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1. Yarn, fabrics, made-up articles imports rise 20% in December

Imports of yarn, fabrics and made-up articles during December last year rose 20% compared with December 2016, according to data released by the Ministry of Commerce and Industry. Sanjay Jain, chairman, Confederation of Indian Textile Industry, said this was a matter of concern as export data of Bangladesh showed India imported garments worth $111.3 million during July-December 2017 from Bangladesh, which was 66 % higher as against the same period of the previous year. Imports of knitted apparel from Bangladesh were worth $20.6 million in July-December 2016 and rose to $36.5 million between July-December last year. Meanwhile, though total export of textile and apparel rose 2% between April and December 2017 over the first nine months of 2016-2017, apparel exports dropped 0.3 % during the same period and 8% in December alone. A leading garment exporter here said one of the reasons for the decline in exports is revision of duty drawback rates. “Once an international buyer enters into a contract with an Indian supplier, the rates are fixed and might only go down in the future. “But, cotton prices and yarn prices are going up in the domestic market. And, the government has reduced the duty drawback rates. After GST, we do not know yet what refund we will get on duties paid on exports,” the exporter said. Mr. Jain said there was a need to impose safeguards such as Rules of Origin, Yarn Forward and Fabric Forward rules on nations like Bangladesh and Sri Lanka that had free trade agreements with India and China. “Garment manufacturers in India have to pay duty on imported fabrics, while Bangladesh can import fabric from China duty-free, convert it into garments, and sell to India duty-free,” he said in a statement

(Source: The Hindu)

2. India can become one-stop sourcing destination for ASEAN-Smriti Irani

India has potential to become the one-stop sourcing destination for brands and retailers from ASEAN as opportunities exist for textile manufacturers from the 10-nation bloc to invest here and cater to the domestic market as well as exports, Textiles Minister Smriti Irani said. Addressing a conference in New Delhi, the minister said India has strengths in production and exports of almost all kinds of textiles and apparel including all handloom and handicraft products that demonstrate the unique skills of the country’s weavers and artisans. “In the year 2016, India exported textiles and apparel worth USD 1,203 million to ASEAN and imported textiles and apparel worth USD 546 million from ASEAN,” Irani said, adding that this is just a monetary testimonial to how we can go forward. “With ability to produce a diverse range of products, India has the potential to become the one-stop sourcing destination for brands and retailers of ASEAN nations,” the minister highlighted. She said there exists an opportunity for India to attract textile manufacturers of ASEAN nations to invest in manufacturing in India to cater to both domestic market within the country and the export markets across the world. “I am hopeful that this is just one of the many areas where we can participate and leverage our strengths,” Irani observed. Addressing a seminar on India-ASEAN Weaving Textiles Relations’, Irani said she is hopeful that the programme is the beginning of a new era in the textiles sector. “A new friendship (referring to India-ASEAN relations) that we can forge to ensure that we give better manufacturing opportunities, better wage opportunities and also help strengthen our legacies in the handloom and handicraft sectors,” said the minister. ASEAN (the Association of Southeast Asian Nations) is a multilateral body whose member countries include Thailand, Indonesia, Singapore, Brunei, Laos, Myanmar, Cambodia, Malaysia, the Philippines and Vietnam. Earlier during his address, Textiles Secretary Anant Kumar Singh pointed out that India was strong and competitive across the entire value chain starting from raw materials to finished products. “With a strong multi-fibre base and an abundant supply of raw materials like cotton, wool, silk, jute and man-made fibres, India enjoyed a distinct advantage of backward integration which

many countries do not possess," Singh said. However, the textiles secretary observed that despite the operation of the free trade agreement in goods with the ASEAN, India's exports of textiles and apparels to ASEAN have virtually been constant in the last few years and have not shown much traction. "Though India has the unique advantage of having the presence of the entire textile value chain, its most exported items to ASEAN consisting of cotton fibre, cotton yarn and fabrics have not grown to the desired extent. This makes it evident that we have not been able to explore and leverage the strengths of our textiles industry to the fullest," he noted. He stressed upon the need for a robust framework for export of textiles and apparels between the two sides to give a fillip to trade. Singh said ASEAN countries have a unique position in the regional value chains and offer a gateway for market access to China, North East Asia and the EU for India through their various trade agreements.
(The Indian Express)

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3. Textile imports increase 19.7% on surge in Bangladesh shipments

Even as textile exports continue to advance at a slow pace, imports have increased on the back of a sharp surge in shipments from Bangladesh. Textile imports grew 19.7% year-on-year to around $1.4 billion between April and December 2017 while exports went up by a measly 2% y-o-y to $26.1 billion for the timeframe. India's imports of garments from Bangladesh increased 66% y-o-y to $111.3 million during July-December 2017, according to the latest statistics released by Export Promotion Bureau of Bangladesh. While knitted apparel imports from Bangladesh soared 77% y-o-y to $36.5 million between July and December 2017, woven apparel imports grew 62% y-o-y to $74.8 million. "It (imports) is negatively affecting the domestic yarn, fabric and garment manufacturers," said Sanjay K Jain, chairman, Confederation of Indian Textile Industry (CITI). "There is a greater need to impose safeguard measures such as rules of origin, yarn forward and fabric forward rules on countries like Bangladesh and Sri Lanka that have FTAs (free trade agreements) with India to prevent cheaper fabrics produced from countries like China routed through these countries," he said. Garment manufacturers in India have to pay duty on imported fabrics, while Bangladesh can import fabric from China duty free and convert them into garments and sell to India duty free. This has put the garment industry in a spot. "India can increase its exports of cotton yarn and fabrics provided the sector is restored with export incentives," the CITI chairman stated. "India's share of cotton yarn in world trade is 26% and it is declining steeply as the incentives given to the cotton yarn sector were withdrawn in 2014 and MEIS (Merchandise Exports from India Scheme) which was extended to the entire value chain was not extended to cotton yarn," he said. "Moreover, there are various state levies up to the tune of 8% on cotton yarn which are not refunded at any stage," Jain pointed out. "Similarly, fabric sector is not getting refund of state levies of around 6%. By including cotton yarn under MEIS and providing ROSL (refund of state levies) for fabrics, Indian can retain its competitiveness in the global market," he said.
(Source: The Times of India)

4. Textile traders demand extension of deadline in e-way bill implementation

The textile traders' community in the country's largest man-made fabric (MMF) hub has been facing lot of difficulties on the GST portal due to technical glitches and sought extension of deadline in the online e-way bill generation. An e-way bill is required for movement of goods worth more than Rs 50,000. Though the central government has launched the e-way bill generation on trial basis for the inter-state movement of goods above Rs 50,000 starting from January 16, the traders have demanded that implementation of e-way bill must be done only after ensuring the system works properly. The traders have demanded that implementation of e-way bill should be deferred till March 31 or else it will hit the inter-state movement of goods from February 1 onwards. For a seamless movement of goods across states, the GST Council, earlier this month, decided to go for early implementation of the e-way bill for inter-state movement of items from February 1 and uniform mandatory compliance from June 1 next year. The leader of the Federation of Surat Textile Traders' Association (FOSTTA) Devkishan Menghani said that the finance ministry has stated that the trader and transporters can start using this system on a voluntary basis from January 16 this year. But, a majority of traders are unable to upload their details or rather the system crashes in the middle of filing of details. On the other hand, the transporters are insisting on the e-way bill details, without which the goods are not loaded for transportation. At this point of time, the government should first rectify the technical problems on the GST portal and then implement the e-way bill compliance. Till then, the government must extend the implementation of e-way bill. FOSTTA president Manoj Agarwal said that time and again they have raised their genuine concerns under GST, but the government is not ready to hear. They are ready to follow the rules, but the GST portal itself is not working. A large number of textile traders had gathered at Abhishek Market on Ring Road to address their problems to Navsari MP C R Paatil. The traders raised the issues related to filing of the returns, ITC-04 and other technical problems on the GST portal.

(Source: Yarn&Fibres.com)

5. TIDITSSIA to set up a mini textile park at Manapparai soon

The Tiruchirapalli District Tiny and Small Scale Industries Association (TIDITSSIA) who had pitched for the mini textile park, a hub for minor readymade manufacturing units has been shown a few locations in Manapparai area for establishment of a mini textile park (MTP) with substantial government subsidy. Shri. N. Kanagasabapathy, TIDITSSIA president, said that the location of the MTP with common facility centres for design ideation, training, and sales in Manapparai area will be ideal for the development of the readymade garments business in Puthanatham town. The MTP scheme envisaging establishment of at least 10 production units on a minimum area of 10 acres has to be developed through formation of a Special Purpose Vehicle.The government, through the Handlooms and Textiles department, will make available subsidy to the extent of 50% with a maximum ceiling of 2.5 crore under the project.The Revenue authorities have identified a little over 24 acres within the jurisdiction of the proposed area identified for establishment of the SIPCOT Industrial Park, Mr. Kanagasabapathy said. The industry sources said that such a facility would be ideal for promoting export. Most of the more than 50 readymade garment manufacturers in Puthanatham, located about 17 km away from the Manapparai town, have specialised in making churidars and children's apparel of export quality by virtue of frequent study visits to Mumbai. Establishment of the MTP will be a motivating factor for scaling up production through cluster approach. Moreover, as Manaparai has both road and rail connectivity, by setting up a mini textile park would not only give a potential platform for small powerloom manufacturers to promote their products in both domestic and international markets but also help in generating employment.

(Source: Yarn&Fibres.com)