



CHAIRMAN'S SPEECH

Speech by **Mr. Naren Goenka**, Chairman, AEPC at **43rd AEPC ANNUAL GENERAL MEETING**
on **1st September, 2022**, Through Video Conferencing



Dear Colleagues,

On behalf of the Executive Committee of Apparel Export Promotion Council and on my personal behalf, I take great pleasure in extending a very hearty and warm welcome to all of you at this 43rd Annual General Meeting of the Apparel Export Promotion Council. The Notice convening the meeting, the Annual Report for the financial year ending 31st March 2022, along with Annual Audited Accounts and Auditors' Report have been with you, and with your permission, I take them as read.

We ended the year 2021-22 with more than US \$400 Billion goods exports for the first time ever thanks to Hon'ble Prime Minister Shri Narendra Modi's vision of Make in India for the World and the Government's deep engagement with the exporting community. This marks the beginning of an era of exponential growth and dominance in world trade provided we take advantage of the various Government schemes, aimed at enhancing our scale of operations and the emerging global scenario in favour of India. The two most ambitious schemes in the apparel sector, PLI and PM MITRA, can propel the Indian manufacturers to become global champions. And, to get the level-playing field for Indian apparels as against competing countries, the Government is actively working on free trade deals with many countries.

In the last one year, India has signed three free trade pacts with Mauritius, the UAE and Australia. We are seeing this focused attention to increase competitiveness of Indian exports after a long gap of a decade. Similar negotiations are on a fast pace with many other nations including the UK and Canada with possibility of interim deals covering apparel sector. Zero duty deal with Australia in the southern hemisphere will keep Indian factories fully utilized during our lean period with orders for spring and summer products that we are best in, and as similar products are made in India at similar price points. We have to be prepared to bag this opportunity by ramping up our production capacity, getting into the MMF segment, integrating with the global value chain and picking up the best practices like sustainability as the world embraces China Plus One strategy. India offers a full value chain solution from farm to fashion giving competitive edge towards efficient implementation and monitoring of sustainability on all fronts – economic, social and environmental.

We have to actively lower our cost of production and work on meeting the global standards. To match the growing global demand our scale has to be larger and skills have to be matched.

Despite challenges, RMG exports have been doing quite well and the industry is toiling hard to meet the RMG export target. Few of the desired policy interventions owing to the current stress points that AEPC has pitched at different government forums are as follows:-



Most important being the raw material security, owing to the spiraling prices of raw cotton and cotton yarn. AEPC has written to the Hon'ble Textiles Minister suggesting a temporary ban on cotton exports till the prices stabilize and raised this issue at various stakeholders' meetings. The prices have jumped by about 125-130 per cent during the last 18 months and one of the reasons for that would be "unchecked" exports of cotton and cotton yarn.

On behalf of the Apparel Industry, I would like to thank and appreciate the efforts of the Hon'ble Minister for Commerce & Industry, Textiles, Consumer Affairs, Food & Public Distribution, Shri Piyush Goyal for initiating solution centric approach to sudden spike in raw cotton and cotton yarn prices and shortage of raw material for the Apparel Industry. His proactiveness to engage with all stakeholders to mitigate the crisis led to the stabilizing of price for some time. AEPC is thankful to Shri Piyush Goyal, for the newly constituted Textile Advisory Group. The Apparel Industry sincerely appreciates the series of efforts recently taken by the Government to increase Apparel exports from India.

Another issue which is bothering the RMG industry is RoSCTL issues. We have met Chairman, CBIC and DGFT and the Commerce Secretary, requesting to delete the condition in the notification issued by DoR for holding the transferee liable for the non-realization / excess availed by the exporter. AEPC has also requested Chairman CBIC for clarification on applicability of rebate restriction, for procurements made under advance authorization after payment of IGST, and addressing delays in exports on account of repeated examination of export cargo under Special Advance Authorization/Advance authorization.

It has been requested to the Secretary (Textiles) for the announcement of the new Technology Up gradation Fund Scheme (TUFS) scheme as ATUF scheme has expired on 31st March 2022. AEPC has also requested that the Ministry may consider having PLI-2 version of the Production Linked Incentive Scheme, for the apparel sector, with the provisions: investment requirement for RMG units should be Rs. 10 Crore or more for machineries and equipment, this scheme should be extended to all apparel units and not limited to MMF segment, and incentive rate should remain uniform for all the 5 years that the scheme will run.

Sustainability in the textile industry is the future of growth if India wants to take advantage of this space which is currently occupied by Bangladesh and Vietnam since the Indian garment industry carries a unique strength of having a complete value chain from fiber to garments. We can assure them that the Brand India products are sustainable and meet all social and environmental compliances as per the import requirements of their countries. Council is taking rigorous efforts towards promoting Brand India at various



global platforms showcasing its strength on sustainability, circularity and ethical sourcing. I am happy to see that the apparel industry each day is striving to move closer to sustainability and implementing ethical compliances which has now won the trust of many large buyers across the world.

In the quest to make the textiles sector more efficient and less polluting, AEPC kickstarted its drive on sustainability and circularity to boost the competitiveness of garment exports globally. Towards kickstarting this initiative, AEPC organized a brain storing session on “Promoting Circularity amongst Indian Garment industry” on 27th July 2022 at Apparel House, Gurugram. AEPC has partnered with Fashion for Goods, Netherlands, for this initiative. Shri. U. P. Singh, Hon'ble Secretary, Textiles made a special address during the session. The prominent industry leaders of garment trade and other stakeholders were present in the meeting. To the follow-up of this session AEPC proposed to organize a 'Sustainability Conclave' later this year.

I am happy to inform that Export Promotion Department of the Council has been continuously working for export promotion of apparels from India through participation in overseas fairs, business matching, organizing both Buyers Seller Meets (BSM) and Reverse BSM and focused trade delegation. Towards this endeavor, we participated in various overseas events and organized a few over the year. These are listed as follows:-

a) International Fairs

- i) Sourcing at Magic, Las Vegas, USA (13th – 16th February 2022)
- ii) India Tex Trends Fair (ITTF) 29 – 31 March 2022
- iii) International Apparel and Textile Fair (IATF), Dubai, UAE 9TH – 11TH MAY, 2022
- iv) Pure London (Pure Origin), London (17 – 19 July, 2022)
- v) India Tex Trend Fair (ITTF) – 20 – 22 July, 2022)
- vi) Sourcing at Magic, Las Vegas, USA (7th – 10th August 2022)

b) Virtual B2B meetings

- i) India – Poland B2B (29th June, 2021)
- ii) India – Israel B2B
- iii) India – Azerbaijan B2B
- iv) India – Brazil B2B\
- v) India – Colombia B2B
- vi) India – Israel B2B

c) Trade delegations & global alliances

- I) A high-level trade delegation comprising of Chairman, AEPC and EP Chairman visited Dubai from 26th November – 2nd December, 2021 and attended the following meetings: -DateEvent / Activity for the Textiles

DATE	Event / Activity for the Textiles Delegation
26th Nov 2021	Inauguration of the Textiles Pavilion by Ministry of Textiles and Fashion show being organized by NIFT
27th Nov 2021	Luncheon Meeting with Global Business Federation and Dubai Textile Traders and Industry
28th Nov 2021	Visit to International Apparel & Textiles Fair hosted at Dubai World Trade Centre
29th Nov 2021	B2Bs in India pavilion & Visits to other country pavilions
30th Nov 2021	B2Bs in India pavilion & Visit to Israel pavilion
1st Dec 2021	B2Bs in India pavilion & Visits to other country pavilions
2nd Dec 2021	B2Bs in India pavilion & Visits to other country pavilions

- i) I have attended along with Chairman, EP (Online) the STTI Global Working Group Meeting which was held in Istanbul on 14th March 2022 and Seminar titled "Greening the Apparel Industry, Opportunities and Barriers for Garment Manufacturers" organized by International Apparel Federation (IAF). Meeting was attended by global NGOs including Better Buying, Fashion for Good and prominent associations of garment manufacturing countries including Istanbul Textile and Apparel Exporters Association, Turkey Clothing Manufacturers Association, GIZ, EKOTEKS, AMITH, EURATEX, Bangladesh Garment Manufacturer's Association (BGMEA) etc.
- ii) A high-level trade delegation led by myself accompanied by other Senior Executive Committee members visited Tokyo, Japan from 18th July, 2022 to 23rd July, 2022. The Delegation had a number of meetings with Japan Importers Associations, EOI, Japan.
- iii) A high-level trade delegation led by myself accompanied by other Senior Executive Committee members also visited USA from 7th to 11th August, 2022. During the visit we had meetings with Importers Association at Las Vegas and senior officials of AAFA at New York to enhance apparel trade between India and USA.

Acknowledgements

I express my sincere gratitude towards Hon'ble Prime Minister of India Shri Narendra Modi and Hon'ble Union Minister for Commerce & Industry, Textiles, Consumer Affairs, Food & Public Distribution, Shri Piyush Goyal for extension of Scheme for Rebate of State and Central Taxes and Levies (RoSCTL) in Apparels and Made-Ups till 31st March 2024, with the same rates as notified by the Ministry of Textiles for exports. RoSCTL is a forward-looking and growth-oriented scheme, which has provided a stable and predictable policy regime, helping boost exports and employment. The scheme helped improve cost efficiency and the export competitiveness in the international market. As the scheme completed one year, the 7000 members of Apparel Export Promotion Council (AEPC) are grateful for the government support.



The apparel industry is thankful to the government for the signing of FTAs with UAE and Australia as this will surely neutralize the advantage which our competitors use to enjoy in some of the important markets because of GSP and other NTBs. I am confident that the Government will finalize the FTA's negotiations with other countries also like EU, Canada and UK.

I would also like to express sincere gratitude towards Shri Narendra Modi, Hon'ble Prime Minister, Shri Piyush Goyal, Hon'ble Minister of Commerce & Industry and Textiles, Smt. Nirmala Sitharaman, Hon'ble Minister of Finance, Smt Darshana Vikram Jardosh, Hon'ble Minister of State in the Ministry of Textiles, Smt Anupriya Patel, Hon'ble Minister of State in the Ministry of Commerce & Industry and Shri Som Parkash, Hon'ble Minister of State in the Ministry of Commerce & Industry, Shri Shaktikanta Das, Reserve Bank of India Governor, Shri B.V.R Subrahmanyam, Secretary of Ministry of Commerce & Industry and Secretary of Ministry of Textiles Shri Upendra Prasad Singh, for leading from the front and listening to our needs, announcing measures and executing them well.

I place on record, my sincere thanks to Shri Vijoy Kumar Singh, Special Secretary, Ministry of Textiles, Smt Roop Rashi, Textile Commissioner, Smt. Shubhra, Trade Advisor, Ministry of Textiles, Shri Rajeev Saxena, Joint Secretary, Ministry of Textiles, Smt. Prajakta L Verma, Joint Secretary, Ministry of Textiles, and other senior officials of the Government, who extended their continuous support in the furtherance of Apparel exports from India and during the tough times of Covid-19 pandemic.

I am also grateful to the officers of Ministry of Commerce & Industry, Textiles Commissioner, DGFT, NITI Aayog, Textiles Committee, Central Board of Indirect Taxes and Customs, Directorate General of Analytics & Risk Management and other officers of the Government of India for promotion of export of readymade garments to various countries and for extending their support during the difficult times faced by the industry due to outbreak of Covid-19 pandemic.

I would like to thank and appreciate the efforts of the Dr. A Sakthivel as Chairman AEPC for the year 2020 & 2021, for his complete commitment, unstinted hard work and efforts made towards protecting and promoting the Apparel Export Industry especially during the pandemic time.

My heartfelt thanks to Shri Sudhir Sekhri, Vice Chairman and members of the Sub Committees & their Chairmen i.e. Shri Premal H. Udani, Chairman, Advisory Sub-committee, Shri Gautam Nair, Chairman, Export Promotion Sub-Committee, Shri Ashok Rajani, Chairman, Fair & Exhibition Sub Committee, Shri Vijay Agarwal, Chairman,



Finance & Budget Sub-committee, Shri Narendra Goenka, Chairman, Staff Sub Committee, Shri Lalit Thukral, Incharge (Regional Committee, Northern Region), Shri Ashok Rajani, Incharge (Regional Committee, Western Region) Shri Anil Buchasia, Incharge (Regional Committee, Eastern Region), Shri B. Shanmughasundaram, Incharge (Regional Committee, Southern Region), Shri H.K.L. Magu, Chairman, Apparel House Management Sub-committee and Shri Anil Peshawari, CSR Sub Committee and my other fellow Executive Committee Members, Co-opted Members, Permanent Invitees & Special Invitees for their unstinted support and guidance.

I wish to place on record my sincere appreciation for the press and media who reported the issues of the garment export industry and supported us by publishing AEPC's recommendations from time to time.

My heartfelt appreciation is also to the Dr.L.B.Singhal, Secretary General, AEPC, Deputy Secretary General, Senior Director, Director, Additional Director, General Managers, Secretary and all other officers & staff of AEPC for their dedicated and sincere service, whose efforts have contributed to council's achievements.

With gratitude, I acknowledge the dedicated efforts put-in by all members of the Council. I take this opportunity to express my sincere thanks to the members for their utmost faith and trust reposed in me and Council. I am sure, with sustained efforts, we will be able to scale even greater heights of success in the years to come.

Best Wishes!

Naren Goenka
Chairman, AEPC



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