining exports are a cause for concern, we need to look at how domestic production is doing and in this regard, data deficiency has been an issue which needs addressing. With India's growing domestic consumer base, it is one of the few nations that can tide over global uncertainties and provide the necessary support for business continuity. It's time we analyse we analyse the overall industry performance with the kind of data rigour that we do in exports so that the overall opportunities for the industry and policy interventions can be better assessed.

In conclusion, while we have faced numerous challenges in recent years, the government's support and the implementation of the new Foreign Trade Policy 2023 have provided us with a renewed sense of optimism. By leveraging the opportunities presented by the policy and strengthening partnerships, we can overcome the temporary decline in exports and steer the Textile and Apparel industry toward sustainable growth.



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It has been unusual summers this year. While I am relieved to have witnessed a moderate summer so far, these untimely and intermittent rains and temperatures dipping in the National Capital in months which have historically witnessed scorching heat, there is a certain unease. The climate change and its adverse impact on agriculture and indirectly on the whole value chain is a concern which is no longer distant. Climate change is impacting the industry and its stakeholders in many ways.



The world today is producing and consuming more textiles than ever before and the current very low reuse and recycling rates mean that more textiles are also being thrown away than ever before. This has become an area of growing concern and recognition that there is a need of having some Environmental, Social, and Governance Commitments in the Textile Industry. This is also becoming a key priority for most of the business stakeholders of the world. Today many Textile industries in India are working towards implementing ESG-linked blueprints for the future, as it is clear that sustainable manufacturing is soon going to be an important differentiator and competitiveness tool.

While the flagbearers of the textile industry are already working to align to the vision of the Hon'ble Prime Minister of India Shri Narendra Modi ji of achieving Net Zero Emission by 2070 by moving to renewable energies and other measures for energy optimisation, this path to transformation of the industry needs to be smooth, Just and equitable – with minimum impact on livelihoods of the millions dependent on this industry. This requires better awareness, preparedness as also discussions with the value chain partner for collaborative, cost sharing models for transformation. As a labour intensive industry, just transition will require skill reorientation or upskilling of the farmers on field to the workers on shop floor. While many of the larger corporates have started adopting greener technology and automation, the majority of the MSMEs need guidance and capacity building.

CITI has initiated ESG series to address these issues. The workshops aim at improving understanding the implications of the buyer requirements, capacity building for the changes needed in process and technologies, and sharing of best practices with the MSMEs so the nation as a whole can mitigate the imminent negative impact of climate change on manufactures, labour and consumers. CITI is committed to promoting ESG in Textile manufacturing and we are working on collaborations for the transfer of existing Best practices that can enhance the capacity of Indian producers to manufacture more sustainable and circular products. The ESG series initiated by CITI aims to promote such collaborations and give a platform to the front runner industries to share their experiences.

These initiatives also has a strong bearing on India's capacity to leverage the FTAs with EU, UK and Canada, once they are rolled out. With Esg related regulations growing as market access requirements, India's access to these markets will require Industry to meet their norms. The challenge is the huge MSME sector which will need more time and handholding to align to the dynamic environmental and social regulations in these countries.

The new FTP introduces several policy measures that will benefit the Indian Textile Industry. It provides a platform for tremendous growth for domestic textile manufacturers and opens doors for MSMEs and ancillary industries to explore new dynamics. Policymakers are highlighting the Free Trade Agreements (FTA) with Australia and the United Arab Emirates (UAE) as gateways to numerous opportunities for Indian textile exporters. The increased digitisation and paperless transactions will reduce the time and costs associated with obtaining licenses and approvals, making it easier for the Indian Textile Industry to conduct business.

While the FTP will generate substantial employment opportunities for the Indian workforce, provide numerous avenues for domestic textile manufacturers, enhance the competitiveness of Indian products in international markets, supplementing it with efforts to address these new market access boosters will give India the required competitive edge.



## NEW FOREIGN TRADE POLICY 2023 AND ITS IMPACT ON THE TEXTILE & CLOTHING INDUSTRY



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### Introduction and background

The crucial role played by Textile, Clothing and Apparel, and allied industries (“**TC&A Industries**”) to India's exports cannot be understated. Statistics available on the website of the Ministry of Commerce reveal exports under the TC&A industries contribute a very significant portion, that is 2% of the country's entire GDP.

The Government of India has implemented various schemes for TC&A Industry, other than duty remission or exemption schemes, which operate beyond the confines of the Foreign Trade Policy (“**FTP**”). A prominent example would be the Amended Technological Upgradation Fund Scheme

administered by the Ministry of Textiles, which in its various forms and iterations has assisted the industry in phasing out obsolete machinery.

### Measures under the FTP

Apart from the general facilities available for all sectors that the TC&A sector will also benefit from, the emphasis of the Indian Government on the textile and clothing industry is currently in two focal points. These are:

- Special Advance Authorization Scheme for export of Articles of Apparel and Clothing accessories;
- The Scheme for Rebate on State and Central Taxes

and Levies (“**RoSCTL**”), as notified by the Ministry of Textiles.

### Special Advance Authorization Scheme

Under the Special Advance Authorization Scheme, a welcome change under new FTP is that Authorization is allowed on the basis of self-declaration as well in addition to SION or prior fixation of norms by the Norms Committee which was provided in earlier FTP. The Scheme is governed by Customs Notification No. 27/2023-Cus dated 01.04.2023 permitting import of only fabric inputs (including inputs for interlining). Further, the pre-import & actual user conditions applicable for the Special Advance Authorization Scheme is continued in the present policy as well.

A benefit of the Special Advance Authorization scheme that is often overlooked is that it allows the holder to claim All Industry Rate (“**AIR**”) of drawback on non-fabric inputs as well, subject to the value of such non-fabric input being at least 22% of the FOB value of the export product. On the other hand, General Advance Authorization scheme allows inputs such as fuel and catalysts without payment of duty. However, AIR Drawback is not available for duty-paid inputs under the General Advance Authorization Scheme.

### Scheme for Rebate of State and Central Taxes and Levies on Export of Garments and Made-ups (“**RoSCTL**”)

It was initially contemplated that the RoSCTL Scheme would be merged with the RoDTEP scheme. However, it has been decided to continue the RoSCTL scheme for remission of duties for exports in the textile sector until 31.03.2024 as of now. The scheme finds only mention in the FTP, as it is the Ministry of Textiles that administers the scheme. The Ministry of Finance has issued corresponding Customs Notification No. 25/2023-Cus (N.T) dated 01.04.2023 for operationalizing the scheme.

The RoSCTL scheme intends to remit *embedded* duties paid for a broad range of inputs, ranging from insecticide used in the cultivation of cotton, to fuel used in the transportation of finished goods. Schedules 3 and 4 of Notification No.14/26/2016-IT (Vol.II) specifically provide for the rate of RoSCTL benefit available for exports made against Special Advance Authorization. On the other hand, RoDTEP benefit (as applicable to goods not falling within Chapter 61, 62 or 63 of the ITC(HS)) will not be available when the exports are against Advance Authorization. It is clarified that since RoSCTL

specifically covers exports of goods falling under Chapter 61, 62 and 63, Appendix 4R as notified for the RoDTEP scheme does not cover these exports.

However, there is scope for rectifying certain discrepancies in Appendix 4R which provides rates of RoDTEP benefit available to exporters. This is especially since the RoDTEP scheme was conceived as a replacement to the Merchandise Exports from India Scheme (“**MEIS**”) when a WTO panel ruled that MEIS was not compliant with India's commitments under the Subsidies and Countervailing Measures Agreement (“**SCMA**”). An example is that tariff item 52805180, covering “*Voils (excluding Leno fabrics)*” did not find mention in Appendix-4R until very recently, although the same was present in Appendix 3B, which provided for remission rates under MEIS. The same was included in Appendix-4R vide Notification No. 63/2015-20 dated 25.03.2023. It is unfortunate that RoDTEP benefit in this case will be available only for exports made from 28.03.2023.

### Potential posed by Export Hubs

It is pertinent that Chapter 3 of the FTP expressly acknowledges that each district may have its own products and services with export potential, which must be identified and promoted. Illustratively, this poses tremendous opportunities to textile hubs such as Jaipur, Ahmedabad, Bhuj, Surat, Bhagalpur, Coimbatore, Banaras, Aurangabad, Bhilwara, and Ludhiana. It is hoped that the District Export Promotion Committee for districts that have clusters of TC&A industry will factor in the export potential of these industries in their District Export Action Plan.

### Other general benefits under the FTP

In addition to above, various other factors that would be beneficial for TC&A industry are:

- Double weightage, subject to conditions, shall be available in calculating export performance for grant of One-Star Export House status for following categories:
  - i. Micro and Small Enterprises as defined in Micro, Small & Medium Enterprises Development (MSMED) Act 2006;
  - ii. Manufacturing units having ISO/BIS Certification;
  - iii. Units located in North-Eastern States including Sikkim, and Union Territories of Jammu, Kashmir and Ladakh;





- Under the EPCG Scheme, there is a requirement to maintain average export obligation. However, some sectors viz., Handicrafts, Handlooms, Industries covered under Khadi and Village Industries Commission (KVIC), Sericulture, Carpets, Coir, and Jute Sectors are exempt from this requirement.
- For Export Oriented Units, upto 2% of the CIF value of the fabric imported may be disposed of by way of sale into the DTA upon payment of duty on the assessable value, subject to the certification of Central Excise/Customs officers that these are left over items.
- Selected towns producing goods of Rs. 750 crores or more may be notified as “Towns of Export Excellence”. However, this threshold is significantly lower, that is, Rs. 150 crores for sectors such as Handloom and Handicraft sectors. Consequential benefits include financial assistance under the Market Access Initiative (“MAI”) scheme.
- The Prime Minister Mega Integrated Textile Region and Apparel Parks (PM MITRA) scheme has been added as an additional scheme eligible to claim benefits under CSP (Common Service Provider) Scheme of EPCG.
- Further, suitable IT enablement is contemplated to ensure seamless delivery of FTP Benefits/Schemes to e-Commerce Exporters. It is expected that the TC&A Industry will also benefit from the same.

## Conclusion

From a perusal of the above, the pivotal role played by the FTP in promoting exports from India becomes evident. In light of the WTO Panel ruling that certain exemption or remission schemes piloted by India are contrary to India's commitments under the SCMA, a turbulent stage was already set for notification of the current FTP. Despite such hurdles, the new FTP has been ambitious in sustaining as many exemption and remission schemes as possible within the framework of both international and domestic legal landscapes.



The Confederation of Indian Textile Industry recently organized the 3<sup>rd</sup> Global Textiles Conclave (GTC) from March 15 – March 17, 2023, in Jaipur. The event was inaugurated by the Union Minister of Textiles, Shri Piyush Goyal, through a video conference held in Jaipur on March 15, 2023.

Addressing the event, the minister praised the efforts of the Confederation of the Indian Textile Industry (CITI) towards improving sustainability in the textile value chain. He congratulated CITI for organizing the 3<sup>rd</sup> edition of GTC, which was themed "Strategies for Balancing Sustainability and Profitability in Textile



*Shri Piyush Goyal, Union Minister of Textiles, addressing 3<sup>rd</sup> GTC through Video Conferencing*

Value Chain." The Minister also lauded the first edition of the India Textile and Apparel Fair (ITAF) and the CITI Textile Sustainability Awards 2023.

Shri Goyal was pleased that the conclave was held on World Consumers' Rights Day and highlighted how consumers are now more conscious of their environmental footprint and demanding transparency in the products they use. He also pointed out that the EU has already initiated Carbon Border Adjustment Tax reforms, which is an early sign of the need for adopting sustainability to overcome climate change challenges.

The Minister stressed that the Government is doing its best to provide the necessary ecosystem for the textile industry to thrive and that the entire textile value chain can be relocated to one place, where plug-and-play model infrastructure will be made available. This will help boost the 5 F vision of Prime Minister Modi and make Indian textile products competitive in foreign markets.

Further, the Minister urged the industry players to collectively pledge towards mainstreaming sustainability and circularity in the textile sector. He emphasized the need for evolving businesses around the three P's - People, Planet, and Profit, and collaborating with premier institutions like IIT's, DRDO, NIFT for research and development to create sustainable supply chains. He also exhorted the industry to make zero defect zero effect their success mantra and focus on research, sustainable practices, compliance, and innovation, including the start-up ecosystem, to leverage technology and new ideas.

The India Textile and Apparel Fair (ITAF) was inaugurated with the traditional lighting of the lamp by Shri Rajiv Arora, Chairman, Rajasthan Export Promotion Council Dr. SN Modani, Chairman of the Rajasthan Textile Mills Association Shri T Rajkumar, Chairman of the Confederation of Indian Textile Industry, Rakesh Mehra, Deputy Chairman of CITI.

Dr. SN Modani, Chairman of the Rajasthan Textile Mills Association, gave the opening speech, highlighting the importance of the textile and apparel industry in India's economy. He also stated that the industry is notorious for climate-related risks and emphasized the need for sustainable manufacturing practices.

Shri T Rajkumar, Chairman of the Confederation of Indian Textile Industry (CITI), followed Dr. Modani's speech and talked about the importance of Rajasthan in the T&A ecosystem. He announced the agenda for the three-day event, which included ITAF, GTC, and Sustainable Textile Awards 2023.

Shri Rajiv Arora, Chairman of Rajasthan Export Promotion Council (REPC), gave the inaugural address on behalf of the Rajasthan government. He invited industry stalwarts to invest in Rajasthan and promised a roadmap for boosting trade. He also announced plans for a Mega Textile Park and a robust air-freight system to facilitate trade in Rajasthan. Mr. Arora emphasized the importance of sustainability and green power to make businesses more sustainable.

The inaugural session of ITAF concluded with Rakesh Mehra, Deputy Chairman of CITI, welcoming all the



*Shri Rajiv Arora, Chairman Rajasthan Export Promotion Council inaugurating India Textile and Apparel Fair (ITAF) on the side-lines of 3rd GTC in Jaipur*



attendees and reiterating the importance of sustainability and the environment in the textile and apparel industry.

The event was a great platform for industry leaders to come together and discuss the future of the textile and apparel industry in India. The focus on sustainability and the environment is a step in the right direction for the industry to grow while minimizing its impact on the environment.

### Theme Session: Balancing Sustainability and Profitability in the Textile Industry



*Panellists for the Theme Session on 'Balancing Sustainability and Profitability in the Textile Industry' in CITI's 3<sup>rd</sup> GTC in Jaipur*

The textile industry has long been criticized for its negative impact on the environment, with fast fashion being one of the primary culprits. However, the industry also plays a significant role in the economy, providing employment and contributing to the country's GDP. In this context, finding a balance between sustainability and profitability has become a pressing issue.

A theme session on 'Balancing Sustainability and Profitability in the Textile Industry' at 3<sup>rd</sup> GTC featured experts from different areas of the textile industry. Dr S N Modani from the Rajasthan Textile Mills Association talked about slowing down fast fashion and adopting traceability solutions.

Dr Suraj Bahirwani, the President of Global Sales at Grasim Industries, emphasized the majority of the industry's concentration in the MSME category and

discussed custom duties and GST structures in the Indian textile value chain. He also highlighted initiatives taken by Aditya Birla Group – Grasim Industries, including product innovation, end-to-end tracking through QR codes, the Liva Accredited Partners Forum, and research and development support.

Mr Manoj Kumar Patodia, the Chairman of TEXPROCIL, stressed the importance of sustainability and circularity, highlighting the need for recyclability and traceability. Given that India has one of the largest acreages under cotton cultivation, he also emphasized the need to raise its low productivity.

Mr Naveen Sainani, the Joint Honorary General Secretary of the Clothing Manufacturers Association of India (CMAI), discussed the immediate versus long-term profitability and how Indian consumers are also concerned about sustainability.

He suggested the ABCE framework, including increasing awareness, building the brand around sustainability, promoting conscious clothing, and adopting environment and sustainability management systems.

The experts also discussed the role of government support in skilling and handholding to promote sustainability in the industry.

Overall, the session provided valuable insights into how the industry can balance sustainability and profitability, emphasizing the need for collaboration among stakeholders to drive change. By adopting innovative solutions, promoting conscious clothing, and investing in sustainability and circularity, the industry can move towards a more sustainable future, contributing to both the economy and the environment.

### Session 1: Trends On Fibre Value Chain – Exports & Domestic



*Panellists for the Session on 'Trends On Fibre Value Chain – Exports & Domestic' in CITI's 3<sup>rd</sup> GTC in Jaipur*

The textile and apparel (T&A) industry is undergoing a significant transformation due to various factors, including sustainability concerns and changes in global trade policies. Session on “Trends On Fibre Value Chain – Exports & Domestic” moderated by Mr. Amit Gugnani, from Technopak Advisors, shed light on the key changes and innovations in the T&A industry.

One of the significant changes in the T&A industry is the shifting focus on sustainability and circular economy. The industry's globalized value chain, which is both a boon and a bane, has been impacted by the Russia-Ukraine shockwaves felt in India's T&A trade. Inflation has also affected apparel exports, which necessitates re-looking at the industry's different value models.

According to Mr. Uday Gill from Indorama Yarns and Fulbright Scholar, the way Indian players are driven by cost, scale, and imitation of China's model is not sustainable going forward. Garmenting is the growth engine, and sustainability becomes key to product

largest T&A trade partners of India. More and more brands are not only asking for a greener value chain but also helping with the handholding process by turning green with their practices. Even though sustainability and circularity are becoming global norms, performance fibers will stay for the foreseeable future.

Mr. Updeep Singh, the President/CEO of Sutlej Industries, highlighted the importance of a value chain collaboration and suggested taking the cost of sustainability as a transition cost.

In conclusion, the T&A industry is undergoing a significant transformation, and sustainability is at the forefront of this change. Designing end products keeping circularity in mind, building an India story for green textiles, and a value chain collaboration can drive sustainability and circularity in the T&A industry.

## Session 2: Investment Opportunities in India for Global T&C Value Chain



*Panellists for the Session on 'Investment Opportunities in India for Global T&C Value Chain in CITI's 3rd GTC in Jaipur*

design, manufacturing, and consumption. Consumer needs at all levels will be moulded by social media, and skilling and automation are required for diligent production.

While natural fibers are inconsistent with respect to functionality, recycling is still primitive, and only mechanical recycling is big. Designing end products keeping circularity in mind is imperative. We need to build an India story for green textiles, keeping in mind our strengths.

Mr. Elangovan from AEPC, Tirupur Export Association, SNGS, emphasized on the importance of newly formed norms of the US & EU, who are the

During Session 2 of the conclave, Ms Bhavna Rathee from Invest India, Ms Sonam Bhandari from BSR & Co, and Mr Nikit Popli from KPMG discussed the investment opportunities in India's Textile and Apparel (T&A) industry. The session began with an overview of historical statistics of Foreign Direct Investment (FDI) in the industry.

The speakers then talked about the effectiveness of the Production Linked Incentive (PLI) scheme, which has helped formulate state policies and attract investments. They cited the success story of Madhya Pradesh, which has attracted 3,513 crore rupees in investment.

The discussion focused on how to make the investment climate more attractive, and the aspects that are being looked into include lowering the threshold levels for availing PLI incentives and widening the product base for the scheme. They also suggested looking at the inverted duty problem faced by manufacturers, which hinders their competitiveness in the global market.

To give a holistic picture of investment attractiveness, the speakers also discussed schemes like Export Promotion Capital Goods (EPCG) and Market Access Initiative (MAI). The session concluded with a Q&A session where attendees had the opportunity to ask questions and engage with the speakers.

Overall, the session provided valuable insights into the investment opportunities available in India's T&A industry and the steps being taken to make the investment climate more attractive. The PLI scheme and other government initiatives have already shown success in attracting investments, and there is a positive outlook for the industry's growth and development.

### Session 3: India – UAE Fostering Economic Ties



*Panellists for the Session on 'India – UAE Fostering Economic Ties' in CITI's 3<sup>rd</sup> GTC in Jaipur*

In this session on Trade with UAE, experts discussed the enactment and effects of the CEPA (Comprehensive Economic Partnership Agreement) between India and the UAE. The importance of international trade cannot be overstated, and in this regard, the India-UAE trade partnership has been gaining traction.

The session was opened by Mr. Mukesh Kalra from the UAE India Business Council (UIBC) who highlighted the significance of India-UAE trade. He emphasized the role of the textile and apparel industry, which has been a major contributor to the growth of trade between the two countries.

Mr. Ankur Gupta from SW India presented a comprehensive picture of the impact of the FTA (Free Trade Agreement) between India and UAE. He touched upon various aspects of the agreement, such as tariff reduction and market access, and highlighted the benefits for the textile and apparel sector.

Finally, Mr. Bipin Menon from the Directorate General of Foreign Trade (DGFT) gave a detailed explanation of duty remission with respect to Rules of Origin. He explained the technicalities of 6 Digit CTH (Customs Tariff Heading) and CTSH (Customs Tariff Sub-Heading) level, which are used to determine the origin of products traded between the two countries.

Despite the positive impact of the FTA, the session concluded on a note that India-UAE trade has yet to achieve its full potential in the textile and apparel sector. While the CEPA has opened up new avenues for trade, it is imperative that the two countries work towards further strengthening their trade relations to achieve a robust T&A trade engagement. The experts emphasized the need for continued efforts to promote bilateral trade, increase market access, and explore new opportunities for collaboration.

### Session 4: Responsible Consumption and Production



*Panellists for the 'Responsible Consumption and Production' Session in CITI's 3<sup>rd</sup> GTC in Jaipur*



'Responsible Consumption and Production' Session of the conclave brought together experts from different sectors to discuss Responsible Consumption and Production. Moderated by Dr. Rajesh Bheda, the session started with him commending CITI for instituting the Sustainability awards that recognize good practices and inspire others to embrace sustainability in their business practices. In his opening remarks, Dr. Bheda emphasized the importance of industry-wide actions involving all stakeholders in the supply chain for promoting SCP.

Rajesh Bheda Consulting had the privilege of being the knowledge partner for the panel discussion session 'Responsible Consumption and Production SCP' at the Global Textile Conclave of Confederation of Indian Textile Industry (CITI), at Jaipur.

Dr. Rajesh Bheda, MD of Rajesh Bheda Consulting played the role of session moderator bringing together experts from the supply chain of the fashion industry for discussion on this important theme. He complimented CITI for instituting the Sustainability Awards for recognizing the good practices and inspiring others to embrace sustainability in their business practices. In his theme address Dr. Bheda emphasized on industry wide

actions involving all stakeholders in the supply chain for promoting SCP. He spoke about requirement of shifting mindset from linear to circular economy taking into consideration increase in duration of usage of materials, minimization of waste and shifting towards renewable resources from non-renewable resources eventually reducing greenhouse gas emissions. In order to help businesses as well as consumers to adapt to sustainable practices, focus will have to be redirected towards sustainable design, eco-labelling, green procurement, and other statutory policy measures that encourage businesses and consumers to adopt sustainable practices. He emphasized, out of the 4 Rs Refuse, Reduce, Reuse and Recycle, Refuse is the most powerful act and must be exercised by all the stakeholders to make sizeable progress towards SCP.

Today, SCP comprises of multi-pronged approach which includes not only economic growth but also includes preserving environment, social well being, health and safety, mental health.

From manufacturing perspective, Dr. Bheda explained how productivity improvement and waste reduction can help in maintaining balance between sustainability and profitability. along with discussing about good



Source: Fast Fashion Business Model Published in July 2020 by UN Today

practice case studies of Patagonia and sustainability reporting of H&M, Primark, ABFRL and Shahi Exports few key points were highlighted such as:

- 1) Patagonia has been a role model in encouraging product repair and recycling along enabling supply chain transparency working with its suppliers to ensure responsible practices, including fair labor and environmental standards. They also have prioritized traceability and work towards eliminating harmful chemicals from their supply chain, gradually moving towards regenerative agriculture
- 2) As a leading fashion brand, the Ethical Trade team of Primark was also discussed working with suppliers to ensure fair labor practices, safe working conditions, and fair wages for workers. Primark also conducts audits and inspections to monitor compliance with its Code of Conduct, which includes standards on labor, health and safety, and environmental practices.
- 3) Aditya Birla Fashion Retail Limited's Sustainability 2.0 Strategy was also discussed focussing on three major pillars as "Clean by Design, Sustainable Operations and Inclusive Communities" in order to achieve ReEarth which is their publicly stated sustainability goal, transitioning from 'Process-led to Product-led' with integration of sustainability across supply chain
- 4) Swedish Fashion Brand H&M is targeting both social and environmental KPIs as part of their sustainability targets with primary indicators such as use of recycled materials, commitment to fair working conditions for its employees. The company has implemented several initiatives, including a living wage roadmap and a worker empowerment program
- 5) Shahi Exports has been consistently shifting towards Green Buildings investing in renewable energy sources like solar power, implementing energy-efficient technologies in its factories, and optimizing water and waste management practices to minimize water usage and waste generation. This is combined with numerous initiatives to improve worker well being.
- 6) Waste Reduction across the value chain using Lean Management principles can contribute substantially to SCP goals, worker welfare as well as profitability.

A Stimulating discussion was held where Dr. Suraj Bahirwani, Sr. President Grasim Industries highlighted the progress made by Grasim including sustainable forestry on all fronts of sustainability and

circular fiber with traceability. Ms. Bhavan Rathi from Invest India spoke about rising concerns in fashion and textile industry like Overproduction and overconsumption in fashion industry with less than 1% getting recycled and rest 87% being incinerated/landfill, being second largest water polluting industry in the world producing 10% GHG emission and generating high volumes of microplastics – impacting marine ecosystem. She also emphasized on various schemes and the initiatives of Govt of India aiding in attracting green investments and how MSMEs are being supported in embracing sustainability, initiatives being taken by Indian companies and their reporting.

Mr. Peush Narang of Cotton Council International emphasized on the need for credible measurement of sustainability indicators and how his organization has been able to work on reduction of water consumption year on year and use of blockchain technology helping in transparency and what more can be done by the fashion industry towards ensuring responsible production and consumption. Mr. Subhasis Basu shared how LNJ Denim has made progress on energy and water waste reduction and continues to report the progress.

The lively discussion ended with the need for effective communication of the great progress made by the path breakers from India and encouraging others to embrace sustainability as that is the way for a sustainable future and paving future path for both manufacturers and consumers directing towards key points from theme address as follows::

- 1) Call for industry wide actions involving all in the supply chain for promoting SCP
- 2) Enabling relentless efforts to eliminate waste in all processes will help make progress toward sustainability goals while contributing to profitability
- 3) Being aware and proactive towards Gen Z consumers who are concerned about greenwashing, demanding answers and will reward responsible businesses. Re-commerce will grow rapidly.
- 4) Focus on sustainability communication through storytelling about Indian Sustainability leaders at global level like in the case of sustainability strategy of Aditya Birla Fashion and Retail Ltd. and Shahi Exports Pvt Ltd being some of such Stellar examples
- 5) Out of the 4 R's (Refuse- Reduce- Reuse and Recycle), 'Refuse' being a very powerful action point for both consumers and manufacturers.

- 6) Enabling widespread voluntary adoption of Sustainability among the MSMEs and other stakeholders, touching hearts of people will be vital

### About the Knowledge Partner

Rajesh Bheda Consulting a globally recognized consulting firm focused on improving competitiveness of fashion- textile industry organisations. RBC believes in human centered approach for unlocking the improvement potential in textile-fashion supply chains. RBC's clients include leading manufacturing groups, sourcing companies, brands, industry associations, development agencies and UN agencies. RBC has delivered consulting services in 21 countries for over 500 clients impacting over 300000 lives.

### Session 5: Technology and Innovation

The fifth session of 3<sup>rd</sup> Global Textile Conclave focused on the topic of Technology and Innovation. Navdeep Singh Sodhi, Partner at Gherzi Textil Organisation, Switzerland, moderated the session, which featured a panel of experts from the textile industry. These included Prasanta Deka from Rieter, Vivek Arora from LMW, Priyanka Khanna from Fashion for Good, Dr. Swapneshu Baser from Deven Supercriticals, Manisha Saroha Marival from CETI, and James Phillips from Gherzi Textil Organisation ASEAN.

Each panelist gave presentations on various topics related to sustainability, recycling, disruptive technologies, and digital advancements in the textile industry. Prasanta Deka shared statistics that indicated how, due to a fragmented value chain and lack of proper infrastructure, we are currently only able to recycle and reuse 1% of the 89 million tons of collected pre and post-consumer waste. However, the industry continues to strive towards the potential target of 15%. Rieter spoke about its collaboration with brands such as Recover, Birla Cellulose, and Spinnova, which enables them to



Panellists for the 'Technology and Innovation' Session in CITI's 3rd GTC in Jaipur



become part of a bigger picture and contribute to their share of recycled and regenerated raw materials available in the supply chain.

Mr. Vivek Arora spoke about the key challenges facing the industry today and the impact of each process on environmental resources. He shared glimpses of the initiatives taken up by the organization to reduce, control, and utilize natural resources, including the opening of another green factory installment of COATS yarns in Madurai. With their new range of green machines, they promise to save up to 50% of power and up to 5 dB noise reduction, resulting in a reduction of 79 million kgs of CO<sub>2</sub> per year.

Ms. Priyanka Khanna introduced Fashion for Good and how it has been working over the years as a strategic partner to suppliers and manufacturers, liaising with brands to bridge their needs with sustainable practicing technologies and bringing them within the value chain.

Ms. Manisha joined the session via Zoom and showcased CETI's potential as a digitally enabled partner, bringing in different types of designing, product development sorting, and recycling technologies in the value chain. She also brought attention to all three recycling methods – Mechanical, Chemical, and Bio-chemical recycling factories – they have set up over the years and their progress

Dr. Baser spoke in-depth about his innovation in Supercriticals and its advancements in comparison to other dyeing methods currently in practice. It has shown exponential promise of being a waterless dyeing solution. His achievements have even been noticed and awarded by the ex-President of India, Dr. APJ Abdul Kalam.

James Phillips, a Partner at Gherzi Textil Organisation and former CEO at TAL, a Vietnamese garment

manufacturer, shared his experience of working in the RMG industry and the digital advancements made in the sector. He spoke openly about the crisis faced by RMG manufacturers and retailers of overstock piled up, and the solution to it is Made to Measure (MTM). Although MTM is still very young in practice and limited to countries like the US, UK, and parts of the EU, it is a solution to meet the demand on a need basis only and which, in return, will be sustainable and ecologically beneficial.

The panellists also highlighted the importance of collaboration between brands, suppliers, and manufacturers to achieve sustainability goals. They emphasized the need to adopt sustainable practices not just as a trend, but as a long-term strategy to address environmental and social issues.

Moreover, the panellists discussed how advancements in technology are shaping the future of the textile and apparel industry. They talked about the role of digitalization, automation, and artificial intelligence in improving efficiency, reducing waste, and increasing transparency in the supply chain.

Overall, Session 5 on Technology and Innovation was a great learning experience for the attendees. The panellists shared valuable insights on sustainability, recycling, disruptive technologies, and digital advancements in the RMG sector. They highlighted the need to work together to achieve sustainability goals and embrace technology to improve efficiency, reduce waste, and increase transparency in the supply chain. It was a reminder that sustainability and innovation go hand in hand and that both are essential for the growth and success of the textile and apparel industry.

Technical textile materials are specifically designed and

## Session 6: Technical Textiles



*Panellists for the 'Technical Textiles' Session in CITI's 3rd GTC in Jaipur*

engineered to provide specific functional properties, such as durability, strength, and resistance to chemicals, heat, and other environmental factors. They are widely used in a variety of industries, including automotive, aerospace, healthcare, construction, and sports.

The global technical textiles market is estimated to be worth US\$ 240 billion in 2021 and is expected to exceed US\$ 292 billion by 2025, growing at a CAGR of approx. 5% with majority of production occurring in China, USA and Europe. The global trade in technical textile categories is in the range of US\$ 100 bn. per annum.

The Indian market consumption is comparatively much smaller, but growing at a healthy growth rate. It is estimated to be US\$ 22 billion (2021-22) that has increased at a CAGR of 7% in the last 10 years. The market size is expected to reach US\$ 54 billion in 2030-31 with a CAGR of 10% over the years. This projected double-digit growth makes the sector lucrative for investors.

The growth of the Indian technical textiles industry is driven by various factors, including increasing demand from end-use industries, government initiatives to promote the use of technical textiles, and a growing awareness of the benefits of using these materials. The growth is accelerated particularly by the automotive, construction, and healthcare industries. End-use products like seat covers, airbags, reinforcement and insulation textiles, wound care, surgical gowns, etc. have a huge latent demand and thus promises high future growth.

The Indian government has also launched various schemes and initiatives to encourage the use of technical textiles in the country. **National Technical Textiles Mission** is the apex initiative of Government to promote the production and use of technical textiles in India. This mission aims to strengthen the entire value chain of technical textiles, from R&D to manufacturing, and provide funding to support technical textiles' production. Another Government Scheme that directly benefits technical textiles is the PLI scheme, which is expected to attract large scale investment in the sector. This scheme comes with the potential for product and technological innovations as well as enhanced capacities in order to meet the growing demand for technical textiles. The Technology Upgradation Fund Scheme (TUFSS) (which is currently being revised) provides financial assistance for the modernization of the textile industry, including the technical textiles.

The potential growth supported by market, consumer and regulatory aspects indicates that the present Indian technical textile sector is just the tip of the

iceberg. There is a huge untapped potential in this sector that can be harnessed to drive economic growth and create employment opportunities.

Out of the wide horizon of product categories that fall under the purview of technical textiles, agriculture textiles have a huge growth potential. India is an agrarian economy, with the agriculture sector employing nearly half of the country's workforce. However, the sector faces various challenges, including water scarcity, lower yields, pest infestation, and soil erosion. Technical textiles can help address these challenges by providing innovative solutions such as water-saving irrigation systems, crop protection nets, and erosion control blankets.

The healthcare sector also seems very promising in the technical textiles domain. India has a large population with limited access to healthcare facilities, especially in rural areas. Technical textiles can play a crucial role in improving healthcare outcomes by providing innovative solutions such as wound dressings, medical textiles, and protective clothing for healthcare workers.

Technical textiles can also be used in the construction industry to improve the durability and sustainability of buildings. For example, textiles can be used to reinforce concrete structures, provide thermal insulation, and reduce energy consumption.

Furthermore, technical textiles can be used to improve safety in various industries, including automotive, aerospace, and defense. Textiles can be used to manufacture airbags, seat belts, and other safety equipment that can save lives in the event of an accident.

Foreign Direct Investment (FDI) projects or joint projects with global players can fast track technical textiles industry's growth in India. Collaborations and FDIs bring in advanced technologies, market access, capital infusion, and know-how that can enhance the capabilities and competitiveness of Indian technical textile manufacturers. This can help develop innovative and high-value-added products in the country that meet the quality and performance needs of domestic and global customers.

In conclusion, the growth prospects of technical textiles in the Indian context are immense. The industry has the potential to drive economic growth, create employment opportunities, and address various challenges in sectors such as agriculture, healthcare, construction, and safety. However, realizing this potential requires a concerted effort from various stakeholders, including the government, industry players, and academia. With the right policies, investments, and collaborations, India can emerge as a global leader in the technical textiles industry.

## SESSION 7: Regional Cooperation Through Textile Trading



*Panellists for the 'Regional Cooperation Through Textile Trading' Session in CITI's 3rd GTC in Jaipur*

The textile industry is a key economic driver for many countries around the world, and the importance of regional cooperation in the industry cannot be overstated. This was the focus of Session 7 at a recent textile conference, which looked at the benefits and challenges of textile trading and cooperation between countries.

The session was moderated by Dr. Siddhartha Rajagopal Executive Director, The Cotton Textiles Export Promotion Council a panel of experts, including Mr. Danang Girindrawardana Executive Director, API - Indonesia Textile Association, Ms. Jannatul Ferdous Nipa Vice - President (RMG), Indian Importers Chambers of Commerce & Industry (IICCI), Bangladesh and Mr. Aseem Kumar Singla Director, Fashion Images Overseas.

The panel highlighted the importance of regional cooperation in textile trading, particularly in the context of the ongoing global pandemic, which has disrupted supply chains and caused major economic challenges for many countries.

The panel discussed various issues related to textile trading, including the role of government policies, regulations, and incentives in facilitating trade, the importance of building relationships and trust between trading partners, and the need for investment in infrastructure and technology to support textile trade.

One of the key themes that emerged from the session was the importance of building a sustainable textile industry through cooperation and collaboration. This means not only working together to facilitate trade, but also taking steps to ensure that the textile industry is

environmentally sustainable and socially responsible.

The panelists highlighted the need for greater transparency in the supply chain, as well as for better traceability and accountability in the production process. They also emphasized the importance of investing in sustainable technologies and practices, such as recycling and waste reduction, in order to reduce the environmental impact of the textile industry.

Another important issue discussed during the session was the role of small and medium-sized enterprises (SMEs) in textile trading. The panelists noted that SMEs are often key players in the textile industry, particularly in developing countries, and that they face unique challenges in accessing markets and building relationships with trading partners.

To address these challenges, the panelists stressed the need for greater support for SMEs, including access to financing, training, and technology. They also emphasized the importance of creating a level playing field for SMEs, particularly in terms of regulatory compliance and access to markets.

Overall, the session on regional cooperation through textile trading highlighted the importance of collaboration and partnership in building a sustainable and thriving textile industry. By working together to address common challenges and build a more sustainable and responsible industry, countries can reap the economic benefits of textile trading while also protecting the environment and promoting social responsibility.



## Confederation of Indian Textile Industry (CITI) and Indonesia Textile Association MoU signing



*Confederation of Indian Textile Industry (CITI) and Indonesia Textile Association signing an Memorandum of Understanding (MOU) for bilateral textile and apparel trade promotion and cooperation between both the organisation.*

## Session 8: Increasing Economic and Social Cooperation for Women in the Textile and Apparel Industry

Session 7 of the conclave discussed the topic of increasing economic and social cooperation for women in the textile and apparel industry. The session began with Mr. Sandeep Poundrik (IAS) sharing insights on the steps taken by Bihar to promote trade in the sector while also facilitating greater participation of women. He highlighted the revival of the Muzaffarpur Bag cluster through government intervention by setting up an anchor unit and encouraging other units to set up in the same area. Mr. Poundrik also mentioned Jeevika, a government subsidiary that is helping transform the industry in Bihar.

The next speaker, Mr. Rajesh Jain from Grant Thornton, focused on the historical evolution of women's role in the trade and discussed the importance of decentralization of clusters to create new opportunities for women. This would eventually reduce migration and marginalization of women.

Representing the industry on the panel, Mr. Anjan Mishra from Shahi Exports talked about various initiatives taken by Shahi to re-skill women and facilitate female employee retention in their factories. He also emphasized the need to increase female labor force participation in textiles, citing higher productivity attributed to females. One of the initiatives that he mentioned was 'Inache', an



*Panellists for the 'Increasing Economic and Social Cooperation for Women in the Textile and Apparel Industry' Session in CITI's 3<sup>rd</sup> GTC in Jaipur*

anonymous grievance redressal platform that ensures female workers' voices are heard.

Ms. Sudipta Bhadra from the ILO emphasized the widening price competition in globalized value chains resulting in further marginalization of women. She highlighted the reasons for the same, including low payment of wages, unsafe working conditions, discrimination in terms of promotion, lack or absence of toilets/changing rooms, and accommodation options. Ms. Bhadra rightly said that merely audits will not solve this problem. Weak institutions are the root cause of the problem, and solutions must be embedded in the governance initiatives of companies, including due diligence of wage payment and skilling initiatives.

Other experts on the panel, including Mr. Vivek Singh from the Center for Responsible Business, highlighted that brands are increasingly preferring manufacturers who comply with stringent social norms. He also talked about how companies must look at social sustainability as an export promotion strategy.

Overall, the session shed light on the need for increased economic and social cooperation for women in the textile and apparel industry. The industry experts and government representatives agreed that systemic changes are necessary to create a more inclusive and sustainable future for women in the sector.

### **Session 9: Skilled Workforce For Strong, Sustainable And Balanced Growth**



*Panellists for the 'Skilled Workforce For Strong, Sustainable And Balanced Growth' Session in CITT's 3<sup>rd</sup> GTC in Jaipur*

The ninth session of the Global Textile Conclave 2023 focused on the importance of a skilled workforce for sustainable growth in the textile industry. The session was moderated by Dr. Swapna Mishra COO, Textile Sector Skill Council (TSC), India and featured a panel of experts who provided insights on the challenges faced by the industry and the measures needed to develop a skilled workforce.

The panelists agreed that the textile industry is highly labor-intensive, with a demand for skilled and semi-skilled workers across various stages of the value chain. However, they also noted that the industry is facing a shortage of skilled workers due to a lack of training and development opportunities.

Dr. J.V. Rao Advisor, Textile Sector Skill Council (TSC), Ms. Bia Cunha, Specialist in the textiles, clothing, leather and footwear sector, The International Labour Organization (ILO) Dr. Seshadri Ramkumar Professor, Nonwovens & Advanced Materials Laboratory, Texas Tech University Mr. Somes Bhaumik V P Operation, TRADC, Birla Cellulose, GRASIM, Mr Gurpreet Singh CGM – Technical, Vardhman Textiles, Mr. Padma Raj Keshri Sustainability Expert, Ex Shahi exports, Alumni NID, NIFT, IIM Indore, Dr. Ritu Pandey Assistant Professor, Department of Textiles & Clothing, Faculty of Home Science, CSAUAT, Kanpur, Ms. Shubhi Sachan Founder, Material Library of India were the esteemed panellists for the session.

The panelists discussed the impact of technology on the workforce.

Overall, the panelists emphasized the need for a holistic approach to developing a skilled workforce. They suggested that industry, academia, and the government should work together to provide training and development opportunities, improve working conditions, and promote sustainability to attract and retain talent in the textile industry. They also highlighted the need for continuous upskilling and reskilling to keep pace with technological advancements and changing market demands.

### **Session 10: Textiles & Apparel Industry: Best Practices**



*Panellists for the 'Textiles & Apparel Industry: Best Practices' Session in CITT's 3<sup>rd</sup> GTC in Jaipur*





The textile and apparel manufacturing industry is a global business that involves various activities from fibre production, spinning, fabric production, garmenting to consumption that are spread across geographies. To remain competitive in the market, manufacturers have to follow the benchmark best practices. To discuss the best practices across the manufacturing domain covering operations excellence, circularity, sustainability and global competence, a session was held on the theme “Textiles & Apparel Industry: Best Practices”.

The session was moderated by Mr. Varun Vaid, Business Director, Wazir Advisors and had four panelists:

1. Mr. Arhant Nopany, Sutlej Textiles and Industries Ltd
2. Mr. Sav Bedi, CEO Fine Spinners Uganda, Head of Strategy Bedi Investments Group
3. Mr. Garvit Sahdev, Cofounder, InfiniteX
4. Mr. Vivek Mehra, Chief Strategist & Cofounder, Only Good

The session began with Mr. Varun Vaid introducing the theme and the panelists. He highlighted the importance of best practices in the textile and apparel industry and mentioned that the industry is facing significant changes due to emerging global industry trends. He then invited the panelists to share their thoughts on the various emerging global industry trends and their impact on the Indian and African industry.

The session started with a presentation by Mr. Vivek Mehra, Chief Strategist & Cofounder, Only Good, who shared his thoughts on “Building Competitive Advantage Through Sustainability”. In his

presentation, he talked about the key burning issue of high carbon emission from the manufacturing activity and importance of auditable data & scalability for carbon reduction needs. He elaborated on the opportunity to monetize carbon disclosure and the services of Only Good, as a data & technology platform for businesses to Reduce their carbon footprint, lower ESG compliance costs and accelerate growth.

Mr. Arhant Nopany, Sutlej Textiles and Industries Ltd, said that sustainability is the most important trend in the industry. He added that consumers are now more conscious of the environmental impact of their purchases, and therefore, sustainable practices are crucial for the success of any business. Mr. Sav Bedi, CEO, Fine Spinners, Uganda, mentioned that buyers moving beyond China is an emerging trend that would benefit both African and South Asian businesses which can provide service, cost and scale. He also added that the industry is moving towards digitalization, and businesses that can adapt to these changes will succeed.

The discussion then moved towards the best practices followed in the panelists' organizations in terms of operational excellence, global competence, sustainability, circular economy, and global collaboration.

During the moderated discussion, Mr. Varun Vaid asked the panelists about the key challenges for the global industry in the next decade. Mr. Arhant Nopany highlighted the importance of innovation and agility, stating that companies need to be able to adapt quickly to changing consumer demands and technological advancements. He also emphasized the need for collaboration and partnerships between industry players to overcome common challenges. He also mentioned that one of the significant challenges the industry is facing is the shortage of skilled labor. He added that businesses need to invest in training their employees to address this issue. Mr. Sav Bedi, talked about the need for businesses to embrace sustainability and circularity to address the environmental challenges faced by the industry. He also highlighted the need for increased transparency and traceability in the supply chain to ensure ethical and sustainable practices.

Mr. Garvit Sahdev, Cofounder, InfiniteX, then presented on the theme - Building Circular Fashion Economy. He explained the concept of circular fashion and how it is disrupting the fashion industry globally. He then explained how InfiniteX is helping industry become circular. They are using smart unique physical IDs like QR code labels, NFC tags, etc. which are attached to products which are scanned by the consumer for returning. InfiniteX has developed PAN India reverse logistic network to collect products from



customers door- step and developed an ecosystem of circularity partners like NGOs, recyclers, and upcyclers.

The session concluded with the panelists sharing their thoughts on the success ingredients to adopt best practices. Overall, the session provided valuable insights into the best practices followed by companies in the textile and apparel industry, as well as the challenges and opportunities facing the sector in the coming years. The presentations by Mr. Vivek Mehra and Mr. Garvit Sahdev on digital monitoring and circular fashion, respectively, were particularly informative and provided attendees with a deeper understanding of the latest trends and developments in the industry. The moderated discussion also provided a platform for industry experts to share their experiences and perspectives, and for attendees to ask questions and engage in dialogue on key industry issues.

### Fashion Show

In addition to the award distribution ceremony, CITI also organized a Fashion Show with supporting partners - Apex University, Jaipur, Arch College of Design & Business, Jaipur, and Poddar International

College, Jaipur. The theme of the Fashion Show was "Going Green." The participating institutes displayed their collections on Cohesion, Remembering the Hues, and Eco Denim. Cohesion presented resort-wear in natural dyes in print and pattern, and use of sustainable khadi fabric. Remembering the Hues presented street-wear in unisex designs created on khadi with baggy silhouettes, kantha details, and pockets for utility. Eco Denim showcased how denim can be transformed into unique and fashionable items through upcycling.

### Valedictory Session

The 3rd Global Textile Conclave (GTC) concluded on a successful note with the presence of Smt. Darshana Vikram Jardosh Ji, Hon'ble Minister of State for Textiles and Railways, who graced the Valedictory Session as the Guest of Honour.

The Minister highlighted the importance of the Textile Industry in India's global contributions, particularly in light of India's presidency of the G20. She also emphasized the need for the industry to innovate and adopt new technologies to meet the emerging needs of the market.



*Glimpses of Fashion Show held on the sidelines of 3rd GTC in Jaipur*

The event was organized by the Confederation of Indian Textile Industry (CITI), which received appreciation from the Minister for its efforts towards promoting sustainability in the industry. The Chairman of CITI, Shri T. Rajkumar, thanked the attendees and the Indian government for supporting the Textile Industry. He also congratulated the winners of the CITI Textile Sustainability Awards and urged the industry to adopt sustainable practices in the long run.

The Secretary General of CITI, Ms. Chandrima Chatterjee, announced the next edition of the GTC, which will be held in Ahmedabad in February 2024, in collaboration with Spinners Association Gujarat and other regional textile associations. The President of SAG, Mr Ripple Patel, confirmed the participation of major textile associations from Gujarat to make it the mega textile event of 2024.

The Deputy Chairman of CITI, Shri Rakesh Mehra, proposed a Vote of Thanks to conclude the successful event.



*Smt. Darshana Vikram Jardosh Ji, Hon'ble Minister of State for Textiles and Railways addressing the Valedictory Session of 3rd GTC held in Jaipur*

## CITI TEXTILE SUSTAINABILITY & CITI-BIRLA AWARDS 2023

The Confederation of Indian Textile Industry (CITI) launched the first Textile Sustainability Awards and a Fashion Show during the 3rd Global Textile Conclave held in Jaipur on March 16, 2023. The move is aimed at promoting sustainable practices in the textile industry and recognizing those who have made efforts towards sustainability, circularity, and traceability.

CITI has been promoting excellence in the textile value chain since 1993-94 through the CITI BIRLA Economic & Textile Research Foundation Awards.

However, this year, CITI expanded its areas of focus to include sustainability, circularity, and traceability. The objective is to encourage the textile and apparel industry to chart a more aggressive path with both planet and people at the center of all activities.

The first-ever CITI Textile Sustainability Awards were launched with texfash.com as the Knowledge Partner.

The awards were judged by an eminent jury. The objective of the awards was to recognize efforts being made toward sustainability and to incentivize others to tread the same path. The broader objective was to trigger a cascading effect of innovation and pragmatic work.

The awards were given across three categories: Progress Towards Sustainability, Expanding Circularity, and CITI Reverse Resources Sustainability Awards for Recyclers 2023. M/s RSWM Ltd – LNJ Denim, M/s Pratibha Syntex Ltd, and M/s Usha Yarns Ltd respectively were adjudged the winners in the above categories.

The awards are expected to trigger more innovative and sustainable practices in the textile industry, reducing its impact on the environment. With initiatives like these, the textile industry can work towards creating a more sustainable future.





*M/s RSWM Ltd – LNJ Denim, M/s Pratibha Syntex Ltd, and M/s Usha Yarns Ltd being presented with CITI Textile Sustainability Awards 2023.*



*CITI BIRLA Economic & Textile Research Foundation Awards being presented M/s Premier Mills Pvt. Ltd & Best Colour Solutions Pvt. Ltd*





## EU REGULATIONS AND THEIR IMPACT ON THE INDIAN TEXTILE & APPAREL INDUSTRY

### Mr. Lars Hedegård

The Swedish School of Textiles, University of  
Borås, Borås, Sweden

### Mr. Manoj Kumar Paras

National Institute of Fashion Technology,  
Kangra, India

The European Union is committed to transforming European production and consumption and achieving a circular economy. The transformation is supported by policy work, and especially crucial for the fashion and textile industry are the European green deal, the Circular economy action plan, the EU waste policy, the strategy for sustainable and circular textiles, and the digital product passport project.

The European green deal was presented in 2019 and is an agenda for sustainability towards a circular economy. The ambition is to establish sustainable products as the norm, support circular business models, and strengthen consumers' power. The Circular Economy action plan is part of the Green deal and was launched to render products sold in the EU must be circular, environmentally friendly, and energy-efficient. Therefore, products sold in the EU must be designed to last long and provides efficient daily use, repurposing, and end-of-life options. Efficient in everyday use and

repurposing means that it must be possible to repair products, redesign, and recycle them. It also means that



Figure 1 : EU's new circular action plan



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products shall contain as much recycled material as possible instead of virgin material. Strengthening consumers' power means providing consumers with product information about reparability and durability to allow sustainable choices.

In the Circular economy action plan, textiles are a prioritized product group. The EU has therefore launched the EU Strategy for sustainable textiles. The Strategy seeks to grow competitiveness and innovation in the textile industry, especially when it comes to the reuse of textiles. The textile industry is also affected by the ambition to reduce waste. EU will focus on avoiding waste, transforming waste into secondary resources, and organizing a European market for used materials. This means that the EU strives for a joint waste collection model and to minimize EU exports of waste and illegal shipments.

## 1. EU strategy for sustainable and circular textiles

The Strategy includes a vision and actions to secure durable, reusable, repairable, recyclable, and energy-efficient fashion and textile products by 2030. The Strategy covers all products sold on the EU market and

concerns the entire value chain: design, materials, production processes, business models, and infrastructure and recycling. Central in the Strategy is developing innovative textiles and technologies, especially digital ones, and minimizing the release of microplastics. The Strategy shall be achieved through improved product design, increased reuse and recycling initiatives, including textile waste collection, eased green public procurement, developed sustainable production, and shaping more sustainable lifestyles. Significantly, the Strategy stresses the reduction of hazardous substances in textile goods, increased use of used materials, respect for social rights and the environment, and building capacity and skills in the EU textile industry. In practice, the Strategy means eco-design requirements for textiles, demand for improved consumer information, development of digital product passports (DDPs), and actions on the reduced release of microplastics from fabrics through product design, manufacturing processes, pre-washing at industrial manufacturing plants, labeling and the promotion of innovative materials, and a harmonized, mandatory EU extended producer responsibility scheme through eco-modulation of fees. An estimate of fiber to fiber recycling by 2030 is exhibited below figure:

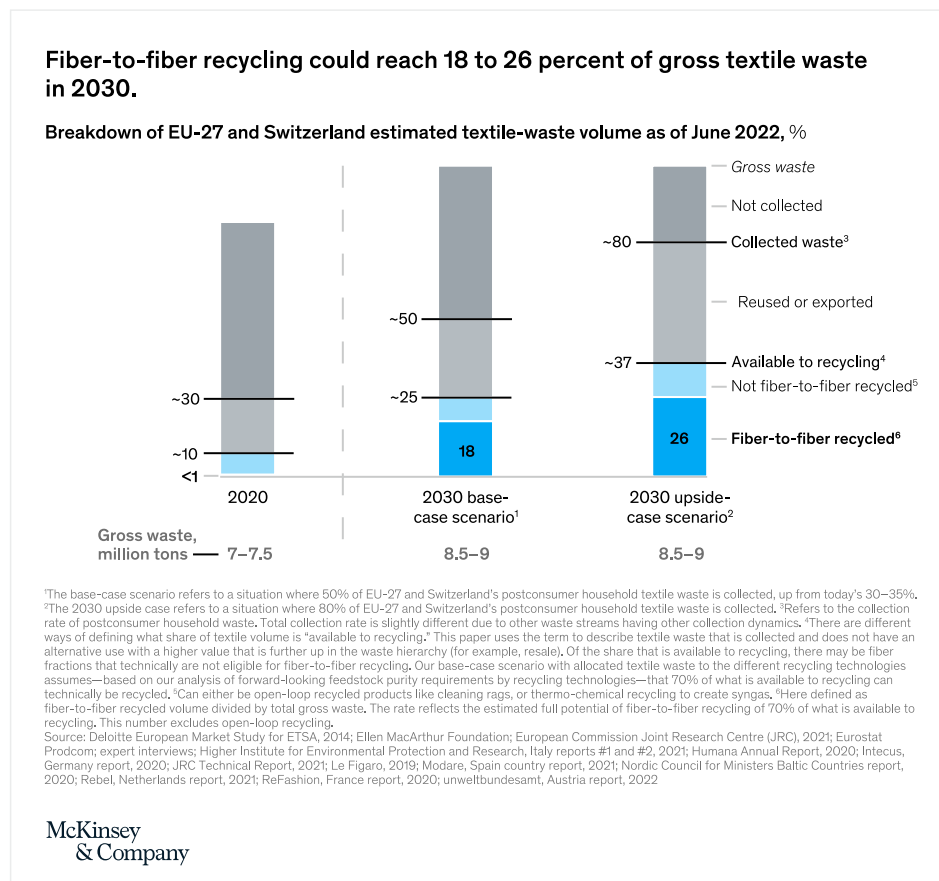


Figure 2 : An estimate of fiber to fiber recycling by 2030 in the EU (Source: McKinsey & Company)



The EU regulation for sustainability and textiles circularity includes design requirements for textiles referring to the Ecodesign for Sustainable Products Regulation. The requirements concern minimums for recycled fibers, longer-lasting product life, and facilitating repair and recycling options. Member States are encouraged to support the reuse and repair sector, for example, by adopting tax reductions. EU proposes new rules to reduce the export of waste. Waste export will only be allowed to non-OECD (Organisation for Economic Co-operation and Development) countries under certain conditions. For example, a country must address the European Commission with a wish to import the waste and demonstrate an ability to manage it. Falsely labeled waste streams (labeled as second-hand goods) shall be limited by the development of specific EU criteria to distinguish waste and increase transparency in the global used textile trade.

Social sustainability, such as decent work conditions, will be addressed through bilateral relations and multilateral fora, focusing mainly on gender equality. The Better Work Programme supports third-partner countries to improve working conditions and comply with international labor standards. Large companies shall be obliged to incorporate social and environmental sustainability in their operations and global value chains. Around 73% of the clothing and household textiles consumed in Europe are produced in and imported from countries outside the EU. In 2017,

the EU produced 7.4 kg of textiles per person while consuming nearly 26 kilograms, making it a net importer. In particular, in 2019, the EU was one of the largest global importers of clothing, with a combined value of €80 billion. On average, an EU consumer discards about 11 kilograms of textiles annually, mainly clothing, and each garment is only worn seven to 10 times before being discarded.

## 2. Development of digital product passports (DDPs)

The DDPs are also part of the Circular economy action plan from 2020. The plan stresses control of product life cycles, from design and production to end-of-life disposal, and identifies crucial information on product characteristics, such as composition, production methods, repair instructions, and disassembly and recycling options. Also, the DDPS can provide data on GHG emissions, certificates, environmental footprint, labor conditions, and similar information important for reporting and auditing processes. The DDPs aim to improve products' traceability by allowing consumers and manufacturers to access information about product-specific characteristics. The introduction of the DPP would help provide information on what clothes and textiles contain, who has produced the products, and where they were produced.



Figure 3 : Transfer of data through digital product passport systems (Source: Circularise)

The DDPs is a digital system to provide relevant product information to crucial supply actors, including producers, consumers, recyclers, and authorities. DPPs enable information monitoring and correct product management through its entire life cycle. Hence, the DDP shall facilitate circular product systems and improve consumer information. The DDP shall cover all stages of the value chain, be instantly updated, and follow a product's life cycle. Therefore, the DDPs is a product-specific data set to structure the disclosure requirements of products. The DDPs can provide information on a product's origin, composition, repair, and disassembly options and how the various components can be recycled.

CIRPASS (Collaborative Initiative for a Standards-based Digital Product Passport for Stakeholder-Specific Sharing of Product Data for a Circular Economy) prepares DDPs through gradual piloting and deployment of a joint EU system. Textiles is one of three initiation sectors used to develop the DDPs, but the goal is a cross-sectoral DPP (digital product passport) based

information in the identifier must have an interoperable format, be machine-readable, structured, and searchable and provide a product model, batch, or item. The carrier shall be attached to the product, the packaging, or on documentation accompanying the product and comply with particular, open standards.

### 3.Impact on the Indian Textile & Apparel Industry

Europe is one of the largest markets for textile and apparel products. Some of the most world's renowned fashion brands are also from European countries, and they import apparel and textile products from different countries. The European market imported worth €144.5 billion in 2021. The import is expected to increase by more than 15% after recovery from COVID-19. The apparel imported from outside Europe and inside Europe was 47.7% and 52.3%, respectively, in 2021. The below figure depicts a slight decrease in imports from developing countries from 2017 to 2021.

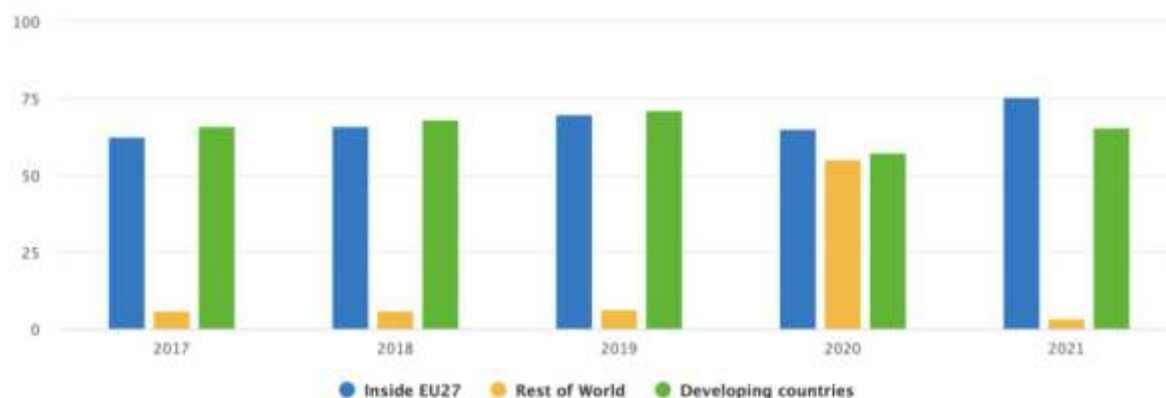


Figure 4 : EU apparel imports in € billion(Source: Eurostat)

on common rules, principles, taxonomy, and standards. However, the DDPs hold several uncertainties concerning a lack of transparency, standardization, and data reliability. More specifically, there are still unsolved questions concerning content and functionality, especially what information it needs, should, and can include and how the data will be managed and stored concerning balance transparency and business confidentiality.

Data requirements for DDPs are under development and will be specific for each product category. The development requires collaboration between all actors in the supply chain to define the included information. However, some data requirements are already set. For example, the DDPS must consist of a physical data carrier holding an identifier of a unique product. The

This may be due to the effect of the pandemic and is expected to grow fast in the coming years.

Apparel imports in the EU are dominated by Asian countries such as China, Bangladesh, and Turkey, and together they account for approximately 30% of total imports to the EU. China is the largest apparel exporter to the EU. However, the export share has declined in the last few years. Due to the shortage of labour forces and the trade war with the united states, it has been expected that the export share of China will further decrease. India has witnessed a negative export growth rate in the last few years. However, there is great potential for India to change the negative growth rate into a positive one in the coming years. In the year 2021-2022, India's apparel export to the EU increased to € 3.93 billion, which is 26% of total apparel exports.

**Table 1 : Top 10 apparel exporters to EU from outside EU (Source: Eurostat)**

Top Exporters (Outside EU)	Value (EURO)	Share (%)	5-yr average annual growth rate (%)
China	€8.4 billion	12.8%	-2.4%
Bangladesh	€5.1 billion	10.4%	+2.1%
Turkey	€9.3 billion	6.5%	+2.3%
India	€3.3 billion	2.3%	-2.9%
Pakistan	€3.0 billion	2.1%	+4.7%
Vietnam	€2.6 billion	1.8%	+2.5%
Morocco	€2.5 billion	1.7%	+0.3%
Cambodia	€2.4 billion	1.6%	-3.4%
Tunisia	€2.0 billion	1.4%	-0.7%
Myanmar	€1.5 billion	1.1%	+21.7%

EU is the second largest export market for India, with 17% of global textiles and apparel exports from India. India is targeting to export €100 billion in textiles and apparel by 2030. However, Indian exporters need to adopt the latest technologies, such as the Best Available Techniques (BAT), for the prevention and control of industrial emissions to achieve the target of €100 billion, with reference to EU BAT and UNIDO initiatives of Green Technology. The EU green Deal is expected to affect the global apparel supply chain; hence there is a need for Indian textiles and apparel exporters to make efforts to improve sustainability aspects throughout the value chain. Various EU countries and their policies are helping textile and apparel manufacturers to prepare them as per upcoming textile regulations by investing in innovation, research, technology transfer, and through other strategies and alliances. This is on the line of EU textile strategy 2030, which talks about imports of durable, repairable, recyclable, and free from hazardous chemicals and extended producer responsibilities. Indian exporters

should transform their operations to align with the sustainability requirements of the EU.

With new EU regulations, recycling will become the norm, and the whole value chain will focus on the use of recyclable and environmentally friendly materials. Manufacturer in India should also focus on the incorporation of a circular economy in manufacturing, as this play a crucial role in achieving sustainability. However, the Indian apparel and textile industry has already taken certain sustainability initiatives such as green energy, zero liquid discharge, recycling of industrial waste, etc. Still, manufacturers need to define a clear roadmap to improve recyclability, traceability, and minimization of environmental impact as per EU textile regulation. India as a country has huge potential to fulfill the upcoming requirements of EU textile and apparel buyers. Panipat is the biggest textile recycling cluster in Asia and could play a crucial role in meeting recyclability requirements. Indian apparel and other textile manufacturers could collaborate with the textile recycling companies located in Panipat and other areas.



## CITI ACTIVITIES

### INTERACTIVE MEETING WITH EUROPEAN TEXTILES INDUSTRY CONFEDERATION (EURATEX) ON TRADE RELATED ISSUES



*Representatives of CITI having an interaction with Mr. Dirk Vantighem, Director General, European Textiles Industry Confederation (EURATEX) on trade related issues at CITI Office, New Delhi*

### AN AWARENESS WEBINAR ON FOREIGN TRADE POLICY 2023: AN ANALYSIS



*Shri T Rajkumar, Chairman, CITI delivering the Welcome Address and Shri T. Viswanathan, Principal Partner and Ratan Jain, Partner, Lakshmikumaran & Sridharan Attorneys (LKS) making presentation on new Foreign Trade Policy 2023.*

### AWARENESS PROGRAM ON MSME COMPETITIVE (LEAN) SCHEME - MCLS



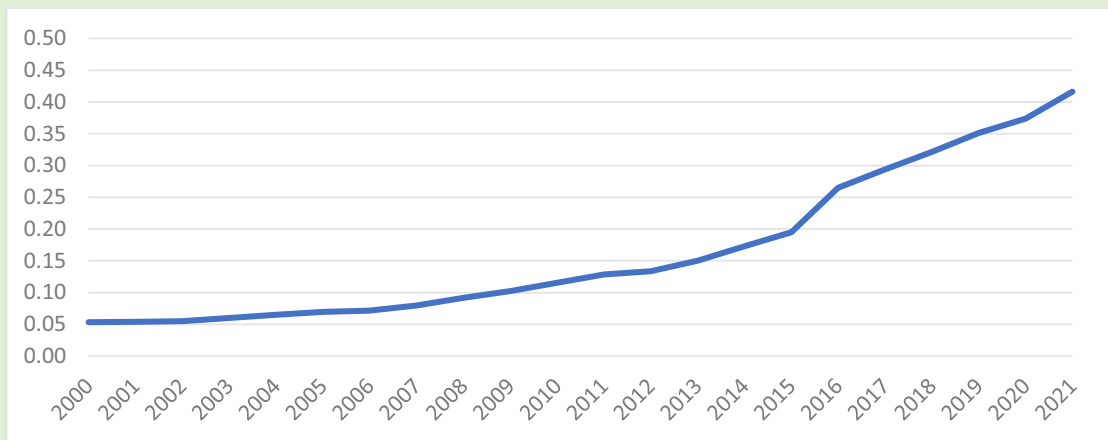
*Mr. Rajendran B, Assistant Director, Ministry of MSME, DFO, Coimbatore and Mr. Sivadas, Senior Lean Consultant, APCRE interacting with the industry stakeholders during an Awareness Program on MSME Competitive (LEAN) Scheme – MCLS held in Tiruppur, Tamilnadu.*

## BANGLADESH

### A Market with a Huge Potential for India's Textile Exports

With a GDP of about US\$ 0.41 trillion in 2021, Bangladesh was the 33rd largest economy in the world and the 2nd largest economy in South Asia. As per the estimates of the International Monetary Fund (IMF), Bangladesh's nominal GDP is expected to reach the US\$ 0.46 trillion mark during 2022.

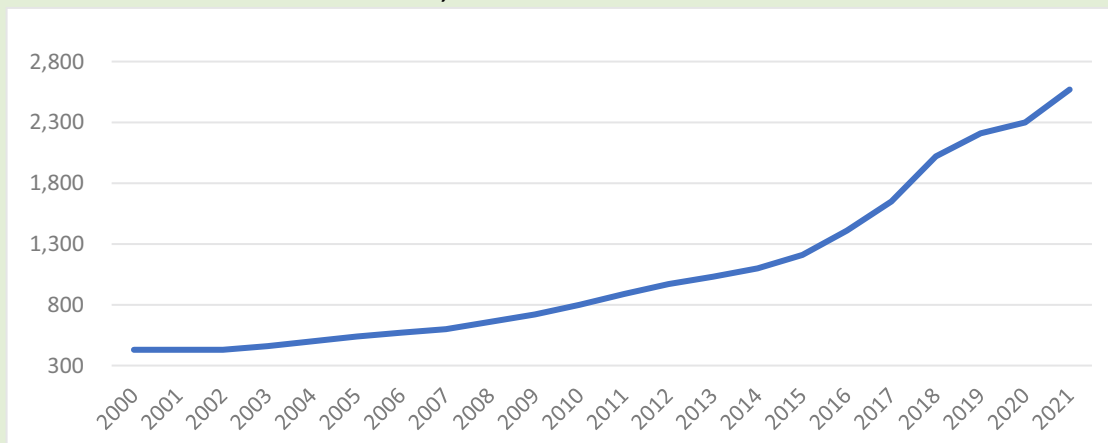
**GDP (Current US\$) of Thailand (US\$ Trillion)**



Source: World Bank and CITI Analysis

The retail market in Bangladesh is in a nascent stage and has a high growth potential. The Gross National Income of Bangladesh has increased at a CAGR of about 9.4% during the last two decades and is expected to rise further at a faster rate owing to the favorable economic conditions. Though at present India's share in Bangladesh's import of apparel is small, however, owing to similar culture and social factors, Indian Brands/Retailers are well positioned to establish themselves and grow in Bangladesh.

**Gross National Income (GNI) Per Capita, of Thailand (US\$)**



Source: World Bank and CITI Analysis  
GNI is as per the Atlas method (Current US\$)

## Overview of the Global Textile & Apparel Trade of Bangladesh

Bangladesh is a net exporter of Textile & Apparel (T&A) products. During 2021, Bangladesh exported T&A commodities worth about US\$ 47.9 bn to the world which have increased at a CAGR of about 6.7% during 2017-2021. On the other hand, during 2021, Bangladesh imported T&A commodities worth about US\$ 17.5 bn from the world which have increased at a CAGR of about 10.8% during 2017-2021.

### Total Textile & Apparel (T&A) Trade of Thailand (US\$ Mn)

Year	Exports	Imports	Trade Balance
2017	37.0	11.6	25.3
2018	41.2	13.7	27.6
2019	42.9	12.9	30.1
2020	38.5	10.9	27.7
2021	47.9	17.5	30.4
CAGR	6.7%	10.8%	

Source: ITC Trade Map & CITI Analysis

Category-wise analysis shows that Fabric was the largest imported T&A category by Bangladesh from the world and had a share of about 54.3% in Bangladesh's total T&A imports from the world during 2021 followed by yarn with a share of about 19.5% during the same time frame.

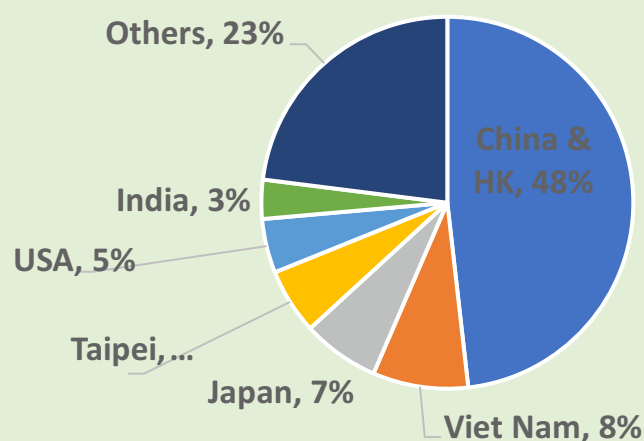
### Category Wise Imports of T&A by Thailand in 2021 (US\$ Bn)

Row Labels	2021	Share 2021
Fibre	3.3	18.6%
Filament	0.7	4.2%
Yarn	3.4	19.5%
Fabric	9.5	54.3%
Apparel	0.3	1.4%
Home Textiles	0.0	0.2%
Others	0.3	1.8%
Total	17.5	

Source: ITC Trade Map & CITI Analysis

China was the leading supplier of T&A commodities to Bangladesh and had a share of about 49.5% in Bangladesh's total T&A imports from the world during 2021 followed by India and Pakistan with a share of about 24.4% and 3.9% respectively. The top 4 countries accounted for about 80% of Bangladesh's total T&A imports from the World during 2021.

### Share of Top Suppliers of T&A Commodities to Bangladesh during 2021



Source: ITC Trade Map & CITI Analysis



The top 10 T&A commodities imported by Bangladesh constitute about 71% of Bangladesh's total T&A imports from the world during 2021. Import of HSN 5205 has shown the maximum CAGR of about 23.7% during 2017-2021 while HSN 5201 was the highest imported T&A commodity by Bangladesh from the world during 2021.

#### Imports of Top 10 T&A Commodities by Bangladesh (US\$ Bn)

HS Code	Commodity	2017	2018	2019	2020	2021	CAGR	Commodity Wise Share in 2021
5201	Cotton, neither carded nor combed	1.8	2.1	1.9	1.9	2.8	11.5%	15.8%
5205	Cotton yarn other than sewing thread, containing >= 85% cotton by weight	1.0	1.1	0.9	0.9	2.3	23.7%	12.9%
5209	Woven fabrics of cotton, containing >= 85% cotton by weight and weighing > 200 g/m <sup>2</sup>	1.3	1.4	1.3	1.0	1.4	2.0%	8.1%
5407	Woven fabrics of synthetic filament yarn, including monofilament of >= 67 decitex	0.7	0.9	1.0	0.8	1.3	16.9%	7.2%
6006	Fabrics, knitted or crocheted, of a width of > 30 cm (excluding warp knit fabrics)	0.6	0.7	0.7	0.6	1.1	16.0%	6.2%
5211	Woven fabrics of cotton, containing predominantly, but < 85% cotton by weight	0.7	0.9	0.9	0.7	1.1	9.4%	6.1%
5208	Woven fabrics of cotton, containing >= 85% cotton by weight and weighing <= 200 g/m <sup>2</sup>	1.0	1.1	0.9	0.6	0.8	-5.1%	4.5%
5402	Synthetic filament yarn, incl. synthetic monofilaments of <67 decitex	0.3	0.4	0.4	0.4	0.7	19.3%	3.9%
6004	Knitted or crocheted fabrics, of a width > 30 cm, containing by weight >= 5% of elastomeric	0.3	0.3	0.3	0.4	0.6	22.2%	3.4%
6001	Pile fabrics, including long pile fabrics and terry fabrics, knitted or crocheted	0.2	0.3	0.3	0.3	0.5	23.2%	3.1%

Source: ITC Trade Map & CITI Analysis

#### Textile & Apparel Trade Between India and Bangladesh

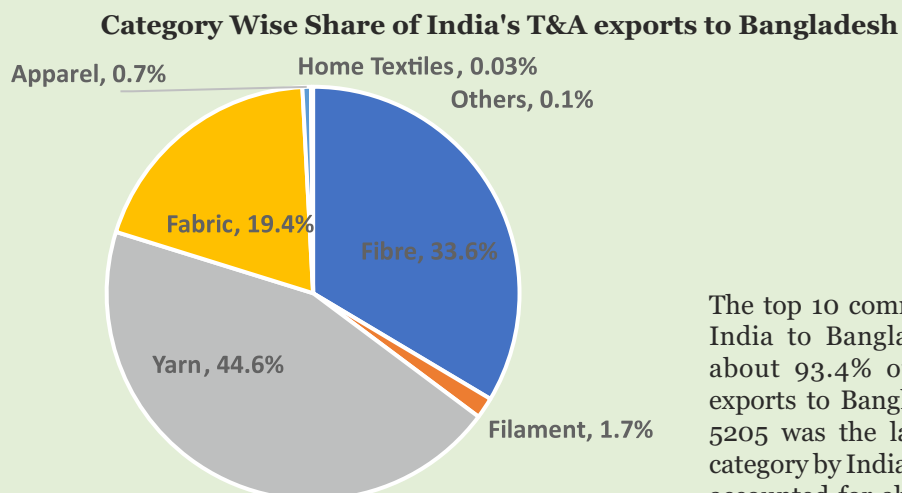
India was the 2nd largest supplier of T&A commodities to Bangladesh in 2021. India exported T&A commodities worth US\$ 4.3 billion to Bangladesh during 2021 which has increased at a CAGR of about 17.2% during 2017-2021.

#### India's exports of T&A to Bangladesh (US\$ Bn)

Row Labels	2017	2018	2019	2020	2021	CAGR
Fibre	0.8	0.8	0.6	0.7	1.4	16.3%
Filament	0.1	0.1	0.1	0.1	0.1	1.8%
Yarn	0.7	0.8	0.6	0.7	1.9	29.7%
Fabric	0.7	0.7	0.7	0.5	0.8	4.8%
Apparel	0.0	0.0	0.0	0.0	0.0	-9.1%
Home Textiles	0.0	0.0	0.0	0.0	0.0	-24.9%
Others	0.0	0.0	0.0	0.0	0.0	-8.6%
Grand Total	2.3	2.5	2.1	2.1	4.3	17.2%

Source: ITC Trade Map & CITI Analysis

Category-wise analysis shows that yarn was the largest exported T&A commodity to Bangladesh from India and accounted for about 44.6% of total India's total T&A exports to Bangladesh followed by fibre with about 33.6% share.



Source: ITC Trade Map & CITI Analysis

The top 10 commodities exported by India to Bangladesh accounted for about 93.4% of India's total T&A exports to Bangladesh in 2021. HSN 5205 was the largest exported T&A category by India to Bangladesh which accounted for about 40.5% of India's total T&A exports to Bangladesh.

#### Top 10 T&A exported commodities from India to Bangladesh (US\$ Bn)

HS Code	Commodity	2017	2018	2019	2020	2021	CAGR	Commodity Wise Share in 2021
5205	Cotton yarn other than sewing thread, containing >= 85% cotton by weight	0.62	0.76	0.54	0.66	1.73	29.44%	40.49%
5201	Cotton, neither carded nor combed	0.73	0.79	0.54	0.70	1.38	17.06%	32.28%
5209	Woven fabrics of cotton, containing >= 85% cotton by weight and weighing > 200 g/m <sup>2</sup>	0.21	0.23	0.22	0.17	0.26	5.53%	6.13%
5208	Woven fabrics of cotton, containing >= 85% cotton by weight and weighing <= 200 g/m <sup>2</sup>	0.09	0.13	0.14	0.09	0.14	11.16%	3.30%
5206	Cotton yarn containing predominantly, but < 85% cotton by weight (excluding sewing thread and ...	0.01	0.03	0.02	0.02	0.12	69.74%	2.74%
5211	Woven fabrics of cotton, containing predominantly, but < 85% cotton by weight	0.06	0.07	0.08	0.06	0.09	9.58%	2.14%
5407	Woven fabrics of synthetic filament yarn, incl. monofilament of >= 67 decitex	0.04	0.08	0.11	0.08	0.09	22.43%	2.06%
6006	"Fabrics, knitted or crocheted, of a width of > 30 cm	0.04	0.05	0.05	0.04	0.07	18.64%	1.67%
5402	Synthetic filament yarn, incl. synthetic monofilaments of < 67 decitex	0.06	0.08	0.07	0.06	0.07	1.37%	1.60%
5515	Woven fabrics containing predominantly, but < 85% synthetic staple fibres by weight	0.0	0.0	0.1	0.0	0.0	0.36%	1.05%

Source: ITC Trade Map & CITI Analysis

## Way Forward:

Readymade Garment (RMG) Industry has been one of the mainstays of the Bangladesh economy. RMG exports contribute to about 84% of Bangladesh's total merchandise exports. Trade data shows that in 2021, Bangladesh exported RMG worth about US\$ 45 bn to the world for which it imported about US\$ 17 bn. worth of textile products (fibre to fabric) from the world. Moreover, Bangladesh is looking to accelerate the RMG exports to US\$100 Billion by 2030. which would require it to import reliable and quality raw materials in years to come.

At present China is the leading supplier of Textile products to Bangladesh, however, the recent Geo-political situation shows that Bangladesh is trying to establish its sourcing base alternatively from China. India at present is supplying Textile products to the tune of about US\$ 4.2 bn to Bangladesh amounting to about 25% of its requirement. Indian exporters are very well positioned to supplement Bangladesh in its efforts to achieve its ambitious goal of US\$ 100 bn RMG exports by supplying about US\$ 15 bn of raw materials in the next 3-5 years. India need not work towards installing new capacities to meet this additional demand. There is already about 20-50% of idle capacities, particularly in fabric mill and processing houses which can be effectively deployed in a faster and shorter period by using the Tech Gateway Integration platforms such as of SOWTEX and others.

India is already having a good share in Bangladesh's total imports of Cotton and Cotton Yarn from the world. However, there are certain other potential categories that Indian exporters can target for the Bangladesh market, details of which are given below:

### Potential Textile Export Categories for India to Bangladesh (Value in US\$ Bn)

HS Code	Product label	Bangladesh Imports from World in 2021	From India Bangladesh Imports from India in 2021	India's Share	India's Exports to World in 2021
5402	Synthetic filament yarn, incl. synthetic monofilaments of < 67 decitex	0.69	0.07	9.9%	1.36
5509	Yarn of synthetic staple fibres (excluding sewing thread and yarn put up for retail sale)	0.52	0.02	3.8%	0.59
5407	Woven fabrics of synthetic filament yarn, incl. monofilament of >= 67 decitex and with a cross	1.26	0.09	7.0%	0.88
6006	"Fabrics, knitted or crocheted, of a width of > 30 cm	1.09	0.07	6.5%	0.54

Source: ITC Trade Map & CITI Analysis



# EXPORTS

## India's Textile and Apparel Exports (In US Million)

Description	Mar'22	Mar'23	% change	Apr'21- Mar'22	Apr'22- Mar'23	% Change	% share of total Apr'21- Nov'21	% share of total Apr'22- Nov'22
<b>Textiles and Made-ups</b>								
<b>Cotton</b>								
COTTON RAW INCLD. WASTE	212	95	-55%	2816	781	-72%	6%	2%
COTTON YARN	481	332	-31%	5498	2752	-50%	12%	7%
COTTON FABRICS, MADEUPS ETC.	727	571	-21%	8201	6819	-17%	18%	18%
	<b>1,420</b>	<b>998</b>	<b>-30%</b>	<b>16,516</b>	<b>10,353</b>	<b>-37%</b>	<b>37%</b>	<b>28%</b>
<b>Jute</b>								
JUTE, RAW	2	2	-27%	30	23	-22%	0%	0%
JUTE YARN	2	1	-66%	19	11	-41%	0%	0%
JUTE HESSIAN	14	10	-32%	148	133	-10%	0%	0%
OTHER JUTE MANUFACTURES	23	20	-11%	218	207	-5%	0%	1%
FLOOR CVRNG OF JUTE	10	7	-33%	122	87	-28%	0%	0%
	<b>52</b>	<b>39</b>	<b>-24%</b>	<b>537</b>	<b>462</b>	<b>-14%</b>	<b>1%</b>	<b>1%</b>
<b>Silk</b>								
SILK,RAW	0	0	331%	2	0	-86%	0%	0%
SILK WASTE	2	2	10%	28	22	-20%	0%	0%
NATRL SILK YARN,FABRICS,MADEUP	5	6	10%	79	72	-9%	0%	0%
SILK CARPET	4	5	26%	36	50	39%	0%	0%
	<b>11</b>	<b>13</b>	<b>16%</b>	<b>145</b>	<b>145</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
<b>Wool</b>								
WOOL, RAW	0	0		0	1	327%	0%	0%
WOLLEN YARN,FABRICS,MADEUPSETC	17	20	17%	166	204	23%	0%	1%
	<b>17</b>	<b>20</b>	<b>17%</b>	<b>166</b>	<b>205</b>	<b>23%</b>	<b>0%</b>	<b>1%</b>
<b>Manmade</b>								
MANMADE STAPLE FIBRE	53	41	-21%	680	463	-32%	2%	1%
MANMADE YARN,FABRICS,MADEUPS	527	477	-10%	5615	4949	-12%	12%	13%
	<b>580</b>	<b>518</b>	<b>-11%</b>	<b>6,294</b>	<b>5,411</b>	<b>-14%</b>	<b>14%</b>	<b>15%</b>
<b>Others</b>								
CARPET(EXCL. SILK) HANDMADE	151	106	-30%	1754	1316	-25%	4%	4%
COIR AND COIR MANUFACTURES	57	33	-43%	569	362	-36%	1%	1%
HANDCRFS(EXCL.HANDMADE CRPTS)	173	122	-29%	2088	1689	-19%	5%	5%
HANDLOOM PRODUCTS	20	17	-16%	269	182	-32%	1%	0%
OTH TXTL YRN, FBRC MDUP ARTCL	65	63	-4%	650	730	12%	1%	2%
	<b>467</b>	<b>341</b>	<b>-27%</b>	<b>5,330</b>	<b>4,279</b>	<b>-20%</b>	<b>12%</b>	<b>12%</b>
<b>Total Textiles and Made-ups</b>	<b>2,546</b>	<b>1,929</b>	<b>-24%</b>	<b>28,989</b>	<b>20,854</b>	<b>-28%</b>	<b>64%</b>	<b>56%</b>
<b>Apparel</b>								
RMG COTTON INCL ACCESSORIES	1012	806	-20%	9040	9280	3%	20%	25%
RMG MANMADE FIBRES	321	281	-12%	3263	3070	-6%	7%	8%
RMG OF OTHR TEXTLE MATRL	384	332	-14%	3510	3565	2%	8%	10%
RMG SILK	9	16	74%	62	96	54%	0%	0%
RMG WOOL	14	14	0%	139	181	30%	0%	0%
<b>Total Apparel</b>	<b>1,741</b>	<b>1,449</b>	<b>-17%</b>	<b>16,015</b>	<b>16,192</b>	<b>1%</b>	<b>36%</b>	<b>44%</b>
<b>Grand Total</b>	<b>4,286</b>	<b>3,378</b>	<b>-21%</b>	<b>45,004</b>	<b>37,046</b>	<b>-18%</b>	<b>100%</b>	<b>100%</b>
Data Source: CITI Analysis based on DGCI&S data								

# IMPORTS

## India's Textile and Apparel Imports (In US\$ Million)

Description	Mar '22	Mar'23	% change	Apr'21- Mar'22	Apr'22- Mar'23	% Change	% share of total Apr'21- Mar'22	% share of total Apr'22- Mar'23
<b>Textiles and Made-ups</b>								
<b>Cotton</b>								
COTTON RAW INCLD. WASTE	62	55	-11%	560	1439	157%	7%	14%
COTTON YARN	1	3	349%	19	74	295%	0.2%	0.7%
COTTON FABRICS, MADEUPS ETC.	49	47	-4%	553	657	19%	7%	6%
	<b>111</b>	<b>105</b>	<b>-6%</b>	<b>1,131</b>	<b>2,170</b>	<b>92%</b>	<b>14%</b>	<b>21%</b>
<b>Jute</b>								
JUTE, RAW	3	10	236%	60	103	72%	1%	1%
JUTE YARN	5	6	20%	56	66	19%	1%	1%
JUTE HESSIAN	4	3	-29%	49	41	-17%	1%	0%
OTHER JUTE MANUFACTURES	8	10	32%	82	83	0%	1%	1%
FLOOR CVRNG OF JUTE	0	0	643%	0	1	45%	0%	0%
	<b>20</b>	<b>29</b>	<b>47%</b>	<b>248</b>	<b>294</b>	<b>19%</b>	<b>3%</b>	<b>3%</b>
<b>Silk</b>								
SILK,RAW	11	12	11%	110	214	95%	1%	2%
SILK WASTE	0			1	1	36%	0%	0%
NATRL SILK YARN,FABRICS,MADEUP	3	4	25%	37	56	50%	0%	1%
SILK CARPET		0		0	0	444%	0%	0%
	<b>13.8</b>	<b>15.8</b>	<b>14%</b>	<b>148.1</b>	<b>271.8</b>	<b>84%</b>	<b>2%</b>	<b>3%</b>
<b>Wool</b>								
WOOL, RAW	23	24	7%	223	232	4%	3%	2%
WOLLEN YARN,FABRICS,MADEUPSETC	10	10	-1%	98	125	28%	1%	1%
	<b>32</b>	<b>34</b>	<b>5%</b>	<b>320</b>	<b>358</b>	<b>12%</b>	<b>4%</b>	<b>3%</b>
<b>Manmade</b>								
MANMADE STAPLE FIBRE	37	57	53%	482	652	35%	6%	6%
MANMADE YARN,FABRICS,MADEUPS	230	285	24%	2951	3131	6%	36%	30%
	<b>267</b>	<b>342</b>	<b>28%</b>	<b>3,433</b>	<b>3,783</b>	<b>10%</b>	<b>42%</b>	<b>36%</b>
<b>Others</b>								
CARPET(EXCL. SILK) HANDMADE	14	2	-87%	100	35	-65%	1%	0%
COIR AND COIR MANUFACTURES	1	0	-65%	7	5	-34%	0%	0%
HANDCRFS(EXCL.HANDMADE CRPTS)	43	70	63%	534	579	9%	7%	6%
HANDLOOM PRODUCTS	0	0	34%	2	1	-44%	0%	0%
OTH TXTL YRN, FBRIC MDUP ARTCL	77	76	-1%	1012	1234	22%	12%	12%
	<b>135</b>	<b>148</b>	<b>10%</b>	<b>1,655</b>	<b>1,855</b>	<b>12%</b>	<b>20%</b>	<b>18%</b>
<b>Total Textiles and Made-ups</b>	<b>579</b>	<b>674</b>	<b>16%</b>	<b>6,935</b>	<b>8,731</b>	<b>26%</b>	<b>85%</b>	<b>83%</b>
<b>Apparel</b>								
RMG COTTON INCL ACCESSORIES	74	66	-11%	651	905	39%	8%	9%
RMG MANMADE FIBRES	30	31	2%	392	529	35%	5%	5%
RMG OF OTHR TEXTLE MATRL	20	23	14%	200	270	35%	2%	3%
RMG SILK	0	1		5	14	170%	0%	0%
RMG WOOL	1	1	9%	16	36	124%	0%	0%
<b>Total Apparel</b>	<b>126</b>	<b>121</b>	<b>-4%</b>	<b>1,265</b>	<b>1,755</b>	<b>39%</b>	<b>15%</b>	<b>17%</b>
<b>Grand Total</b>	<b>705</b>	<b>796</b>	<b>13%</b>	<b>8,200</b>	<b>10,486</b>	<b>28%</b>	<b>100%</b>	<b>100%</b>

Data Source: CITI's Analysis based on DGCI&S

# REPORT ON CITI CDRA ACTIVITIES DURING 2022-23



## 1. Introduction

In association with the concerned state agriculture departments, Bayer crop Science and the Regional Textiles Mills Associations, the implementation of Cotton Collaborative Projects in Rajasthan, Maharashtra and Madhya Pradesh was established by CITI CDRA. The 2022-23 year of the Cotton Collaborative project by CITI CDRA was the 16th year in lower Rajasthan, 8th year in Maharashtra and 6th year in Madhya Pradesh.

- Adoption of Integrated Nutrient management (INM) on soil test basis. Spraying of N.P.K. and micronutrients in standing crops.
- Weed free clean cotton cultivation including borders.
- Preparation of ridges and furrows at the time of last hoeing for in-situ moisture conservation and draining of excessive rain water.
- Timely de-topping for arresting terminal growth at shoulder height(5ft) to avoid excessive vegetative growth which causes lodging and for promoting a greater number of branches.

## 2. CITI CDRA Project areas in the year 2022-23

State	District	Cluster's name	Villages name	Area(ha)
Rajasthan	Bhilwara	Bagor, Asind, Kangini, Potla, Dhosar	115	4200
	Chittorgarh	Pahuna	20	800
Maharashtra	Wardha	Hinganghat, Samudrapur, Karanja, Ashti, Arvi	75	9591
	Nagpur	Kamleshwar, Katol, Hingana, Narkhed	62	8177
	Chandrapur	Warora, Bhadrawati	42	6051
	Yavatmal	Ralegaon, Kalam	30	4251
	Amrawati	Amrawati, Tiosa	30	4101
Madhya Pradesh	Ratlam	Ratlam, Sailana, Bajna I, Bajna II	75	28943
	Jhabua	Jhabua, Ranapur, Rama, Thandla, Meghnagar, Petlawad	69	24970
	Dhar	Dattigaon, Badnavar	20	4240
	Alirajpur	Alirajpur, Jobat, Udaigarh, CSA nagar, Sondwa, Kattiwada	39	13000

## 3. Production technologies

- Introduction of better performing BT/improved Non-BT Hybrids.
- Timely sowing with closer spacing accommodating higher no. of plant population.
- Timely gap filling to ensure proper plant population for maximizing cotton yield
- ETL based pest and disease management through continuous surveillance.
- Use of waste decomposer and organic pesticides prepared by naturally available resources. Use of low-cost technologies with minimum use of chemical pesticides as the last option.
- Use of bio-pesticides and release of eco-friendly insecticides manage the harmful insects.





- Use of sour chaach + gomutra in cotton crop.
- Conservation of beneficial insects and their proper use in insect management.
- Avoiding the use of extremely hazardous insecticides and their cocktail mixtures.
- Safe use of pesticides.

- Clean harvest of cotton for better fibre quality by taking care at cotton picking, storage and transportation to avoid admixtures / trash content in lint cotton.
- Selection of early maturing varieties for prevention of P.B.W.
- Checking flower and boll drop by spraying planofix (NNA).
- Proper maintenance of plant protection equipment.

An average overall increase in cotton yield in the areas of CITI CDRA collaborative project compared to the yield in the non-project/other department - cotton cultivated areas is observed/achieved which is of 17.96% increase in Rajasthan, 36.44% more in the CITI CDRA areas of Maharashtra and 8.69 % increase in Madhya Pradesh in comparison to agriculture department.

#### 4. Outcome comparison of the collaborative project

Sr no	State	Name of cluster	Project area yield (q/ha)	Non-project area yield (q/ha)
1	Rajasthan	Bagor	22.5-27.5	18-23.5
		Asind	31-34	25-30
		Kangini	25-30	20-23
		Potla	25-29	20-22
		Pahuna	26-30	22.5-27.5
		Dhosar	26-30	23-27
2	Madhya Pradesh	Ratlam	17.0-22.0	16.0-20.0
		Sailana	16.0-22.5	15.0-21.0
		Bajna I	18.0-23.0	17.0-21.0
		Bajna II	18.0-25.0	17.0-22.0
		Jhabua	15.0-30.0	12.0-23.0
		Meghnagar	12.0-24.0	8.0-24.0
		Rama	16.0-26.0	10.0-24.0
		Ranapur	18.0-28.0	8-25.0
		Thandla	12.0-26.0	10-30.0
		Petlawad	13.0-28.0	12.0-22.0
		Alirajpur	15.0-20.0	12.0-20.0
		Jhobhat	14.0-18.0	08.0-15.0
		Udaigarh	16.0-20.0	10.0-15.0
		CSA Nagar	14.0-21.0	12.0-20.0
		Kattiwada	12.0-25.0	8.0-16.0
		Sondwa	10.0-22.0	8.0-15.0
		Dattigaon	18.0-24.0	17.0-22.0
		Badnavar	10.0-23.0	8.0-25.0
3	Maharashtra	Karanja	14.31	10.83
		Arvi	16.43	12.37
		Ashti	14.65	9.46
		Hinganghat	17.87	12.45
		Samudrapur	16.12	12.42
		Kalmeshwar	17	14.18
		Katol	15	12.09
		Hingana	13.37	11.99
		Narkhed	13.43	9.90
		Amravati	9.56	5.75
		Tiosa	8.99	7.71
		Ralegao	11.40	7.70
		Kalam	10.49	5.67
		Warora	16.02	14.10
		Bhdrawati	16.92	13.67



## 5. Impact of CITI CDRA Project



- Cotton yield per hectare increased.
- Due to lint-based price awareness farmer got Rs. 100 to 300 per quintal. Additional price of cotton.
- Burning of agro residues reduced.
- Agro waste residues value addition in briquette, pellets and compost.
- Clean cotton picking, storage, to reduce contaminations in cotton.
- Reduced cost of cotton production.
- Overall increase in the income of cotton farmers.
- Due to the demonstration of high-density plantation system yield received more about 17 to 35 % and more and many farmers are attracted to implement HDPS.

Textile Sector Skill Council (TSC) is the Awarding Body for textile and handloom sector recognised by National Council for Vocational Education and Training (NCVET) since 13th June 2022.

It was established on 24th August 2014 to facilitate the industry to impart right kind of training to workers on state - of - art technologies and is governed by 11 industry associations and 3 export promotion councils.

### Key Contributions

- ✓ developed a full-fledged skill ecosystem to meet the skill needs of more than 80% of workforce employed both in organized mill sector, as well as, small and medium units of decentralized sectors which include handlooms, power looms, technical textiles, dyeing & printing units.
- ✓ established 692+ training centers all across the country which are operated by 3,10,969+ certified trainers.
- ✓ prepared 78 Qualification Packs, having 232 Unique National Occupational Standards.
- ✓ enabled 80% of certified candidates to be employed by industry with salary ranging between Rs. 8,000 and 14,000 (CTC).
- ✓ facilitated 250 RPL certified handloom weavers in availing Pradhan Mantri Mudra Loan to become entrepreneurs.
- ✓ connected 160 certified handloom weavers from Manipur to buyers from Europe.

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## Textile mills contributing to Skill India mission - Rs. 332 Cr annually

Textile mills invest significantly in training unskilled youth, spending almost Rs. 332 Crore annually to train about 1,23,000 freshers. However, this contribution to Skill India mission is not getting noticed by the policy makers since the training data is not registered on the GoI's Skill India Portal (SIP).



Dr. Vijay Yadav  
Executive Director, TSC

TSC in the last board meeting decided to make the above facts known to policy makers and directed TSC officials to take necessary steps. As a pilot project, TSC has onboarded the training data of 450 candidates from two mills on SIP, which has been highly appreciated by the Ministry of Skill Development and Entrepreneurship (MoSDE). Therefore, we would like to request all mills to register the training data of their trainees on SIP by reaching out to TSC.

By registering training data on SIP, textile mills will have an opportunity to get a part reimbursement of the skilling cost (Rs 8,000 - 9,000 per candidate) under the PMKVY 4.0, which is set to be launched in the first quarter of FY 23-24.

Additionally, you may also contact TSC to mobilise candidates by arranging textile-specific job fairs.

TSC is always committed to meet the industry's manpower requirements.

For any queries or concerns please write to TSC at [info@texskill.in](mailto:info@texskill.in).





**Awarding  
Body of  
NCVET**



**With 17,000+ followers**  
**TSC has a strong presence on social media and is now able to connect with remote areas of the country.**

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Indian Textile Industry provides revenue which is 27% of the total foreign exchange, mainly through textile exports. It contributes nearly 14% of the total industrial production of the country. Indian textile industry is also the largest in the country in terms of employment generation and currently generates employment to more than 35 million people.

To remain competitive in the open market, it is essential that the industry gets skill labor. Govt has taken strong initiatives to support skilling of workforce.

### STRATEGIC HIGHLIGHTS

- 692 training partners
- 15 assessment agencies
- 261 assessors certified across all sub sectors
- 2,438 trainers certified
- Developed 78 qualification packs
- 3,10,969+ candidates certified across 26 states



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