



APPAREL EXPORT PROMOTION COUNCIL



CHAIRMAN'S SPEECH

Speech by **Mr. Naren Goenka**, Chairman, AEPC
at **44th AEPC ANNUAL GENERAL MEETING**
on **27th December, 2023**, 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 44th Annual General Meeting of the Apparel Export Promotion Council. The Notice for convening the meeting, the Annual Report for the financial year ending 31st March 2023, along with Annual Audited Accounts and Auditors' Report are with you, and with your permission, I take them as read.

In the midst of not- too- encouraging global scenario, the good news is that the World Bank has kept its economic growth projection for India at 6.3% for FY24. India's growth rate was the second highest among G20 countries and almost twice the average for emerging market economies. This resilience was underpinned by robust domestic demand, strong public infrastructure investment and a strengthening financial sector. Similarly, The UN Conference on Trade and Development (UNCTAD) upped India's 2023 economic growth forecast to 6.6% from 6% predicted in April.

On the exports front, while major economies around the world still seem to be reeling under the bad weather, India's exports have surged to an unprecedented \$776 billion, marking substantial increase from just \$500 billion two years ago. However, India's RMG exports to the world continues to struggle to register growth, owing to the weak global demand, especially in the major markets. Even the World Trade Organization (WTO), have halved its growth projection for world merchandise trade volume for 2023. It now expects a 0.8 per cent growth compared to the 1.7 per cent forecast in April due to a continued slump in goods trade.

The Indian apparel industry has been able to withstand the testing times during the pandemic wherein despite the global demand being stagnant, Indian apparel exports grew at a rate of 30.35% in 2021-22 over 2020-21, and 1.10% in 2022-23 over 2021-22. AEPC has been playing an instrumental role by extending an exclusive support to the Apparel industry of India for enhancing its Global reach. We are also vigilant of the fact that India's apparel exports have been constant to the tune of 3-4% of global export share during past 3-4 years and hence AEPC has taken upon itself to take the existing exports of 16-17 USD bn. to 40 USD bn by 2030. Towards this end AEPC has taken various steps.

- AEPC has created an in house Market Intelligence Cell to keep the track of trends in import demands forecasted for 2030 and the efforts have been taken at various fronts to hand hold the industry on two fronts:
- We are focusing on strengthening our core strength in our traditional exports of cotton by the way of promoting Kasturi cotton and traceability systems with the support from TEXPROCIL.



- We are handholding the industry for a gradual shift to newer areas of technical textiles, MMF and new product categories including workwear, uniforms etc which are high on demand in the international market.
- We are focusing on shifting into newer export markets. Appreciating the fact that our exports have been primarily concentrated to EU & USA, AEPC has been taking various steps to help the industry to diversify its focus to new emerging markets of FTA countries including Australia and UAE and also Latin America and Africa by shifting the focus of our trade events to emerging markets under MAI, conducting webinars and capacity building programs, etc.
- We are also vigilant of the new regulatory regime in our traditional export destinations on their concerns on sustainability and circularity. I am happy to share that the Indian garment industry is gearing up to the cause of sustainability across all fronts including environment, social and governance. We are thankful to the Ministry of Textiles for having taken the initiative of creating an ESG task force and AEPC is committed to contribute effectively towards this cause. We had launched Apparel Industry Sustainability Action (AISA) witnessing huge participation from the garment fraternity across all the clusters.
- We are happy to announce that AEPC is soon launching its 12 week “Certificate Program on Sustainability”. The program will be instrumental in handholding the MSME units to appreciate and inculcate sustainability measures on growing concerns of our buyers on zero liquid discharge, renewable energy, water management, wastewater management, etc.

Enhancing FDI to increase economies of scale is very important for India's export competitiveness in the RMG sector: Currently, the apparel industry receives a very low level of FDI investment though 100% FDI is allowed in the textile sector under the automatic route. Bringing investment in the garment sector to realize its full potential is our focus.

To reach the target, we will need to; focus on Innovation to cut cost and faster clearances, expand our market and product basket, bridge the product mismatch, adopt cluster based model, bring investment in the garment sector, enhance branding efforts, harness potential of e- commerce and FTAs, practice sustainability and responsible business practices, foster strategic partnerships and empower our people.

Despite the looming global exports slowdown as the world is going through challenging times, our dynamic Textiles Minister Shri Piyush Goyal, is still hopeful that the industry will revive. The Minister said, “In this situation, I am proud that our textile industry continues to hold firm, continues to do good work. I have no doubt in my mind that in the future also, we will regain the lost glory of India in textiles”.



I am also happy to inform you that new Foreign Trade Policy 2023 was announced by Hon'ble Commerce Minister on 31-March-2023. The policy had been under discussion for a long time and has been formulated after multiple stakeholder consultations. It is dynamic and has been kept open ended to accommodate the emerging needs of the time.

The new rates for drawback announced w.e.f. 30.10.2023 in respect of Readmade Garment have witnessed good amount of increase.

Also I have requested the Textiles Ministry to extend the ROSCTL scheme for a minimum period of three years. This scheme has helped the Apparel Industry immensely to plan the business on a consistent basis while staying competitive. Now that the market sentiments have touched an all-time low and the traditional markets of USA & EU are facing unprecedented recessionary trends, the extension of this scheme beyond 31st March, 2024 has become a dire necessity.

A big policy push has come up with Prime Minister announcing the seven textile park sites under the PM MITRA Scheme. This scheme will re-establish India's dominance as a Global textile leader. I am sure that these mega textile parks with world-class facilities and integrated value chain will create global champions by enhancing apparel exports exponentially and creating massive employment opportunities.

In a welcome move, the Ministry of Textiles has re-opened the PLI Portal till 31st December 2023 for inviting fresh applications from interested companies under PLI Scheme of Textiles for MMF Apparel, MMF Fabrics and products of Technical Textiles. I urge member exporters to use this opportunity to submit fresh applications.

You all are aware that all Textile Export Promotion Councils with the support of the Ministry of Textiles are going to organize Bharat Tex-2024 at a global scale from 26th to 29th February, 2024. "Bharat Tex-2024 expo" will be a B2B expo open for overseas and domestic markets. This expo is set to be the largest and most prominent event of the textile sector. It aims to showcase to the world the strength of the Indian Textiles Sector, latest advancements, innovations, and trends in the textile and fashion world, facilitating networking opportunities and promoting business collaborations. In the sidelines of the expo there will be conferences, seminars, cultural events, fashion shows, etc., showcasing India's unique cultural diversity & heritage. Your enthusiastic participation and support is very crucial for the success of the Bharat Tex-2024.

I would like to once again congratulate all the award winners at AEPC award function held on 08th December at New Delhi for the year 2021-22 & 2022-23. The AEPC Excellence Honours is the Indian Apparel industry's most prestigious award. It recognizes extraordinary contributions made by Indian Apparel exporters. The Council



Council has instituted these awards with an aim to encourage the Indian Apparel exporters to increase their export capacities and at the same time, enhance the competitiveness among the firms to capture the global markets.

Acknowledgements

I would 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 Sunil Barthwal, Secretary, Department of Commerce, Ministry of Commerce & Industry and Smt. Rachna Shah, Secretary, Ministry of Textiles for leading from the front and listening to our needs, announcing measures and executing them well.

I place on record my sincere thanks to Smt Sukriti Likhi, Financial Advisor, Ministry of Textiles, Shri Rohit Kansal, Additional Secretary, Smt. Shubhra, Trade Advisor, Ministry of Textiles, Smt Roop Rashi, Textile Commissioner, Shri Rajeev Saxena, Joint Secretary, Ministry of Textiles, Shri Rajeev Saxena, Joint Secretary, Ministry of Textiles, Shri Gaurav Kumar, Economic Advisor, Smt. Prajakta L Verma, Joint Secretary, Ministry of Textiles, Shri Ajay Gupta, 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.

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.

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 Lalit Thukral, Incharge (Regional Committee, Northern Region), Shri Ashok Rajani, Incharge (Regional Committee, Western Region), Shri Anil Buchasia, Incharge (Regional Committee, Eastern Region), Dr.A.Sakthivel, Incharge (Regional Committee, Southern Region), Shri H.K.L. Magu, Chairman, Apparel House Management Sub-committee, Shri Anil Peshawari, CSR Sub Committee and my other fellow Executive Committee Members, Co-opted Members, Permanent 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 Shri Mithileshwar Thakur, 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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