

Exporting Technical Textiles to India



Strategies For Selling Your Products to India



Today's Presenters

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US Commercial Service





U.S. Department of Commerce

The U.S. Commercial Service is the lead trade promotion agency at the Department of Commerce.

- As a U.S. Government agency, we have relationships with foreign government and business leaders in every key global market.
- Our trade professionals provide expertise across most major industry sectors.
- Every year, we help thousands of U.S. companies export goods and services worth billions of dollars.
- Our key services for U.S. Companies interested in identifying partners in India
 - Customized Matchmaking Services
 - Gold Key Service (GKS)
 - Partner Searches
 - International Partner Search (IPS)
 - Background Checks on Local Companies
 - International Company Profile (ICP)
- For details of the above mentioned services and our other services for U.S. companies, please visit the following weblink: <http://www.buyusa.gov/india/en/service.html>

Exporting your Products to India

Larry Brill

US Department of Commerce
Senior International Trade Specialist



OVERVIEW- WHAT I AM GOING TO DISCUSS TODAY:

Factoid of the day! U.S. exports of goods in 2010 were approximately **\$1.8 trillion, a 16.6% increase from 2009. Over **\$16.2 billion** dollars in textile and apparel exports. U.S. exports of technical textiles to India (2010) were **\$36 million****

- ▶ **Introduction:** How Commerce can help you increase your sales and profits through exporting.
- ▶ The Office of Textiles and Apparel (OTEXA) provide opportunities to exporters through trade shows, trade missions, export counseling, and market research
- ▶ The U.S. Commercial Service (USCS), through their U.S. Export Assistance Centers (USEAC's) and global network of trade offices, provides a multitude of affordable services to U.S. exporters such as Gold Keys, Matchmakers, market research, and country specific export counseling
- ▶ How to protect your IPR
- ▶ Why Techtextil India?



NATIONAL EXPORT INITIATIVE

During his State of the Union address, the President set a goal of **doubling exports over the next five year**— an increase that will support two million jobs here at home.

In a time when millions of Americans are out of work, boosting our exports is a short-term imperative. Our exports support millions of good, high-paying American jobs.

95 percent of the world's customers are outside our borders, failure to compete for those customers is economic malpractice. The President refuses to sit on the sidelines and let jobs be created elsewhere when America still has the most innovative economy and the most productive workers in the world.



The United States is launching a single, comprehensive strategy to promote American exports. It's called the National Export Initiative. NEI is an ambitious effort to marshal the full resources of the United States government behind American businesses that sell their goods and services abroad.

Over the next several years, we'll continue significantly ramping up Export-Import Bank trade financing for businesses, especially small and medium businesses that want to export their goods.



We're going to advocate for our workers, businesses and products abroad.

We'll help US companies identify and gain footholds in new and emerging markets overseas by setting up one-stop-shops that provide a comprehensive toolkit of services – from financing to counseling to promotion – to help potential exporters grow and expand. Through employing new technologies and pursuing public-private partnerships, exporters can draw from the global shipping knowledge and resources of companies like FedEx, UPS and the US Postal Service.



We'll enforce our current trade agreements and strengthen our existing relationships. And we'll increase the government's attention on removing barriers that are hampering US companies, because if we're providing free and fair access to foreign markets, then we expect it in return.



Office of Textiles and Apparel (OTEXA)

- OTEXA is your “one-stop” information resource for exporting U.S.-made textile and apparel products!



What is OTEXA?

- **OTEXA oversees programs and strategies to improve the domestic and international competitiveness of these industries:**
 - **U.S. Apparel**
 - **U.S. Textiles**
 - **U.S. Fiber**



How OTEXA Helps Exporters

- ▶ Sponsorship of USA Pavilions at overseas trade shows
- ▶ Trade Missions
- ▶ Individual and Company-specific export counseling
- ▶ Market Research
- ▶ Export Information: *otexa.ita.doc.gov*
- ▶ Global Textile and Apparel team:
www.buyusa.gov/textilesandapparel



Why Export to India?



Did You Know...

- U.S. exports to India are rapidly growing.
- The Indian technical textile market is expected to reach USD **\$15 billion** by 2012-2013.
- The Indian market is one of the **largest and fastest growing economies** in the world, with current growth estimates hovering at about **9.7%** that is fueled in part by its infrastructure needs.



Background: Technical Textiles in India

- Technical textiles in India is one of the fastest growing industries
- There are market opportunities for both the production and trading of product/services for domestic consumption
- Technical Textile Industry is import intensive



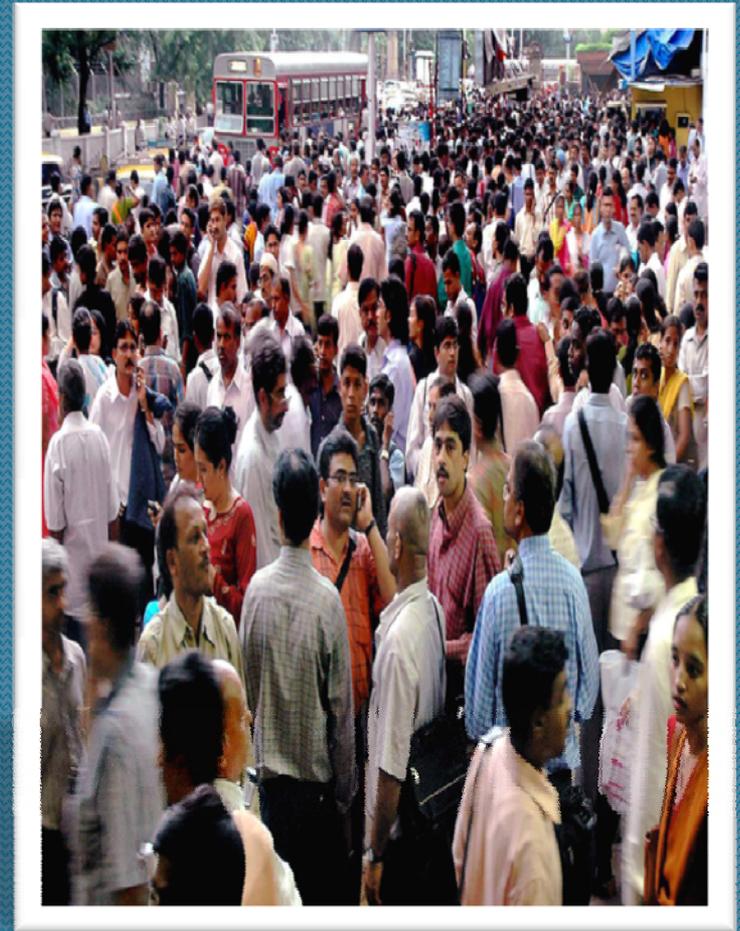
Strategies for Success

- Indian Firms are particular about their economy
- Indian Firms turn to:
 - U.S. commercial and joint venture partnerships
 - Technologies
 - Brands
 - Services
 - Know-How's



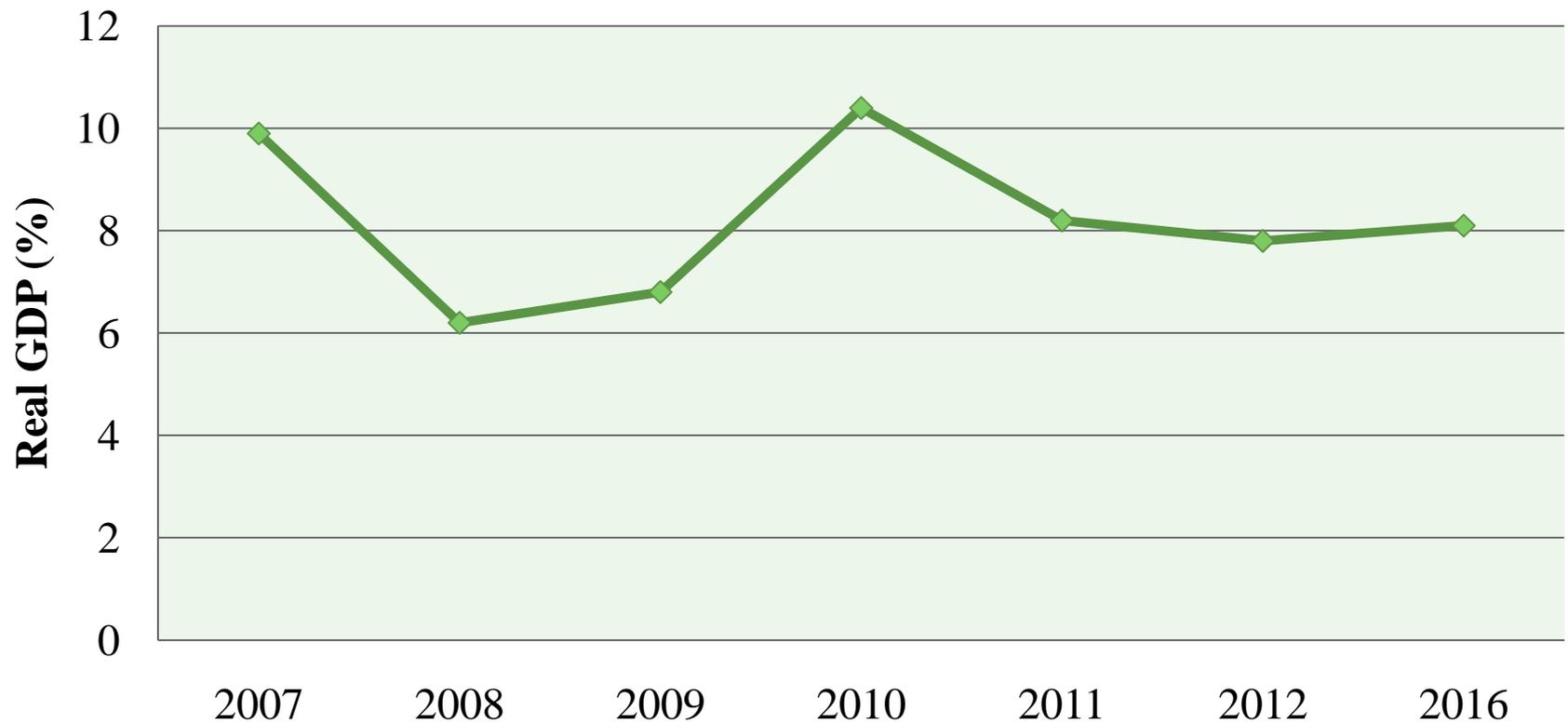
Growing Population

- Population: 1.2 billion (est. 2011)
- Annual Growth Rate: 1.344%



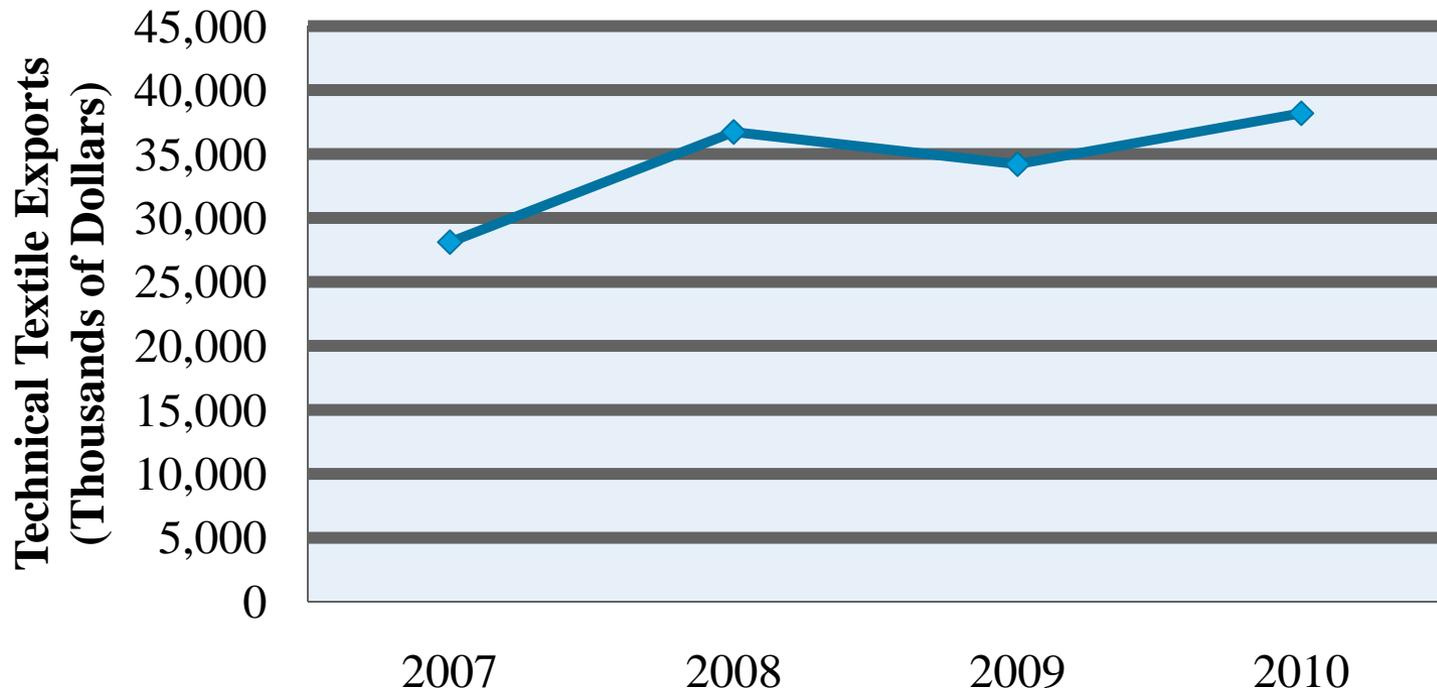
Economic Growth:GDP

India Real GDP Growth



US Exports to India, Ch. 59

Growth of Technical Textile Exports



Market Entry Strategy

Finding a Partner
and an Agent



Address issues of sales channels, distribution and marketing, pricing, labeling, and protection of IPR issues

Geographic
Diversity



US Companies should consider approaching India's market on a local level

Market Entry
Options



Subsidiary Relationship, Joint Venture with an Indian Partner, Liaison, Project, Branch Office

Remember the
Scale of India



Consider a Regional Approach

Use Caution when
Establishing this
Critical
Relationship



Indian firms are eager to buy American products and services

Agents vs. Distributors

- **Different strategies:**
 - **Agents** work for you on commission (8-12%). You control all aspects of marketing and distribution
 - **Distributors** buy from you, but work for themselves. They take title and control over products
- **For both strategies, you need binding agreements on specifics and expectations.**



Agents vs. Distributors, Part II



- Always plan an exit strategy before you sign, or agree to do anything, or you may have an agent/distributor for life!
- Seek guidance from local USCS offices in countries where you plan to do business.
- Plan on obtaining legal advice

Advantages of a Small Distributor

Implementing a flexible distribution strategy

Knowledge of the local market, a competitive advantage

Good product knowledge and marketing skills

• **Consider the following when evaluating a distributor or agent**

The Indian firm's:

- **Business Reputation**
- **Financial Resources**
- **Willingness and ability to invest**
- **Marketing Strength**
- **Regional Coverage**
- **Industry Expertise**
- **Credit Worthiness**



Due Diligence Checks

- A credit check of the proposed partner
- Check with the distributor or agent's bank; determine potential partner's financial health, reputation, and credit worthiness
- Seek additional details from accountants, lawyers, industrial associations, etc.
- For technical products, US companies should ensure: technical expertise of the distributor, condition of the facilities, and experience of the technical staff
- Due care should be taken in finalizing contact details and or memorandum of understanding

To Identify agents and distributors, U.S. companies can take advantage of the international Partner Search (IPS) and Gold Key Service (GKS) programs offered by the U.S. Commercial Service through its seven offices in India.

Best Prospect Sectors and Business Opportunities

#5

Airport and Ground Handling

Education Services

Electric Power Generation, Distribution and Transmission Equipment

Food Processing & Cold Storage Equipment

Industrial Textiles

Machine Tools

Mining and Mineral Processing Equipment

Oil and Gas Field Machinery

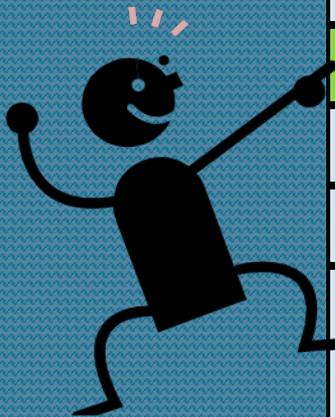
Pollution Control Equipment

Homeland Security Equipment

Franchising

Telecommunication Equipment

Water



Best Prospects

USD Billion	2007-2008	2012-2013
Market Size	\$8.95	\$15
Local Production	\$7.90	\$13.97
Exports	\$0.65	\$0.99
Imports(Global)	\$1.01	\$1.50

Statistical data are unofficial estimates from trade sources.

*2012-2013 data are estimated figures based on previous industry performance/US Commercial Services, "India Country Commercial Guide."

Protech	High altitude clothing, bullet proof clothing and fire proofing fabrics.
Sportech	Footwear, inflatable balls and protective equipment clothing.
Packtech	Woven sacks, jute Hessian, flexible intermediate bulk containers and wrapping fabrics.
Clothtech	Sewing threads and labels.
Mobiltech	Nylon tire cord, seat upholstery and insulation felt.
Homotech	Furniture fabric, fiberfill, pillow, mattress and blinds.

Technical Textiles: A Demand in India

By 2013, the US Commercial Service estimates the market demand of technical textiles will reach USD \$15 billion

Technical Textiles Sectors :

- Automobiles,
- Electronics
- Telecommunications
- Food Processing
- Packing
- Healthcare

Products Manufactured :

- Diapers
- Polypropylene spun bound fabric for disposables
- Wipes
- Protective clothing
- Hoses
- Webbing for seat belts



India's Major Technical Textile Import Partners (2009)

- **Total Technical Textiles Exported to India from all Countries: \$195 million; - 13.22% change.**
- **Bangladesh:**\$43.5 million
- **USA:**\$36 million
- **China:**\$33.5 million
- **Canada:**\$15 million
- **Nepal:**\$15 million
- India's total imports of technical textiles from the 5 largest trading partners is \$143 million
- Amounting to 73% of India's total imports of technical textiles.
- The U.S. share is approx. 25% of the total import market.

Duties for Technical Textile Products

- 10% Basic Duty (HS code 5911)
- Depending on HS code; an addition to the basic duty
 - 10% countervailing duty (CVD)
 - Additional SPL CVD of 4% on the CVD
- **VAT** : 12.5% in most Indian states



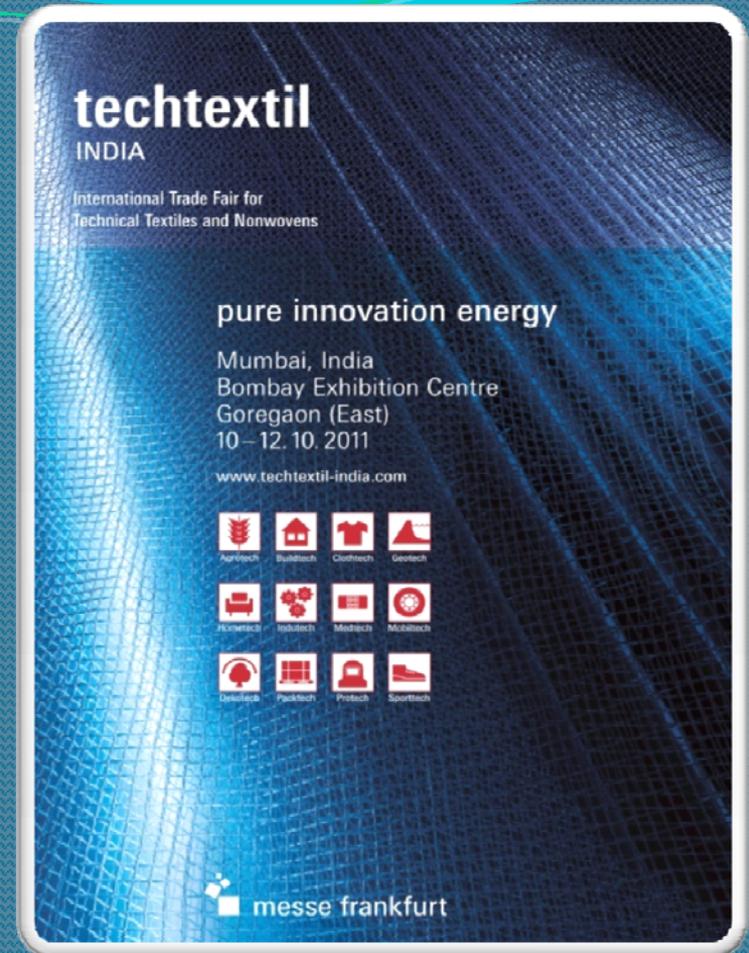
Techtextil India

Cheryl Fernandes

**International Trade Fair for
Technical Textiles and Nonwovens**

**Mumbai, India
Bombay Exhibition Center, Goregaon (E)
October 10-12, 2011**

**Pure Innovation
Energy**



**Presentation by
Messe Frankfurt India**

Supported By



Bombay Textile Research Association

Techtextil India 2009



- Participation of **110 companies from 14 countries** was witnessed.
- An ideal platform for new product launches by key players like SRF Limited and Alok Industries.
- It was also the launch of a two day conference Techtextil India Symposium.



Indian Technical Textile Industry



- India, with 1.21 billion people is the second most populous country in the world. The figures show that India represents almost 17.31% of the world's population.
- The Indian economy has been witnessing a phenomenal growth since the last decade. Despite the global slowdown in 2008 - 2009, the Indian economy has grown at the rate of 8.2%. This high growth rate is possible due to growth in agriculture, mining and manufacturing sectors and increase in household incomes in India. Source: TradingEconomics.com
- India is the world's second largest producer of textile and garments and contributes 14% towards the GDP of USD 1.18 billion. Being so big, there is tremendous potential for technical textile in India. Source: ASSOCHAM, 2010
- Rising middle income population will fuel the domestic consumption of products such as hygiene and feminine care which will be the drivers for growth for the technical textile industry.
- The Asian Development Outlook 2010 has stated that the strong domestic consumption and the growing investments will put India's economy in the growth trajectory, meaning more opportunity for technical textile industry.
- A huge demand for technical textiles is already building up in India due to the various applications it has, and the various sectors it affects.

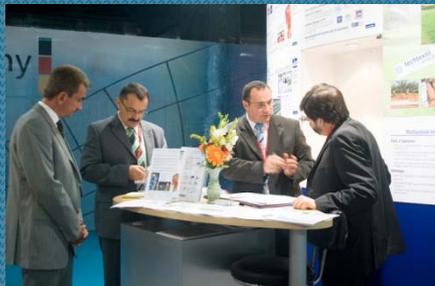


- India's nonwoven and technical textile industry is in the embryonic stage. Hence the need for technical know how and investments.
- The country's highly skilled scientific and technically inclined manpower are set to play a big role in the development of this industry
- Unlike the conventional textile industry in India which is highly export oriented, the technical textiles industry in India is an import intensive industry
- India's technical textile Industry will be worth \$ 12-15 billion by 2012, which will be 10% of the global value.
- The consumption of non woven in India will increase by 13.27% in per capita every year.
- Currently the consumption of technical textile in India forms only 3% of the total world consumption however it is grown at a rate higher than most developed countries.

Growth Rates for Consumption of Technical Textile 2010

Regions	Expected Growth Rate
India	11-12%
Asia	4.23%
North America	2.60%
Western Europe	2.14%

The Ministry of Textiles has laid emphasis on augmentation, capacity building and up gradation of technical textile and the related infrastructure, and assistance is to be provided for this through a variety of schemes and initiatives. (Assocham 2010)



Techtextil India 2011

- Techtexsil India will present a comprehensive program of complementary events, giving an in sight into conditions and prospects of local and international segment markets as well as ensuring an effective dialog between governmental bodies and business.
- Taking the torch forward Techtexsil India is glad to announce its 3rd edition; **October 10-12, 2011; Mumbai, India.**
- We will see a larger area and larger participation
- Key tie-up with local bodies:
 - **Government:** Ministry of Textiles, Govt. of India
 - **Industry:** Indian Technical Textile Association SRTEPC, BTRA
 - **Industry Pavilions**
 - Technical India Symposium in Partner with International News Letter and BCH

Target Figures for 2011

Confirmed Country Pavilion

- **Exhibition space:** 5000sqm gross
- **Number of exhibitors :** 125 (plan)
- **Number of visitors:** 3000 (plan)
- German Pavilion
- French Pavilion
- Belgian Pavilion
- China Pavilion
- UK Pavilion
- Canada

Partial list of confirmed Exhibitors

Lipi Polymers Pvt Ltd.

B.R Tech Tex

MEP-OLBO India Pvt Ltd.

Illies Engineering India Pvt Ltd.

Sanrhea Technical Textiles Limited

Delta India Electronics Pvt Ltd.

Khosla Profil Pvt. Ltd.

Centennial Fabrics Ltd.

Mathis India Pvt Ltd

Montex Glass Fibre Industries Pvt. Ltd.

Ajanta Universal fabrics Ltd.

Hiltex Technische weefsela

Tex-view Fukui/Fukui Textile Manufacturers Association

Barnet India Pvt Ltd

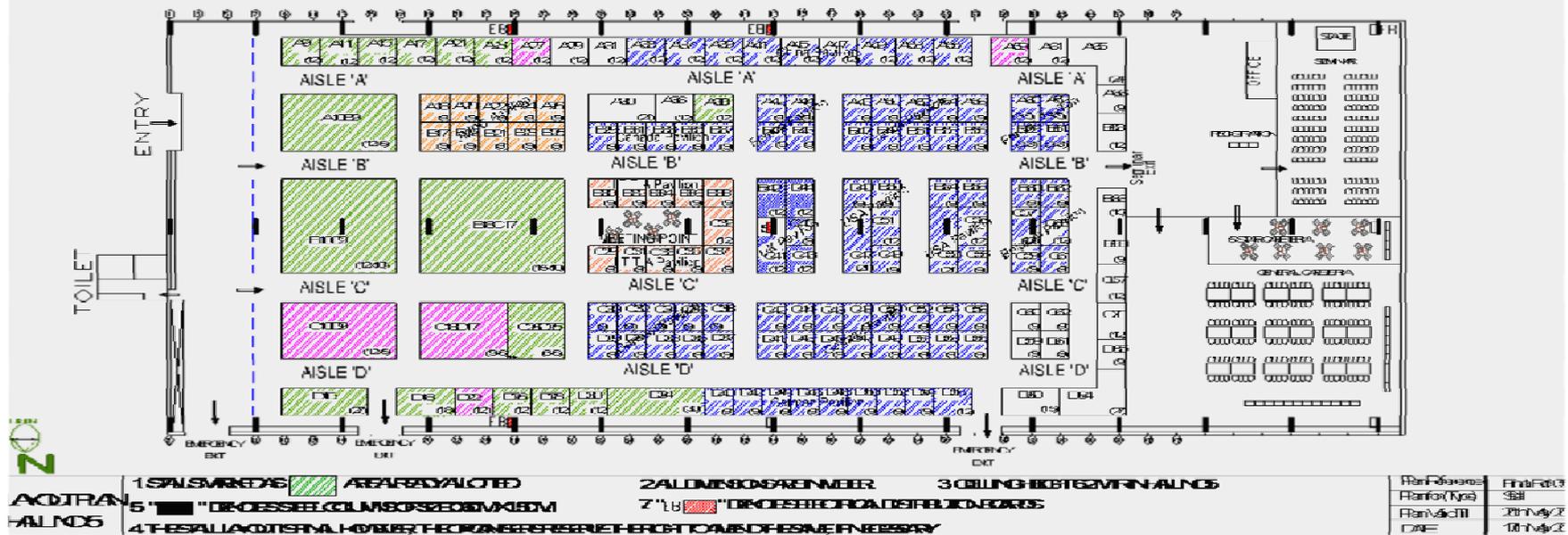
Garware wall ropes

SRF Limited

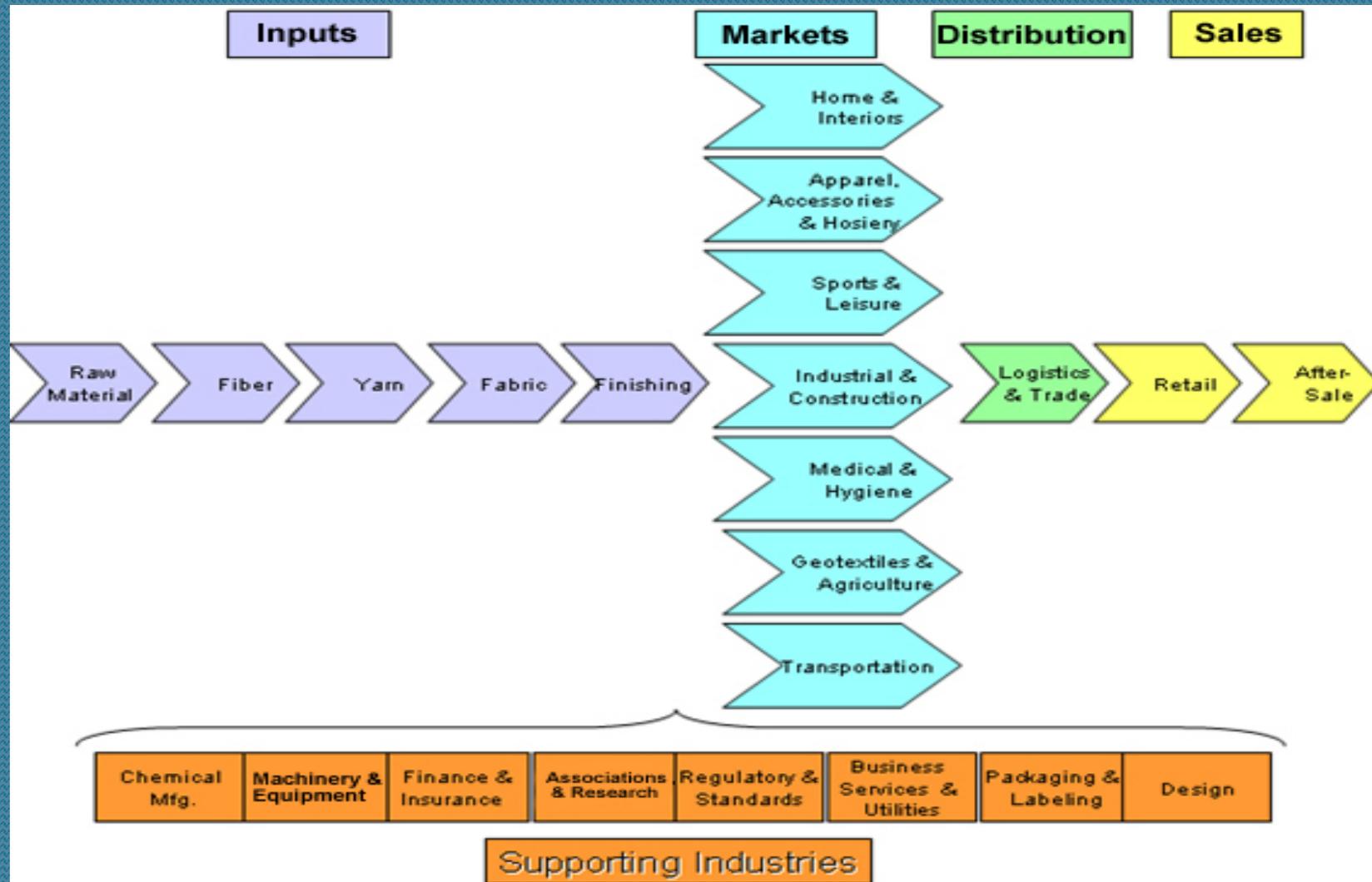
Indian Technical Textile Association

TECHTEXTIL INDIA 2011

10-12 OCTOBER 2011
Entry Exhibition Centre, Mumbai, INDIA



Textile Value Chain



Three Basic Forms of Intellectual Property

Patents

Trademarks

Copyrights

Mike Rogers
Market Access and Compliance (MAC)

Patents and Trademarks

- **Patent**

- A patent for an invention is the grant of a property right to the inventor. Generally, the right conferred by the patent grant is the right to exclude others from making, using, offering for sale, or selling the invention or importing the invention.

- **Trademark**

- A trademark is a word, name, symbol, or device that is used in trade with goods to indicate the source of the goods and to distinguish them from the goods of others. A service mark is the same as a trademark except that it identifies and distinguishes the source of a service rather than a product. The terms “trademark” and “mark” are commonly used to refer to both trademarks and service marks

- ***Trademarks and Domain Names:*** Trademark protection does extend to internet domain names. Domain name disputes involving alleged bad-faith registration are typically resolved using the Uniform Domain Name Resolution Policy (UDRP) process developed by the Internet Corporation for Assigned Names and Numbers (ICANN).

Copyrights

- **Copyright**

- Copyright is a form of protection provided to the authors of “original works of authorship” including literary, dramatic, musical, artistic, and certain other intellectual works, both published and unpublished. The owner of copyright generally has the exclusive right to reproduce the copyrighted work, to prepare derivative works, to distribute copies or phonorecords of the copyrighted work, to perform the copyrighted work publicly, or to display the copyrighted work publicly.
- Note: There are other forms of intellectual property such as trade secrets, geographic indicators, confidential test data produced by pharmaceutical companies for marketing approval. *(Please feel free to contact my office or visit www.StopFakes.gov to learn more about other forms of IP)*

Protecting Intellectual Property in Foreign Markets

- Intellectual property rights are **territorial**. This means that a U.S. patent or trademark offers you no protection abroad. You must apply for patents and trademarks in every market where you are seeking protection.
- ***A Special Note About Copyrights:*** There is no such thing as an “international copyright” that will automatically protect a work throughout the world. Protection against unauthorized use in a particular country depends on the national laws of that country (**territoriality**). However, most countries offer protection to foreign works under certain conditions that have been greatly simplified by international copyright treaties and conventions such as the Berne Convention

IP Protection for Textiles and Apparel Sectors

KALPANA REDDY
U.S. EMBASSY, NEW DELHI

IP Protection in India

- Statutory protection: trademarks, geographical indications, copyrights, patents and industrial designs
- No statutory protection for trade secrets in India yet
 - Must rely upon contracts including non-disclosure agreements

IP Enforcement in India

- Remedies
 - **Civil:** trademarks, GIs, copyrights, patents, designs and trade secrets
 - **Criminal:** trademarks, GIs and copyrights
 - **Administrative:** trademarks, GIs, copyrights, patents and designs

Major Areas of Concern For Industry

Trademarks

- Prevalence of counterfeit goods
- Opinion of the Registrar required for initiating criminal actions
- Existence of confusingly similar trademarks on the Register
- Backlog in Trademark Office especially for cancellation and rectifications matters
- Records of Trademark Office are not fully digitized

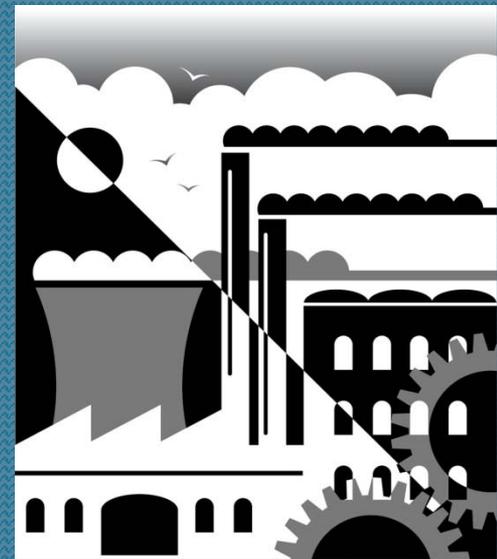
Copyrights

- Copyrights can be recorded with CBEC (Indian Customs) – Enforcement is still problematic
- Proposed copyright amendments-pending with Parliament
- Digitization of Copyright Office records is not complete



Industrial Designs

- No digitization of records
 - Manual search
 - Physical filing & prosecution of applications



Trade Secrets

No statutory protection

- Draft Innovation Act would provide protection for trade secrets
- Present draft of the Innovation Act does not provide criminal penalties for infringement of trade secret

Enforcement

- Backlog of cases in the courts
- Lack of experience for judges
 - No specialized IP benches in courts
- Lack of knowledge about IP laws among prosecutors
- Lack of knowledge, experience and interest among Police
 - Specialized Police cells in Delhi and Mumbai
- Lack of experience among Customs Officers
 - Customs Recordation system implemented



Practical Suggestions



- Register your IP rights immediately in South Asian countries...filing late might be too late!
- Hire local law firms to scout for any misappropriation of your IP locally
- Publish cautionary notices in leading newspapers and magazines
- Initiate legal action as soon as you come across infringement/passing off and prosecute the case till the end

Conclusion

- India is an emerging economy and with globalization use of technical textile is bound to grow. The need however is to educate the consumers about the benefits of these products.
- Steadily decreasing import taxes, 100% foreign direct investment ownership, plus governmental assistance in areas of production and R&D, indeed offer very attractive market conditions for foreign businesses in the technical textile arena in India.
- Given this overview and potential for the Indian technical textile market, Techtex India would be your ideal platform to enter this lucrative and growing Indian market.

One Final Note!



- This presentation gave you a general idea on doing business in India, including basic market research and information regarding the Indian technical textiles sector. We recommend that you read the full India Commercial Country Guide on India, provided by the US Commercial Service, as means to broaden your knowledge on doing business in India and the strategies you need to enter the market successfully.

Questions



References

- CIA World Factbook, Country Profile, “India.”
<https://www.cia.gov/library/publications/the-world-factbook/geos/in.html>
- OTEXA Web. www.otexa.ita.doc.gov
- U.S. Commercial Service, U.S. Department of Commerce, Country Profile on India, “Country Commercial Guide India”
<http://www.buyusa.gov/india/en/ccgindia.html>

Thank You For Your Attention!

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Thank You For Your Attention!

See you in Mumbai!

www.techtextil-india.com

