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NEWS CLIPPINGS

INTERNATIONAL NEWS

Chinese industrial textiles shine in 2013

Despite the Chinese textile industry showing slow growth rate due to weak recovery in major economies abroad, the industrial textiles segment turned out to be the fastest growing in 2013, mainly because of the policy support for the use of industrial textiles in national infrastructure building, environmental management, health care and other sectors.

The Textiles Industry data from the National Bureau of Statistics shows that from January to August 2013, the growth rate of industrial textiles was 13.7 percent, about 4.5 percent higher than the growth rate of the entire textile industry.

However, the profit margin of industrial textiles segment was only marginally higher at 4.7 percent than the textile industry average of 4.6 percent.

From January to August 2013, the total exports of all types of industrial textiles were valued at US$ 12.86 billion, up 5.1 percent year-on-year.

During the eight-month period, the industry invested 26.92 billion yuan in fixed assets, up 18.55 percent year-on-year, which includes investment for 447 new projects, an increase of 14.91 percent year-on-year.

At present, China's industrial textiles industry is in good shape, but because the industry started late there is still a gap compared with the developed countries.

The 12th Five Year Plan clearly lays stress on strengthening the technical textiles industry research, and improving technological progress and innovation.

Enterprises need to increase innovation and constantly overcome technical bottlenecks for improving product quality and production efficiency in order to ensure future growth of the industrial textiles industry.

In future, industrial textiles sector in China is likely to show healthy, green and rapid development

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Source: fibre2fashion - 04 Jan 2014

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Turkey: Gaziantep to host textile machinery expo from Oct 16

The southeastern Turkish city of Gaziantep is all geared up for hosting the Middle East Textile Machinery Expo (OTM 2014) fair, which is scheduled to be held from October 16 to 19.

Organized by the Tuyap Exhibition Group and Technical Fairs Ltd., along with the support of the Gaziantep Chamber of Commerce (GTO), the OTM fair will bring together the most important technology manufacturers from the textile sector of Turkey and the world under the same roof.

The four-day fair is considered to be one of the most important events for textile and garment machinery manufacturers, as the exhibition provides an opportunity to increase trade and investments, as well as establish contacts with international textile machinery manufacturers.

According to the organizers, manufacturers of yarn, fabric, knitting and finishing technologies from Turkey would be displaying various products during the four-day exhibition.

Exhibitors at the fair would display products such as cotton and fibre preparation machines, yarn preparation machines, yarn winding machines, non-woven technologies, weaving preparation technologies, knitting machines, garment manufacturing machines, digital printing machines, carpet and tufting machines and more.

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Source: fibre2fashion - 04 Jan 2014

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12.67mn bales of cotton arrive at Pak ginneries by Jan 1

About 12.67 million bales of cotton reached ginneries in Pakistan by January 1, 2014, according to the fortnightly report on cotton arrivals, prepared by the Pakistan Cotton Ginners' Association (PCGA), in joint cooperation with All Pakistan Textile Mills Association (APTMA) and the Karachi Cotton Association (KCA).

According to the PCGA report, cotton arrivals grew by 7.75 percent year-on-year to 8.999 million bales in Punjab province, and by 13.49 percent year-on-year to 3.671 million bales in Sindh province.

Of the total arrival, 12.465 million bales were pressed by ginners, of which 10.947 million bales were sold, leaving an unsold stock of 1.517 million bales with the ginners, as on January 1, the PCGA said.

The textile mills in Pakistan consumed 10.618 million bales, while another 329,090 bales of cotton were sold to exporters, the data showed.

At present, a total of 663 ginning factories are operational in Punjab compared to 724 ginneries that were operational during the same time last season.

Similarly, 135 ginning units are currently operational in the Sindh region, as against 158 units being operational during the corresponding period last year.

In 2012-13 cotton season, Pakistan's cotton output fell by 12.81 percent year-on-year to 12.915 million bales, compared to the previous season's production of 14.813 million bales, mainly because of less sowing of the crop.

The cotton arrival has already surpassed the 12.336 million bales estimated for the current crop season by the Cotton Crop Assessment Committee (CCAC), based on the information provided by the Cotton Commissioner and representatives of provincial governments.

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Source: fibre2fashion - 04 Jan 2014

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Thai exhibition on Burmese, Lanna & Laos textiles

On Sunday 26 January 2014, 11 am until 8 pm, an exhibition of Burma, Lanna and Laos Textiles at River City Grand Hall will be held by Steve & Jenny Spancake and Chum Lampion for the 1st Anniversary Memorial for Peter Ahrens' of Lampion.

This exhibition of Burmese, Lanna and Laos Textiles is in honor of Hans Peter Ahrens' of Lampion Curios & Antiques, who passed away on January 25, 2013 in Bangkok Thailand.

Hans Peter Ahrens' was born on July 7, 1940 in Germany. Khun Peter first came to Thailand as a tourist and then returned here as a teacher for a project of the Thai Department of Technical and Economic Cooperation and the Deutsche Gesellschaft für Technische Zusammenarbei.

Upon completing his teaching obligations at Chiang Mai University, he married Pornpimol Suwannapong and opened an antique shop, Lampion Curios & Antiques. Peter was both a fountain of knowledge and a friend to all who shared his passion.

The traditional textiles of the region became one of his favorite art forms after he was dazzled by his first encounter with an antique Burmese piece that was woven from silk and satin and embroidered with gold and silver threads. The textiles exhibited in this 1st Anniversary Memorial are a tribute to his knowledge, passion and love of Southeast Asia and his friendshi p with all who shared his joy.

Today, the shop name Lampion has been slightly changed to "Chum_Lampion" (Punvasa Kunlabutr) signifying that the torch of passion and knowledge for Southeast Asian art continues.

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Source: fibre2fashion - 04 Jan 2014

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Cotton and Polyester Price Comparison: China, India and Pakistan

Cotton prices surged in India and Pakistan in 2013 while remaining at a very high level in China. Polyester prices followed different trends, by contrast. Our monthly report delivers a comparative view of the average cotton and polyester prices in last 12 months in China, India and Pakistan, including the cotton/polyester price ratio. Historical data back to September 2007 are available for download.

Cotton stayed at relatively high levels in the last full year in the three leading textiles producing countries in Asia.

At the same time, polyester prices further fell in China but remained very firm in India and Pakistan.

While remaining flat at artificially high levels in China, cotton prices surged 16% in India and 11% in Pakistan, in local currency terms.

This is mostly due to a sharp increase in China's demand of Indian and Pakistani yarns.

China's shifting demand

China's cotton policy last year resulted in a decline in demand for domestic yarns while imports were surging.

Cotton prices eventually rose in India and Pakistan, being supported by stronger yarn exports to China.

Although the same reasons may result in similar consequences in the first half of 2014, the announced end of China's cotton policy could depress cotton prices at home and limit demand for foreign yarns, as a consequence.

Cotton prices would therefore decline in the three countries in the last quarter of 2014.

Lower polyester prices in China

In the meantime, polyester prices could further slide in China, in line with a fall in demand from yarn producers in the country.

Overcapacity has already depressed polyester prices in 2013, while a decline of raw material costs has allowed to similarly reduce polyester prices rather than limiting production.

In Pakistan by contrast, local rules and policies did not result in lower polyester prices. Although Pakistan massively buys polyester fibers from China, prices did not decline, partly due to a fall of the rupee.

In India, polyester intermediate prices were kept at relatively high levels in 2013, as investment plans were postponed, limiting the availability of PTA and MEG on the domestic market.

China retains its price competitiveness on the polyester textile and clothing markets, as a result, by contrast with a relative decline in the cotton chain.

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Source: Emerging Textiles - 03 Jan 2014

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NATIONAL NEWS

Texprocil welcomes amendment in procedure for issue of RCs for cotton yarn and raw cotton

The DGFT has issued Notification No.63 dated 3rd January 2014 dispensing with the requirements of submission of hard copies of the documents even when applications for issuance of Registration Certificate for items like cotton and cotton yarn were being accepted on line.

Mr. Manikam Ramaswami, Chairman, Texprocil has welcomed the move of the DGFT to simplify the procedures in the case of commodities like cotton and cotton yarn which are under a registration process. He stated that most of the procedures have been simplified by the DGFT's office and this was the only pending requirement which will give a huge relief to the exporters by saving their time, money and energy and enable them to concentrate on market development programmes.

With the online registration of cotton and cotton yarn being operationalized fully the data can also now be published on a regular basis for both cotton and cotton yarn registration so that the exporters can be informed about the extent of the export of these commodities and take proper steps to implement their strategies. With the online system fully in operation, it should be easy for the Commerce Ministry to publish such data.

Mr. Ramaswami pointed out that these procedural simplification will go a long way in reducing the transaction costs of exporters and with the necessary policy support the target set for the textile sector for the fiscal year 2013-14 will be achieved.

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Source: Tecoya Trend - 06 Jan 2014

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Seeks lowest slab for textiles industry under GST

FICCI calls for enabling labour laws to boost textile and clothing industry & raise India's share in world exports

FICCI has recommended the reform of the labour laws to boost textile & clothing industry and raise India's share in world exports. These recommendations have been submitted to Mr. Ajay Shankar, Member Secretary, National Manufacturing Competitiveness Council and Chairman of Expert Group on National Textiles Policy constituted by Government of India.

Assuming India's GDP grows by 7% on an average over the policy period as per the scaled down estimates of Planning Commission and assuming that the domestic textiles industry also grows by 7%, it would mean that the textiles industry would be a $278 billion industry, of which exports would account for $145 billion, noted FICCI.

To meet this target, Indian exports require to grow at a Compound Annual Growth Rate (CAGR) of 15.1% over the 10 year period (assuming world exports in textiles and clothing grow by 5%). Indian exports would reach $145 billion by end of the policy period if we grow by 15%.

Table: Trebling the share of India in World Exports As per the 12th Plan working group on textiles and apparel, the textiles sector will create an additional employment of 15 million by 2016-17, which means the sector can provide 30 million additional jobs by 2023. Given that textiles & clothing sector is a labour intensive sector, FICCI projects that it can provide employment to at least an additional 20 million people from the current 45 million to 65 million by 2023.

Textiles is a labour intensive sector. To make the sector achieve a high growth path, there is a need for enabling labour laws to achieve the desired targets. Currently, the sector has to comply with a number of archaic labour laws which are not so relevant in today's dynamic scenario. There is a need to relax certain provisions of the laws.

The apparel and clothing industry which employs large number of people is considered the driver of growth for the whole value chain hence reforms are a must for garment manufacturing industry.

Garment manufacturing is seasonal in nature and works on orders which are season specific, delivery schedules are hectic and have short lead time. Therefore, the industry requires large workforce in busy season and smaller workforce for other months.

On the labour front, FICCI also added that one of the major concerns of manufacturers and also as identified by HLCM (High Level Committee on Manufacturing) chaired by the Prime Minister, is irregular and inadequate supply of skilled and unskilled labour owing to harvest and other seasons since the sector employs mainly migratory workforce. In such cases, providing affordable houses closer to factories will act as a major factor for retention of these workers for stable and longer periods. This will ensure uninterrupted production schedules. These accommodations called "dormitories" are well established norms in many countries including Singapore, Malaysia, China and more recently in Bangladesh. World over such facilities for migrant workers are being provided around manufacturing clusters. National Textiles Policy should provide for such housing for textile workers.

On GST, Mr. Shishir Jaipuria, Chairman, FICCI Textiles Committee, said that the industry should be kept in the priority/ lowest slab of GST as it provides a basic necessity to the masses with large scale employment potential. Currently, parts of the industry are VAT exempt and a large part of the industry is kept out of excise duty. Any sudden increase in rates would destabilize the complete industry as has been in the past. Excise duty has been levied twice and then removed, after observing a negative impact on the industry, noted Mr. Jaipuria.

FICCI has suggested that providing right kind of eco-system is the priority for making the Indian textiles sector globally competitive. There are more than hundred domestic textiles clusters (small and big) that have the capacity ranging from spinning to weaving and garmenting which require strong infrastructure support to make them competitive. The Government should provide assistance for upgradation of existing textile clusters for developing world class logistics, infrastructure and easy to do business facilities under its National Textiles Policy.

FICCI has emphasized the need for India to have a long term trade strategy for its textiles sector for both offensive and defensive interest.

Globally, the total textile and apparel trade has grown at a CAGR of 6.7% in the last 11 years, being valued at $706 billion with major markets being USA, Germany, Japan, China and UK. India has a share of 4% in global exports of textile and apparel. India's product basket is majorly cotton focused, but the world trade in textile and apparel is tilted towards man-made textiles. Also, fibre consumption ratio in India is strikingly different from the world ratio. In India, consumption ratio between cotton and man-made fibres is 68:32 while it is almost 28:72 globally. This has led to India's negligible presence in many highly traded product categories, which are manmade textiles based. India's share is also very small in global trade of technical textiles, which is again majorly man-made textiles based.

Further, the National Textiles Policy should eliminate long standing discrimination between cotton and man-made fibre on excise duty front, noted Mr. Jaipuria. The excise duty structure on fiber and yarns be revisited and duties on man-made fibers/filament yarn should be brought down at par with cotton to bring fibre neutrality in the sector. In competing countries, there is no difference in excise duty between cotton and man-made fibres/filament yarns and India should be no exception to this.

Hank Yarn Obligation could be phased out with a strategic roadmap for relocation of affected workers. This could be concomitant with the plan or roadmap for facilitating relocation of the workers employed in these sectors to higher value added or emerging sectors.

Skills of these workers can be upgraded to be used for higher value added segments that face shortage of skills. Processing remains the weakest link in our textile value chain. Quality of fabric also remains an issue and many fabrics like spandex fabric, lingerie fabric, warp knitted fabric etc are either not available or are not adequate for the domestic industry demand. For processing, separate pollution free zones to be set up to increase consumption across the entire value chain from fiber to garments. At the moment due to absence of pollution free zones, value added in textiles sector is limited. Importers in developed countries like USA and EU demand value added ecological friendly textile garments due to environmental concerns. Setting up of pollution free zones for textile processing will definitely help in increasing textiles and clothing exports from India. A separate scheme in this regard needs to be introduced, which provides additional support of Rs. 5 crores for each Park for setting up Common Effluent Treatment Plant (CETP). Further, water as a resource will be under pressure always. This will require constant innovation in waste water recycling, low water discharge or zero water discharge technologies (digital printing, finishing). This would entail additional cost especially for SMEs. In addition to subsidy under TUFS, the sector deserves additional concessions like increased rates of depreciation etc in order to encourage investments in the sector.

FICCI emphasized that technical textiles is a major area and the Government should provide more thrust to this sector which has the potential to drive the growth of entire textile value chain in the country. Standards need to be formed on urgent basis for technical textiles in Geotex, Buildtex, Protex, Meditex, Mobiltex and Agrotex in view of health, safety and environment reasons. Already, some good work has been done with the support of BIS, TRAs and industry which needs to be taken forward. This may require some capacity building at standard setting level. Also, the Government regulation/ guidelines are needed to encourage the production and consumption of certain technical textiles in India.

The National Textiles Policy (NTP) 2013 should be all encompassing for the textiles value chain with an aim to do away with the fragmented structure of textile industry leveraging fully the integration available to us. It is seen that even countries that do not have domestically integrated textile value chain have done better than India. There is no reason for India not to surpass these countries with an integrated value chain.

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Source: Tecoya Trend - 06 Jan 2014

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Picanol on a new high in Indian market

Picanol continues to surge ahead in the India market. Despite uncertainties, the sales of the weaving machinery giant scaled new heights in the Indian market during 2013. And the company expects to post an improved performance going forward. In an exclusive talk with Tecoya Trend, Mr. P. Kasiviswanathan, Head of Indian Operations, Picanol India Private Limited discusses the growing opportunities in Indian market. Following are the excerpts:

Tecoya Trend: Since the inception of Picanol India in 2006, can we say Picanol has become the undisputed weaving machinery manufacturer in India? If yes, give facts?

Mr. Kasiviswanathan: Well, I would like to put things in modest way. First objective to start an own sales-and service organization was to offer a better service to India, the world's second biggest market for weaving machines. Over these 6 years, we have indeed been able to grow our market share – as customers have seen that Picanol and Picanol India are here to stay. We have continuously invested in growing our local staff, not only in number of people, but also in competence: our complete sales and service team has been trained in the headquarters in Belgium, and we also organize annual updates.

Next to that, we have invested in a brand new electronic repair station, that also allows servicing the brand new Omniplus Summum electronics. So next to the innovative and state-of-the-art Omniplus Summum, Optimax and GTMax machines, Indian customers can also enjoy state-of-the-art service. Our growing market share in India is no doubt due to the relentless work of our local staff to serve our customers ever better.

Tecoya Trend: How was the performance of Picanol during 2013? In terms of machine sales?

Mr. Kasiviswanathan: If we look back in totality, we can say done well for the year 2013 in India in spite of local issues like TUFs expired in March 2013 and taking a while for the reintroduction, the weakening INR etc. Nevertheless, a large number of new Omniplus Summum were sold in India in 2013 which are running successfully in various fabric segment like denim, Bottom wear, Shirting, sheeting etc. For the high value Shirting, Poly Viscose suiting, Linen fabric and the market which demand flexibility like furnishing fabric OPTIMAX gave good answer whether single width or wider width loom. We have been successful in promoting our Unique technology QSC in India and few large installations equipped with this technology are successfully running now.

Tecoya Trend: What do you think of Indian weaving sector when compared to other Asian players? What do you propose to strengthen it to scale new heights?

Mr. Kasiviswanathan: In India 90% of the woven fabric is produced on power loom. If you compare to China which has 6.64 Lac new shuttle less looms, in India we have 1.5 Lac new as well as 2nd hand shuttle less loom which are shared nearly on 50/50 basis.

Even if you compare power looms, the largest power loom in world is in India around 2.3 million whereas textile power center China has only 100,000. This gives clear picture that in India we need to take several measures towards Upgradation of weaving technology from power loom and automatic loom to come to the level of shuttles less loom. . Government has started the initiation on this with TUFs measures. It is a long process but we have the starting point now.

We should also take responsibility to educate the industry about the benefit of technology Upgradation.

Tecoya Trend: How do you see the present textile phase, particularly for machinery makers?

Mr. Kasiviswanathan: I can talk about weaving sector at least from my point of view, the market is moderate as I hear from the weaving customer mainly due to limited domestic demand, high raw material which is yarn cost, currency always make big influence in the investment decision as most the latest weaving machinery are imported from overseas. Denim, Bottom wear and shirting market was good in middle of the year which is slowed down in latest part, I expect the trend will change in early part of 2014 and improvement will be there in investment climate.

Of course with the reintroduction of TUFs, main emphasis from the government is on weaving sector with higher Capital subsidy and increased interest subsidy, measures to discourage 2nd hand machines etc. will help us in 2014. But then it always boiled down to one theory: the fittest are the ones that will survive in the industry. We will continue to invest in top class products and service, offering a higher added value to our customers, in order to allow them to be more successful in the market.

Tecoya Trend: Technical textile is a buzz word today in India. What are the areas that Picanol could support Indian entrepreneurs in this arena?

Mr. Kasiviswanathan: We see a lot of interest of weavers in more traditional textile sectors to move into technical applications, and we also acknowledge the growth potential in the Indian market in the various 'technical' application areas (transport, geo, agro, medical etc.). We also see a lot of hesitation, though, as the market channels, customer approach and technical demands to the fabrics which are completely different from the more traditional textiles.

So a halfhearted entry into technical textiles will be difficult, and for those who enter into the venture, it may take some time before success comes: accreditations and technical certifications are onerous and difficult, and require a lot of upfront investment and effort. But those who make the step, will benefit from the 'first mover's advantage'. So if you want to move into technical textiles: do not see it as a quick win, but as a deliberate choice where you take full commitment. We from our side will be glad to offer you our support, not only under the form of the appropriate machines, but also with our extensive experience in technical textiles.

Tecoya Trend: Where to do you see Picanol by 2020 in India?

Mr. Kasiviswanathan: We continue to be fully focused on developing and supplying weaving machines performing to the highest standards, and offering a top class service to our customers. We have been pursuing this target for over 75 years, and are committed to do this for the next 75 years as well.

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Source: Tecoya Trend - 06 Jan 2014

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Indian govt amends RC procedure for cotton, yarn exports

The Director General of Foreign Trade (DGFT), Ministry of Commerce and Industry, Government of India has amended the procedure for issue of Registration Certificates (RCs) for export of various commodities, including cotton and cotton yarn.

Notification No. 63 (RE-2013)/2009-14, issued by the DGFT, reads, "With immediate effect, the requirement of submission of hard copies of the documents viz. printout of online application, Letter of Credit [L/C] or Foreign Inward Remittance Certificate [FIRC] or proof of Advance Payment, as applicable and export contract is dispensed with."

Earlier, with effect from July 1, 2013, after filing online applications, exporters were mandatorily required to furnish printout of the application submitted online along with hard copies of Letter of Credit [L/C] or Foreign Inward Remittance Certificate [FIRC] or copy of proof of Advance Payment, as applicable and export contract.

The DGFT notification made it clear that there shall be no other change in either the policy or conditions for export of cotton, cotton yarn, etc. notified earlier through respective Notifications, Public Notices, Policy Circulars, etc.

In effect, the latest notification discards the requirement of submitting any document in electronic filing for obtaining Registration Certificates.

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Source: fibre2fashion - 04 Jan 2014

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Cotton prices in India may decline next season: Report

Post cotton season 2013-14, cotton prices in India are likely to decrease as demand slumps, says the latest DHL India Trade Outlook.

The report says China is likely to discontinue its policy of procuring cotton at a minimum support price that is higher than the prevailing global average, thereby affecting India's yarn exports, which will translate into lower demand for cotton yarn, and hence cotton.

In the previous cotton season 2012-13 that ended on September 30, 2013, domestic cotton prices in India averaged Rs. 107 per kg, nearly 6 percent higher than the previous season's average.

This increase was on account of a sharp rise in prices towards the end of the cotton season. Prices, which averaged Rs. 100 per kg during the first eight months, rose above Rs. 120 over the subsequent 4 months. The continuing robust demand coinciding with low stocks during the season-end pushed up prices, states the report.

CRISIL Research expects domestic cotton prices to rise to Rs. 115-120 per kg in the current season, as strong yarn demand leads to cotton consumption exceeding production levels.

During the ongoing cotton season, India's cotton production is projected to increase by 5-7 percent, mainly driven by higher productivity. Average yield levels, which fell in 2012 on the back of erratic rains, are expected to improve as the monsoon in 2013 has been good and timely, according to the report.

It expects cotton mill consumption to increase by 9-10 percent, on the back of continuing strong demand for cotton yarn, which will reduce the stock-to-use ratio to a decadal low.

Among key developments, the December 2013 report points out that the Cotton Corporation of India will open 91 purchasing centres in Andhra Pradesh for the 2013-14 season. These centres will buy cotton damaged in the recent cyclones and floods, besides procuring cotton from other parts of the state.

Another key point is that textile manufacturers are looking forward to sourcing cotton at lower rates and passing on the benefit to buyers, as the Cotton Association of India has pegged India's cotton production to rise to 38 million bales this year.

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Source: cottonyarnmarket - 04 Jan 2014

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