

**Minutes of District Export Promotion Council meeting**

**Held on 09.01.2025 at Collector Office, Coimbatore**

**Members Attended**

1. The District collector, Coimbatore
2. Assistant Director General of Foreign Trade, Coimbatore
3. General Manager, District Industries Centre, Coimbatore
4. Chief Executive Officer, Tamil Nadu Coir Business Development Corporation (TANCOIR), Coimbatore
5. Lead District Manager, Canara Bank, Coimbatore
6. Assistant Director, Br. MSME - DFO, Coimbatore
7. Additional Director, Apparel Export Promotion Council( AEPC), Tiruppur
8. Representative from COIR BOARD, Pollachi
9. Regional Officer, Man-made and Technical Textile Export Promotion Council (MATEXIL), Coimbatore
10. The Assistant Joint Secretaries, CODDISIA, Coimbatore
11. The Secretary General, Southern Indian Mills Association (SIMA), Coimbatore
12. The President, The Southern India Engineering Manufacturing Association ( SIEMA), Coimbatore
13. The Secretary, The Indian Chamber of Commerce and Industry, Coimbatore
14. The Chapter Head, Federation of Indian Exports Organization (FIEO)

**Members Attended Online**

15. Regional Director, Engineering Export Promotion Council (ELPC), Chennai
16. Representative from Textile Exports promotion Council (TEXPROCIL)

### **General Manager, DIC**

Welcomed the members and explained the purpose of formation of DEPC.

### **Keynote Address – Joint Director (DGFT, CBE)**

After welcoming the members, briefed about the role and support extended by DGFT for the Exporters. Also to ascertain that identifying bottlenecks experienced by the exporters and development at grass root level are essentials for effective Promotion. It was also mentioned that DGFT has tied-up with E-Commerce exports like Amazon Global and need to spread awareness among exporters.

#### **1) Mr. Annamalai, Vice President , The Indian Chamber of commerce and Industry, coimbatore**

Stated that Main Motto should be 'Branding Coimbatore' for expedite the exports and requested for Consolidated Data of regional Brands in Coimbatore. Also, stated that industries should be provided with Credit Support along with Subsidy to aid in exports.

#### **2) Mr. Suresh Kumar, Assistant Joint Secretary, CODDISIA, Coimbatore**

Informed that a representation containing requirements will be submitted shortly. Mr. Srinivasan discussed the importance of Export Eco System to help Entrepreneurs.

**3) Mrs. Hema, Mr. Essakimuthu, Southern India Mills Association, Coimbatore**

Highlighted that 50-60% of Tamil Nadu Business is done in Coimbatore and listed major problems faced as:

Sl. No.	Subject	Issues/Challenges	Impact	Suggested interventions	Related Ministry / Department
1.	<b>Policy Matter:</b> 11% import duty on cotton (other than ELS varieties)	<ul style="list-style-type: none"> <li>• Industry is forced to import cotton at higher price due to 11% duty during cotton scarce off-season (April to October), when compared to competing countries.</li> <li>• Import parity pricing</li> </ul>	Export performance of cotton textile value chain is getting affected; disruptions in supply will have serious impact on the nominated business and regulations might pose challenges to the farmers.	<ul style="list-style-type: none"> <li>• Duty free cotton import from Australia under India-Australia ECTA may be increased from 3 to 6 lakh bales.</li> <li>• All varieties of cotton may be exempted from import duty during April to October (off-season); since over 85% of the cotton harvest reaches the market by the</li> </ul>	Ministry of Commerce and Industry / Ministry of Finance, Government of India

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		strategy adopted by domestic trade resulting in 8 to 10% higher domestic raw material price.		end March, exemption during off-season may not cause any adversity to the farmers.	
2.	<b>Policy Matter:</b> Quality Control Orders (QCOs) on Textile Raw Materials	<ul style="list-style-type: none"> <li>• Short supply of PTA to the tune of around 2.14 lakh tonnes.</li> <li>• Short supply of indigenous VSF and restrictions in import of the same due to QCO</li> <li>• Availability of MMF</li> </ul>	<ul style="list-style-type: none"> <li>• High cost of MMF manufacturing.</li> <li>• 25 to 30% of the existing capacity being kept idle.</li> <li>• Industry is forced to source from limited suppliers (BIS did not process</li> </ul>	<ul style="list-style-type: none"> <li>• Remove all MMF QCOs on basic raw materials on PTA, MEG, PSF, VSF and other Filament Yarns.</li> <li>• Address the key issues of Indian MMF producers.</li> <li>• Enable the smooth supply of all MMF raw materials by taking necessary</li> </ul>	Ministry of Textiles / Ministry of Chemicals & Fertilizers / Ministry of Consumer Affairs, Food and Public Distribution, Government of India

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		<p>and their raw materials at internationally competitive price.</p> <ul style="list-style-type: none"> <li>• MMF production needs to be increased from 4.2 bn kg to 12.5 bn kg to achieve Vision 2030.</li> <li>• ASEAN and bilateral agreement with Bangladesh affecting Indian manufacturers.</li> <li>• Basic raw</li> </ul>	<p>all the <b>Applications of overseas suppliers) and restrict their production to the extent of raw material availability ; opportunity loss resulting inforex loss.</b></p> <ul style="list-style-type: none"> <li>• Affects nominated business opportunities created over a period of time; makes</li> </ul>	<p>policy decisions viz., extending financial support to new capacity and expansion project.</p> <ul style="list-style-type: none"> <li>• Make all raw materials including MEG, PTA, Wood Pulp, fibers and yarns available on par with international price.</li> <li>• <b>Process Applications of all overseas suppliers and ensure the smooth flow of raw material at internationall</b></li> </ul>	

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		<p>materials of MMF (MEG, PTA, Wood Pulp, etc.,) attract import duty and certain products subject to anti-dumping duty.</p> <ul style="list-style-type: none"> <li>• Applications of overseas raw material suppliers are yet to be processed.</li> </ul>	<p>India the manufacturer of only traditional textiles; makes the industry to miss the emerging opportunities in technical textile segment.</p> <ul style="list-style-type: none"> <li>• Intermediate inputs like yarn and fabric are being imported at cheaper rate; affects Indian manufacturers of similar products.</li> </ul>	<p>y competitive cost.</p>	
3.	Utilize the	Tuticorin port has a	<ul style="list-style-type: none"> <li>• Exporters are unable</li> </ul>	To negotiate with Tuticorin	Ministry of

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	return leg of import containers to transport export goods	unique restriction of prohibiting the use of empty containers used for transporting import goods for transporting export goods from factory to port during the return journey.	to utilize the same container for both import and export shipments, resulting in higher transportation costs (30 to 35%). • Additional expenses are incurred for separate transportation arrangements.	port authorities to understand and reconsider this restriction, allowing exporters to utilize empty containers for export return goods and reduce transportation costs.	Commerce/Ministry of Finance / Ministry of Ports, Shipping and Waterways, Government of India
4.	Delay in processing self-sealing (e-seal) renewal Applications of exporters	Renewal Applications filed by the exporters since October 2024 at Chennai Sea	• E-seals play a crucial role in ensuring compliance with customs regulations and	The Chennai Sea Port Authorities may be advised to expedite the renewal process for pending applications after due	Ministry of Ports, Shipping and Waterways, Government of India

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		Port are kept pending without any reason causing operational disruptions to their export activities.	exporters are committed to adhering to all regulatory requirements. However, the current delay, extending beyond 120 days, is impacting their business operations significantly. • This problem is not faced in any other Ports.	diligence.	
5.	Dedicated cargo terminal in Coimbat	While other key Districts like Madurai and Trichy are	This results in extended time for both inbound and outbound	Provide a dedicated commercial terminal for cargo clearance	Ministry of Civil Aviation

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	ore Internati onal Airport	having dedicated cargo terminal, the highly industrialise d Coimbatore District is lagging in this aspect.	movement of cargo.	in Coimbatore International Airport to help the exporters and importers in Coimbatore, Tiruppur, and Erode to shape Coimbatore as an export hub.	
6.	Delay in clearance of imported fibre sample testing	Mandatory testing of imported fibre at the port of import takes approximate ly 15 days	Additional cost incurred including domestic container rental fees, shifting charges and storage cost.	Authorized Economic Operator (AEO) license holders to be permitted to release the goods subject to conditions awaiting test results, thus saving time and cost.	Ministry of Commerc e/Ministry of Finance

#### 4) Assistant Director, Br. MSME - DFO

Mentioned that they have already established Export Facilitation Cell which will be imparting training and awareness to the needy entrepreneurs.

**5) Mr. Mithun Ramadas, The President, SIEMA, Coimbatore**

Highlighted that 50% of Pumps are manufactured in Coimbatore. There is a huge potential for pumps and motors in export sector but number of exports are comparatively low. This is due to the lack of R&D to develop the pumps and motors suitable for the foreign conditions. Also mentioned about materials like Copper, Cast iron should be made available for our requirement and requested to classify Pumps and Motors manufacturing under Thrust Sector category in the MSME Policy 2021 to reach the Capital Subsidy to MSMEs irrespective of area restriction. The space in the Departure Terminal need to be widened due to heavy traffic at airport which plays the major Role in Global Buyer's reception.

**6) Mr. C. Eswarasundar, Additional Director, AEPC, Tiruppur**

Mentioned as per monthly data, November 2024 has 6000 members in total and 40 - 50 exporters in Coimbatore recording USD 1124.4 Million. Further, Exclusion from IT Act section 43B and custom duty, continuation of Industry Equalization scheme, restore TUFF scheme, Support Green Transformation scheme, Concession of Tax rate for new manufactures are requested

**7) Mr. Swaminathan, Chapter Head, FIEO, Coimbatore**

Stated that Coimbatore industries are exporting Multiple products to various customers. There is a huge scope in export

through E Commerce. Also, requested Fund assistance for conducting awareness program, seminars and Training for the entrepreneur.

8) **Mr. Jhon Anand Raja, Regional Officer, MATEXIL, Coimbatore**

Briefed about the support and guidance extended through MATEXIL to entrepreneur to identify Export opportunities. MATEXIL is also rendering support to obtain export licenses.

9) **Mr. K. S. Suresh, Representative from Coir Board**

Informed that there are more number of Coir Exports in Coimbatore and handed over the session to TANCOIR.

10) **Mr.R. Kannan, CEO, TANCOIR, Coimbatore**

Highlighted that there are 201 exporters based in Coimbatore accounting to INR 2383 corers out of 36000 Crore exports from India. Out of which nearly 30% of the Exports are from top 5 units. Also stated that, there are 2600 greenhouse cultivation in Netherlands where 60% soil less media requirement met by coco peat which is under the way of banning. It is also noticeable that Wooden fiber is an alternative competitor with 500% growth expected when compare to pith its only 300% growth. The major problem faced as stated is Price Volatility of raw material coir fiber ranging from

₹34/kg to ₹8/kg which is influenced by China as a major importer. Only 1/3<sup>rd</sup> of coir is utilized as coir-fibre and the remaining 2/3<sup>rd</sup> has the potential for value addition. While converting the Coir fiber to value added product, the cause of concern is the difficulty in achieving uniform Thickness as only one Needle felt supplier is available. Added to that, TANCOIR has already taken steps for Promoting Value Addition. Added to that, TANCOIR released Coir Policy 2024, in the process of Identifying land for establishing Coir Testing Centre Lab at an estimate of ₹3 crore, Product Display Showroom at TANCOIR for about ₹1.5 crore, Promotion of export by establishing Export Facilitation Centre at cost of ₹1.5 crore, setting up Center of Excellence (Plant based growing media), dedicated section for coir in RAMP scheme for ₹14 crore was requested.

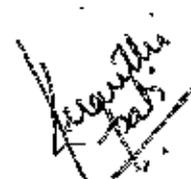
11) **Mr. Vinod Kumar, Senior Assistant Director, EEPC, Chennai**

Mentioned that there are around 500 companies registered as members with EEPC India and most of them are exporting Pumps and various Engineering products. And highlighted Pumps as the major Export Potential Engineering Product in Coimbatore. Additionally, Organizing awareness program such as Doing Business with various Countries, Ease of Doing Business among Exporters, awareness about Government Schemes for Exports and Imports, Importance of Participation in Overseas exhibition and other events,

guidance to get overseas buyers to export their products are extended by EEPC to MSMEs. EEPC requested to share the information of 3060 units related to Engineering product Manufacturers in Coimbatore where they will reach with Benefits of Exports.

### **Chairman - The District Collector**

The Chairman emphasized to resolve the problem encountered in the manufacturing of Pumps and motors by strengthening the R&D facilities to enable to reach for global standards. Also, Stated that the Technical Problem noticed in the coir needle felt machine need to be addressed. These Problem statements shall be shared to the IIT and other Prominent Engineering Colleges to invent new method of manufacturing. The Chairman further insisted to collate consolidated Export impact analysis for Fund Analysis and Outlook Export Trends of 2023- 2024 and 2024 – 2025. The Chairman also instructed to list out the challenges and hurdles faced during export from their member association, and add new members on requirement basis to the DEAP.



The Chairman/ District Collector,  
Coimbatore

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