1. Govt. doles out higher incentives for garments, made-up exports

The government doubled the incentive for exporters of garments and made-ups under the Merchandise Export from India Scheme (MEIS) to support declining textile exports. Under the programme, exporters are given duty exemption scrips that are pegged at a certain percentage of total value of their exports. These scrips can be used to pay duties on inputs including customs. Incentive rates for the two sectors have been enhanced to 4% of value of exports from 2% with effect from November 1 to June 30, 2018. "The estimated annual incentives will be Rs 1,143.15 crore for 2017-18 and 685.89 crore for 2018-19," the Commerce Ministry said in a statement. "This measure will incentivise the exports of labour intensive sectors of readymade garments and made ups and contribute to employ." The measure comes amid a sharp fall in the export of labour intensive sectors such as textiles, leather, gems and jewellery, handicrafts, readymade garments and carpets among others. India's exports declined 1.12% in October to $23 billion with most traditional exporting sectors contributing to the fall. Garment exports from India fell 39.2% in October to $829.4 million following the rollout of the goods and services tax (GST) on July 1. The made-ups sector, which includes products such as towels and bedsheets, is the second-largest employer in the textile sector after apparel. The cabinet last year approved a set of reforms including simplified labour laws and technology upgradation for the sector besides an Rs 6,000 crore package for employment generation and promotion of textile exports. Federation of Indian Export Organisations, President, Ganesh Kumar Gupta asked Commerce Minister, Suresh Prabhu, to extend the MEIS benefits to other export sectors as well. The textile industry said the move would only offer interim relief. "We need and expect much more relief because after GST, our incentives have declined," said Sanjay Jain, Chairman, Confederation of Indian Textile Industry (CITI). In the pre-GST regime, cotton garments enjoyed a 12% incentive on duty drawback and rebate on certain state levies known as Remission of State Levies (ROSL). But this has been slashed to 2% on duty drawback and 0.39% on ROSL. Apart from GST, Indian textile exports have lost out to other developing and least developed countries like Bangladesh and Pakistan which enjoy special duty benefits on shipments to the European Union.

(Source: The Economic Times)

2. Govt. will place order only if powerlooms are upgraded

The State government would place orders for producing fabric for school uniforms under the Rajiv Vidya Mission and the Bathukamma sarees and other materials only if the powerloom weavers upgrade their looms to produce value-added fabric, Minister for IT, Municipal Administration and Textiles K. Taraka Rama Rao said. Addressing weavers after inaugurating a two-day mela on “in situ upgradation of plain powerlooms” at the textile town, he said: “The government is committed to upgrade the existing plain powerlooms with modern gadgets at a cost of Rs. 30 crore to help them produce quality fabric and increase the production. The bonus is on the weaver to upgrade them as it is being offered at no cost to the weaver. ”Further, the government would provide training to the powerloom weavers on the new machinery. Mr. Rama Rao said that the state government had decided to pay premium of Rs. 80 per annum for group insurance scheme of weavers so that the weavers families would get Rs. 4 lakh for accident death, Rs. 2 lakh for natural death, Rs. 2 lakh for permanent disability and Rs. 1 lakh for partial disability. He also called upon the weavers to get enrolled in the ‘Nethannaku Cheyutha’ thrift group by contributing a minium amount of Rs. 8 per month and an equal amount would be contributed by the government to provide social security to weavers. Telangana State Cooperative Apex Bank (TSCAB)

chairman K. Ravinder Rao, Handlooms and Textiles Commissioner Shailaja Ramaiyer, Collector Krishna Bhaskar and others were present.
(Source: The Hindu)

3. Saurashtra ginners threaten to stop buying cotton over RCM

Ginning associations across Saurashtra have threatened to stop buying cotton from agents to oppose reverse charge mechanism (RCM) under the Goods and Service Tax (GST). During the last meeting of GST Council, it was decided to levy five per cent RCM on ginning industry. All cotton farmer have an agent who is associated with a ginning mill. The agent finalises the deals between farmers and ginning mill. But with levy of 5% RCM, the ginners will have to pay the charge on cotton procured from agents and then claim refund from the government. There are more than 700 ginning units in Saurashtra which have decided to stop buying cotton. They say that they can't afford to invest working capital to pay five percent RCM. They are demanding a practical solution of the issue. President of Saurashtra Ginners' Association Bharatsinh Vala said, "We get GST set off for domestic sales. But exporters don't want to pay five per cent RCM to use because they have to claim refund which is a very tedious job and refund is not paid on time. We also have to claim refund that too is a tedious process. "Before GST regime there was no VAT levied on ginners. This year Gujarat's cotton production is 1 crore bales (one bale equals 170 kg), out of which 50 per cent is likely to be exported.
(Source: The Times of India)

4. Srilanka to set up 150 mini apparel units

A mini apparel factory was opened recently at Sri Lanka’s Menik Farm village, a refugee camp earlier, as part of a new $1.8-million national apparel initiative at village levels that aims at setting up 150 such factories across the country in support of the government’s employment initiative. The project aims to engage 3,000 women in apparels and handlooms.The Sri Lanka Institute of Textile & Apparel (SLITA) is handling the 150 Mini Apparel Factories Program under the ministry of industry and commerce, according to a report in a Sri Lankan daily. Each factory will be provided with a range of high end apparel machineries, such as single needle machines, cutting tables and button-hole machines.
(Source: Fibre2Fashion.com)

5. Global waterproof breathable textile market likely to grow

Global waterproof breathable textile market is expected to grow at CAGR of 6.30% during the period 2017-2021. Waterproof breathable textiles which are used in garments to prevent the absorption of water and provide protection from adverse weather conditions. They allow gases and vapours to escape from the garments and prevent water from penetrating into the material, according to Technavio's report, Global Waterproof Breathable Textile Market 2017-2021. The textiles are made up of wax, vegetable oil, animal fat, and polyvinyl chloride (PVC). There are different types of breathable fabrics based on biomimetics, smart breathable fabrics, hydrophilic membranes coating, microporous membranes coating, and a combination of microporous and hydrophilic membranes coating. The market is divided into the following segments based on geography: Americas, APAC, and EMEA. The report answers some key questions, including estimating the market size and the growth rate, main market trends, growth drivers, challenges, and identifying the key vendors in this market space. One of the main market trends identified by the report is technological advances for greater comfort, whilst the biggest challenge to market growth has been toxins in waterproof and breathable textiles. The report covers the present scenario and the growth prospects of the global waterproof breathable textile market for 2017-2021. The report presents a detailed picture of the market by way of study, synthesis, and summation of data from multiple sources. The report has been prepared based on an in-depth market analysis with inputs from industry experts. The report covers the market landscape and its growth prospects over the coming years. The report also includes a discussion of the key vendors operating in this market. These include:

Dow Corning, Helly Hansen, Marmot Mountain, Patagonia, and W.L.Gore & Associates, as well as Columbia Sportswear, eVent Fabrics, Heartland Textile, Jack Wolfskin Retail, Lowe Alpine, Toray Industries, Mitsui, Nike, P2i, and Polartec.
(Source: Yarn and Fibres.com)

6. Better connectivity: New international air cargo complex at Vizag airport

Union Civil Aviation Minister, P Ashok Gajapati Raju inaugurated the new international air cargo complex at the airport. He said it was a small beginning and “Vizag should go on to compete with Mumbai and Chennai in handling air cargo in view of the vast potential of the area.” The State government has given land for extension of runways at Vijayawada and Rajahmundry to facilitate the landing of bigger aircraft, Raju said. The facilities at the Vizag airport will be improved and the new airport at Bhogapuram in Vizianagaram district will also cater to the needs of the city, he added. “Civil aviation has a force multiplier effect on the growth of the economy and the sector will witness great changes,” the Minister said. The new air cargo facility has 674.64 sq metres of space, including 120.06 sq metres open space containing all essential facilities. “Although the present focus is on pharma, marine and valuable cargo, we expect many more product groups to use the complex. Soon, we will also start bonded trucking movement from this complex which will enable exporters and importers to use gateway airports like Hyderabad and Chennai for their international connectivity,” said Samir Mankad, CEO and Executive Director of GSEC, which has been given the operation and maintenance of the cargo complex. G Prakash Reddy, director of the airport, said the complex had all the facilities, though there was a little bit of delay in setting it up. M Sadhu Sundar, Vice-Chairman and Managing Director of AP Trade Promotion Corporation, said the local trade and exporters should make full use of the facilities. Rakesh Shah, Chairman and Managing Director of GSEC, said that his company would leverage its experience and expertise in the field “to replicate our success in air cargo handling at other airports here also. We are sure of success with the help of the local industry and trade.”
(Source: Business Line)