

IBTEX No. 55 of 2017

Mar 17, 2017

USD 65.53 | EUR 70.62 | GBP 81.01 | JPY 0.58

Cotton Market		
Spot Price (Ex. Gin), 28.50-29 mm		
Rs./Bale	Rs./Candy	USD Cent/lb
20318	42500	82.60
Domestic Futures Price (Ex. Gin), March		
Rs./Bale	Rs./Candy	USD Cent/lb
21520	45015	87.49
International Futures Price		
NY ICE USD Cents/lb (March 2017)		78.17
ZCE Cotton: Yuan/MT (May 2017)		15,850
ZCE Cotton: USD Cents/lb		85.77
Cotlook A Index - Physical		87.40
Cotton guide:		
<p>Cotton price traded steady to slightly positive on Thursday's trading session across the globe. The spot price for S-6 traded above Rs. 43,000 per candy equivalent to 84 cents per pound at the prevalent exchange rate. The effect was visible on the futures contract trades at MCX. The most active April future ended the session higher at Rs. 21520 up by Rs. 80 from the previous day's close.</p> <p>The average daily arrivals stood near 1450-150,000 bales across the country. However, as per the latest development Cotton Association of India (CAI) released its February estimates of the cotton crop for the year 2016-2017 starting 1st October 2016. As per CAI the production is pegged at 34.1 million bales while consumption is 29.50 million bales. In the meanwhile, the import figure has been revised higher to 2.1 million bales. So the total cotton is pegged at 40.70 with total available surplus of 11.2 million excluding exports data taken into account.</p>		

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The domestic market overall continues to remain tight and price is hovering near Rs. 43,000 per candy however the future contract is taking smart cues from both underlying spot price in India as well as futures movement from the ICE platform.

Coming onto the global scenario; the ICE May future advanced in the entire week and on Thursday ended the session at 78.17 cents per pound. The market has been predominantly bullish since past several weeks and the major reasons being the excessive non-commercial long positions built and spread across ICE futures contract. As per the latest report, speculative long positions are more than 53% of aggregate open interest lying in the ICE market. For reference the total open interest is around 254,313 while the speculative longs are around 135,847. This indicates market to remain upbeat unless fresh round of profit booking comes into play. Besides the unfixed on call sales position was around 114,635; 45% of total open interests which has recently declined to 43% meaning the millers are now booking their earlier unfixed contract at higher price. We believe unless long liquidation happens at a larger scale the counter may remain positive.

Further the US export sales data was released on Thursday, for the week ended on 9th March. Net export sales registrations of upland cotton for shipment during the current 2016-17 season amounted to 316,500 running bales. For 2017-18, net sales of 141,700 running bales were reported for China (66,600), Pakistan (41,800), Bangladesh (15,300) and Thailand (7,300). The total exports stood at 458.2 slightly lower than the previous week's data of 464.50.

Overall we believe cotton market to remain sideways and as discussed above unless huge profit booking comes market may remain on a positive trajectory. This morning ICE cotton is seen trading at 78 cents marginally lower from the previous close. For the day the trading range would be 78.45 to 77.75 cents per pound. Likewise, at the domestic market the April contract is expected to trade in the range of Rs. 21370 to Rs. 21620 per bale.

**Compiled By Kotak Commodities Research Desk , contact us :
research@kotakcommodities.com, Source: Reuters, MCX, Market source**

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INTERNATIONAL NEWS

China brushes off U.S. questions over state enterprises at WTO

China responded to U.S. questions about its state trading enterprises in a World Trade Organization filing on Thursday that looked unlikely to end U.S. suspicions that China is breaking WTO rules.

China's five page response suggested that U.S. concerns were misplaced, and said its state firms conducted "market-based operations without government intervention", or imported for other firms on commission but with no mark-up.

Chinese enterprises' internal data was not available because of commercial secrecy, it said.

Robert Lighthizer, U.S. President Donald Trump's nominee to be the top U.S. trade negotiator, said at his confirmation hearing on Tuesday that Beijing's industrial policies had supported vast amounts of "uneconomic" production capacity that would not survive without state support.

Under WTO rules, state enterprises are supposed to trade on the same non-discriminatory and commercial basis as private firms, and member countries have to notify their state enterprises to the WTO annually.

The United States has long complained that Beijing is keeping the world in the dark about potentially unfair trading by state-backed firms.

In 2014, Washington lost patience and submitted a "counter notification", listing 153 Chinese enterprises that it thought Beijing should declare to the WTO.

That prompted China's own WTO submission in 2015, but the United States, as well as the European Union and Australia, came back with more questions about transparency.

In the filing published on Thursday, with answers to 16 questions sent by the United States in June last year, Beijing gave little away but said it was complying with the WTO rules.

"China attaches importance to and seriously performs its WTO transparency obligations," its first answer began.

The U.S. Trade Representative's report to Congress in January this year said that on joining the WTO in 2011, China "agreed to provide full information on the pricing mechanisms of state trading enterprises... and that state trading enterprises would limit the mark-up on goods that they import in order to avoid trade distortions."

In agriculture, China had agreed to let non-state firms import specified amounts of agricultural commodities such as vegetable oil as part of China's quota of low-tariff imports, despite state import monopolies, USTR said.

Asked why it had not notified firms exporting soybeans, silk, tea, cotton yarn and woven cotton fabric, or importing vegetable oil, it said those had not been state monopolies for at least a decade.

It did list 19 tobacco-exporting firms, but declined to explicitly list firms involved in trading silver, antimony and antimony products, referring to lists in other filings.

The United States said China was the only country that failed to follow the regular WTO format for its notification, but China said it had conformed with the rules.

"China believes that WTO members can be informed by the notification," it said.

Source: nasdaq.com– Mar 16, 2017

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Vietnam revises regulation on use of azo dyes in textiles

The Vietnam Ministry of Industry and Trade (MOIT) has drafted a new regulation on use of azo dyes and formaldehyde content in textile and apparel products sold in the country. The new regulation stipulates limits and inspection of content of formaldehyde and of aromatic amines derived from azo colourants in textile and apparel products.

Under the new regulation, formaldehyde in textile products for children under 36 months of ages should not exceed 30 mg/kg, in textile products in direct skin contact, the limit is 75 mg/kg, while in textile products without direct skin contact, the limit is 300 mg/kg. In case of aromatic amines, the limit is 30 mg/kg in all the three categories.

This regulation applies to all textile manufacturers and importers in Vietnam and state inspection is carried out by organisations that are appointed and authorised by the Minister of Trade and Industry.

Source: fibre2fashion.com– Mar 17, 2017

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Make it British campaign supports UK manufacturing

With a vision to attract more people to buy quality British-made goods, former designer and buyer Kate Hills founded Make it British, which is a campaign to support UK manufacturing businesses and British craftsmanship. She also organises Meet the Manufacturer, an annual trade show held in London, to put UK manufacturing on the global platform.

"After 20 years of working as a designer and buyer, flying around the world for brands such as Burberry, M&S and other high street names, I became disillusioned when they stopped using factories in the UK to produce their goods.

So, I left in 2011 to set up Make it British, a campaign to support UK manufacturing businesses and British craftsmanship, including Meet the Manufacturer, an annual trade show held in London," Hills told Fibre2Fashion in an interview.

Make it British has now become global, with increasing numbers of international visitors contacting it to buy quality British-made products.

Besides promoting British companies to work with their fellow counterparts in Britain and to manufacture their products in the country, Make it British also encourages textile companies from the other countries to consider manufacturing in Britain.

"We encourage textile companies from other countries to consider manufacturing in Britain. Manufacturing in the UK is becoming more and more cost-effective and we are getting an increasing number of enquiries from businesses overseas looking to manufacture in the UK, particularly from the US, Japan and Germany," she added.

Talking about the limitation of the British manufacturing industry, Hills said, "British manufacturing is limited at the moment because there is not enough capacity. Travelling around the UK, visiting different businesses, it has become apparent that the big issue is attracting young people into the manufacturing industry. We need to reach out to the future generation of leaders in manufacturing and train up more young people to work in UK factories."

In the future, Hills would like to take this a step further and take Make it British overseas on a trade mission to inspire even more people to buy British-made brands.

She feels that Brexit will have a positive impact on textiles and apparel companies of Britain. "We are already seeing a huge amount of interest in British-made goods. We are seeing businesses like cotton spinning coming back to the UK, which is great news," concluded Hills

Source: fibre2fashion.com– Mar 16, 2017

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Sri Lanka should turn to producing high value garments: SLAEA

The Sri Lankan apparel exporting sector has urged the industry to move away from producing low value added and also low cost garments, and instead turn into a sourcing hub for high value added clothing, by adopting industrial technological modernisation.

They said the industry should capitalise on the country being recognised in terms of quality and delivery.

The Sri Lanka Apparel Exporters Association (SLAEA) also observed that there was a need for consistency in terms of investment policy, as recent figures related to foreign direct investments were not so great.

Sri Lankan media reports also quoted SLAEA as urging the government to think about removing the Simplified Suspended Value Added Tax (SVAT) scheme or exempt the industry from it.

Source: fibre2fashion.com- Mar 16, 2017

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Tunisia: trade deficit doubles at end February to 2.5 billion dinars

Tunisia's external trade flows at current prices posted an increase in exports by 4.7% in the first two months of 2017, at a value of 4.626 billion dinars compared with 4.418 billion dinars during the same period of the year 2016 and a significant rise in imports by 23.7% for a value of 7.137 billion dinars against 5.769 billion a year earlier, said the National Institute of Statistics (INS).

As a result of this evolution of trade between imports (+ 23.7%) and exports (+ 4.7%), the trade deficit widened to 2.510 billion dinars against 1.350 billion during the same period in 2016.

The coverage rate dropped 11.8 points from last year's level to 64.8% from 76.6% in the same period of 2016.

Exports

The increase in exports (4.7%) in the two months of 2017 was mainly attributable to the agricultural sector and the agro-food industries, which grew by 17.4% after the rise of the country's date sales (127.5 MTD versus 72.4 MTD), mechanical and electrical industries 7.5%, textiles and clothing and leather 7.1%, and the manufacturing sector 3.8%.

On the other hand, other sectors recorded a decrease, notably energy 39.4% as a result of the decline in Tunisia's crude oil sales (69.8 MTD compared to 149.6 MTD), as well as the mining, phosphates and derivatives of 12.4% due to the decrease in exports of phosphoric acid (48.9 MTD against 124 MTD).

Imports

Imports increased remarkably by 23.7% as a result of the rise in imports from the energy sector by 135.2% as a result of higher crude oil purchases (178.2 MTD versus 31.8 MTD) and refined products (525.1 MTD versus 352.8 MTD).

Similarly, the agricultural and food staples sector grew 60.1% as a result of increased purchases of soft wheat (98.9 MTD compared to 21.9 MTD), raw materials and semi-finished products 10.2%, capital goods 17.5%, mining, phosphates and derivatives 7.5% and non-food consumer goods 14.2%. The INS reported that non-energy imports went up 15.7%.

Source: africanmanager.com– Mar 16, 2017

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USA: The Growth of the Online Mattress Industry

The North American sleep industry is being turned on its head. Traditional brick-and-mortar coil mattress bed stores now compete with a growing online mattress trend driven by sleepers who research their buying decisions and make purchases based on social media and online reviews, and not by awkward 15-second lie-downs on bare mattresses in public. New mattress companies offer mattresses made of safer and more comfortable materials that provide improved sleep, offer multi-week trial periods, a more efficient method of delivery, and hassle-free returns.

Sleeping with Bacteria

When we crawl into bed at night, we think about our warmth and comfort in our smooth sheets and cozy blankets, and not about the microscopic organisms that live in our bedding and our mattresses.

In a Daily Mail article, Dr. Philip Tierno, director of clinical microbiology and immunology at New York University's Langone Medical Centre, says that "bed sheets can accumulate a horrifying array of dead skin, bacteria, fungus, mites, and even feces", plus any dirt and sweat on your body that is transferred to your bed, even after one night.

To prevent an unnecessary amount of dirt and bacteria building up in your sheets, Dr. Tierno suggests washing your sheets at least once a week, and advises that people invest in protective and impermeable mattress and pillow covers to prevent any additional dirt from building up.

In a fascinating but queasy study on bedding and mattresses by Amerisleep, a U.S. mattress company, data showed that after a week of use, pillow cases had 17,442 times more bacteria than a toilet seat and sheets had 24,631 times more bacteria than a bathroom door knob.

The study showed that after a week of use, bedding contained between three and five million colony-forming units (CFUs) of bacteria per square inch - and that's just washable bedding. Think about how many CFUs are in the mattress you've slept on for years.

Mattresses can be spot cleaned and vacuumed, as anyone who has had bedbugs knows, but mattress maintenance is limited. A local CBS station in the U.S. produced a segment about their tests for bacteria on mattresses of different ages, from new to 80 years old. The results were surprising: the 80-year-old mattress was the cleanest of all, with just a minimal amount of bacteria. The reason? Likely due to the use of a protective mattress pad that covered the decades-old mattress.

Mattress Coverings

Many people don't realize that our mattresses are loaded with bacteria that we bring to bed with us: bacilli and gram-positive cocci - the latter can be the source of staph infections like strep throat and pneumonia. This is not to say that people will develop illnesses from dirty linens and mattresses, but for most of us, we want to avoid bacteria where we can.

Besides bacteria, the Asthma Society of Canada warns against dust mites which live off the two pounds of dead skin we lose each year - much of it while we sleep. Some people are allergic to these mites that live in our mattresses and pillows, so it is essential to cover your mattress with a breathable quality cover to keep the dust mites, dead skin cells, bacteria, and other microscopic nasties out.

As great as they sound however, mattress covers carry limitations: they can be expensive, they can limit or eliminate mattress breathability (which can affect cooling properties of a mattress), and mattress covers can limit comfort if crunchy, plasticky waterproof materials are used, even if it's covered with soft fabric.

Silver

Are specific textiles superior against bacterial growth? It turns out that silver is the material of choice to keep your mattress clean.

Ancient Phoenicians kept water, wine, and vinegar in silver jugs to keep these liquids fresh, and since that time, modern scientists have discovered why.

"Quite simply, silver interrupts the bacteria cell's ability to form the chemical bonds essential to its survival," says the Silver Institute. "These bonds protect the cell's physical structure so when bacteria meets silver, it literally falls apart."

A Canadian non-profit organization, the Infection Prevention Strategy, published a study of silver-embedded textiles and its success of reducing pathogens and bacterial growth. Their findings show that silver-embedded fabric "decreased the microbial load by over 99.9 percent following a 24-hour exposure. The use of silver embedded fabrics provides a distinct advantage over untreated textiles."

Of the new generation of foam mattresses, Silk and Snow, is an innovative, game-changing Canadian mattress company that has got mattress cleanliness at the top of mind. Their mattresses are constructed with an easy off, zippered covering made with, you guessed it, a silver-embedded antimicrobial textile to prevent bacterial growth. Though the whole mattress cannot be washed, their coverings can and this should appeal to even the most hypochondriacal of us.

Cooling Benefits

New mattress companies offer mattresses constructed from new and updated materials that offer new options for a better sleep and a cleaner sleeping experience. Part of that improved sleep is about the cooling properties of foam mattresses.

Instead of sweating through the night and creating an environment for bacteria to multiply further, foam mattresses allow a consistent temperature. Current leaders in the online mattress industry offer their own unique cooling solutions.

U.S. company, Leesa.com offers mattresses with 2" of cooling Avena® foam, covered with soft, cool polyester-lycra fabric. Casper's mattresses are topped with a breathable "open-cell" foam layer to keep the body cool. The first layer of Silk and Snow's foam mattress provides a cooler sleep surface, thirteen times better than conventional memory foam and sixteen times better than latex.

Eco-Conscious Benefits

Our skin is porous and absorbent, and spending each night soaking up whatever we're laying on should be a concern to all of us. For those of us mindful of our health as well as our ecological footprint, modern foam mattresses are made of materials that carry environmental certifications and other safeguards.

For instance, U.S. Casper mattresses are covered with fire-resistant silica thread "socks" instead of chemical fire retardants. According to Treehugger.com, the knit sock is made from silica-based yarns wrapped in synthetic fibers that will char when burned, but "the silica core holds everything together so that a char barrier is formed, subduing flames". Silk and Snow mattresses are non-toxic with environmental certifications. Their CertiPUR-US® foams are made without ozone depleters, chemical flame retardants, heavy metals, and formaldehyde.

It's been a long time since the mattress industry has been shaken up. A new generation of health and sleep comfort is upon us, and the online mattress concept is in line to become the new norm. Sweet dreams are made of safer materials and an improved and more comfortable sleep. How could anyone disagree?

Source: huffingtonpost.ca- Mar 16, 2017

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Bangladesh: Two sides of the same cloth

Our RMG industry is a success story, but the fate of the workers is not

There are two pictures of our ready-made garment industry. One is about the key driving force of our economy, the story of an industry that helps millions of poverty-stricken people to secure an income — this is a success story of our apparel makers who make the country proud by securing a place as one of the top three apparel exporting countries.

And there is another picture in which we see the burned corpses of our apparel industry workers. We see workers are crushed to death under the rubble of buildings.

We see workers are being exploited. We see many workers block roads as they are not paid on time — and then we see workers are being remanded for demanding pay raises.

I had the chance to witness these two faces of our RMG industry while covering two recent events. One is an international trade show of our apparel makers, and the other the workers' agitation in Ashulia.

In the trade show and its seminars, the much discussed issue is the \$50 billion export vision by 2021 — it is ambitious of us to work to achieve Vision 2021 from our existing \$28bn exports. One thing I observed in those seminars was that the role of workers was not discussed much in the narrative of this \$50bn vision, and it seemed like our RMG industry was not really concerned about the workers in their 2021 Vision.

Just as the RMG owners are not thinking about the workers in their vision, workers too are not paying any heed to this vision. While talking to workers, I have found that many of them are not aware of the \$50bn export vision; and they lack any motivation to help the industry reach new heights. So the question is: Is it possible to achieve the \$50bn vision while ignoring the workers?

We cannot deny that the fate of our RMG workers is not changing in line with the progress of our RMG industry — this can easily be understood by a quick visit to the slums in Ashulia and other places where RMG workers reside.

Many of them are struggling to manage their basic needs. Our apparel industry workers are among the lowest paid employees in the world. And so, this question is always legitimate: If the industry makes substantial progress, why shouldn't we pay a decent salary to our workers?

It is obvious that with the increasing living cost in Dhaka and Chittagong, it is quite difficult to pay for a family's basic needs with Tk5,300 a month.

So, the demand for a pay raise or supporting the demand is not illogical, nor is it a crime. However, the response of the administration and owners make many second-guess the workers' protest for higher pay as a crime.

When workers raised their demands, owners and the local administration allegedly carried out crackdowns on the workers. Some workers were arrested and remanded, and are leading a much worse life now. I have spoken to family members of a few workers, and realised how anxious they are about their future.

Unprecedentedly, a journalist was also arrested and remanded in custody. We have seen the administration file ridiculous allegations against him. Why should a journalist be arrested for covering an event in a democratic society?

I cannot fathom one simple aspect of these recent developments: What makes the RMG owners and administration think they can improve the image of our RMG industry worldwide by conducting crackdowns on workers for a legitimate protest carried out by the workers?

Unfortunately, thanks to this crackdown, the news was covered by all major media outlets. It is safe to say that their response did not help the reputation of their business around the world.

We have created a tradition in Bangladesh that people who are advocating workers' rights are conspirators against our "cash cow" RMG industry.

We often label them as traitors. Workers' rights in the RMG industry seems to be an issue no one is allowed to talk about. I don't understand how a section of people can think in this way in our country.

I believe that people who are raising the issues of workers' rights in the RMG industry are actually helping the industry.

They want to see the industry become a sustainable market. We want to see the Bangladeshi apparel industry dominate the global market in the long run.

And for a sustainable industry, we must take the workers' rights into consideration. If workers do not have motivation or any vision, our RMG industry will not be sustainable. Workers who struggle to manage their basic needs cannot be productive.

The first thing RMG owners and the administration should do to work toward their 2021 Vision is improve the workers' welfare. It is only a productive workforce that can take our RMG industry to new heights.

Source: dhakatribune.com – Mar 16, 2017

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China keeps target price for Xinjiang cotton unchanged for 2017-2019

China has set its 2017-2019 target price for cotton in the top growing region of Xinjiang at 18,600 yuan (\$2,694.95) a tonne, unchanged from a previous goal, the National Development and Reform Commission (NDRC) said on Friday.

The target price is set every three years but can be adjusted if there are major changes in the cotton market, the state planner said.

China in 2014 started a three-year trial on cotton target pricing in Xinjiang and has decided to deepen reform this year. (\$1 = 6.9018 Chinese yuan renminbi)

Source: reuters.com – Mar 16, 2017

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NATIONAL NEWS

Trade Agreement with European Countries

India is negotiating a Broad-based Bilateral Trade and Investment Agreement (India-EU BTIA) with the European Union. The negotiation started in 2007 and sixteen rounds of negotiations have been held so far. However, there has been no agreement reached in India-EU BTIA so far. Ministry of Textiles is in constant touch with Ministry of Commerce & Industry, in this regard.

The government is implementing schemes like Amended Technology Upgradation Fund Scheme (ATUFS), Pradhan Mantri Paridhan Rojgar Protsahan Yojna (PMPRPY), Scheme of Rebate of State Levies (RoSL) on export of garments, Schemes for Technical Textiles, Scheme for Integrated Textile Parks (SITP), Integrated Skill Development Scheme etc. to modernize textile industry, increase production and global competitiveness.

Apart from the above, the Government has taken following initiatives to augment textile exports:

- (i) MEIS Scheme under new Foreign Trade Policy 2015-20.
- (ii) Restoring Interest rate subvention for pre and post shipment credit for the textile sector,
- (iii) Expanding the scope of Merchandise Export from India Scheme (MEIS) since 29.10.2015 to 110 new tariff lines and increase rates or country coverage or both for 2228 existing tariff lines.
- (iv) Increased Duty Drawback rates for some textile articles.
- (v) Market Access Initiative (MAI) Scheme.
- (vi) Market Development Assistance (MDA) Scheme.
- (vii) Duty Free import of trimmings, embellishments and other specified item under Export Performance Certificate Entitlement Scheme.

The above information was given by the Minister of State, Textiles, Shri Ajay Tamta today, in a written reply to a Lok Sabha question.

Source: business-standard.com- Mar 16, 2017

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Textile industry seeks withdrawal of agricultural market committee fee

The textile industry in the state has reiterated its plea for withdrawal of the one per cent agricultural market committee fee on cotton and cotton waste and early announcement of TN Textile Policy.

“This has been one of our long-pending demands. The former chairman of the Southern India Mills Association S Dinakaran had submitted a memorandum to the then Chief Minister J Jayalalithaa in 2012, but no action has been initiated till date,” said SIMA Chairman M Senthilkumar, referring to the market committee fee.

Joint appeal

Representatives of various associations of the textile industry have appealed to Chief Minister Edapadi Palanisamy jointly, seeking withdrawal of the levy.

Emphasising the need for withdrawing the market committee fee on cotton and cotton waste in GST rate, industry experts explained that cotton in all its form — be it kappas, lint and waste is the only input for the textile industry.

The by-products are subject to the fee in the form of an entry tax for sale or purchase in the notified market areas in the southern states and this is in addition to the levies under State and Central enactments. Further, the rates differ even among these states.

The levy becomes a cost on the product since encashment of credit is not permissible. This creates market distortions and multiple licences are required to trade in different market areas, even in the same state.

All this has led to a highly fragmented and high cost agricultural economy, preventing seamless movement of agricultural goods across districts and state borders.

‘Double taxation’

Further, the market committee does not play any role in marketing of cotton waste. This is purely dependent on the supply-demand position of the spinning mills. It is a process waste removed during spinning, the source explained.

As cotton has already been subjected to market committee fee, there is no logic in levying a fee on cotton waste, the source argued, pointing out that the levy amounted to double taxation of the product.

Source: thehindubusinessline.com- Mar 16, 2017

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Sari out of excise duty ambit, textile traders upbeat

Surat: Textile traders in the country's largest man-made fabric (MMF) wholesale market in the city are upbeat following the decision of the Central Board of Excise and Customs (CBEC) to keep 'sari' out of the ambit of made-ups, which attract 2 per cent excise duty on retail price above Rs1,000.

In the Union Budget 2016, Union finance minister Arun Jaitely had imposed excise duty of 2 per cent on ready-made garments and made-up articles of textiles falling under chapters 61,62 and 63 of the Central Excise Tariff Act (CETA), 1985.

Textile traders were upset following the decision taken by the Central Government to levy excise duty on articles of textiles, including ready-made garments and made-ups above Rs1,000.

A representation was made by Federation of Surat Textile Traders Association (FOSTTA) and Southern Gujarat Chamber of Commerce and Industry (SGCCI) for keeping 'sari' out of the ambit of the excise duty levy on retail price of Rs1,000.

The CEEC issued a circular dated March 15, 2017 for classifying 'sari' under chapter 50,52 and 54 of the CETA Act, 1985 and not under chapter 63, which attracts duty on the ready-made garments and made-ups.

FOSTTA president Manoj Agarwal said, "The CBEC circular on keeping the sari out of the ambit of central excise duty levy has come as a big relief for textile traders. We had strongly represented to the government that sari is already classified in chapter 50,52 and 54 of the CETA Act 1985 and thus it should be kept out of chapter 63. The demand has been accepted and the fresh circular issued to this effect. Now, the textile traders won't have to pay any sort of duty on the retail price of sari above Rs1,000."

Source: timesofindia.indiatimes.com- Mar 17, 2017

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A Different Weave

The ongoing Amazon India Fashion Week has brought handloom textiles and fabrics from across India into sharp focus.

EVEN AS the bi-annual fashion carnival, the Amazon India Fashion Week (AIFW) unfurled its Autumn-Winter 2017 edition in Delhi on Wednesday, there was a subtle shift in the general mood of proceedings on Day One. The seriousness in the air could have been attributed to the cause at hand — handlooms — which have become a focal point of the season.

The Fashion Design Council of India (FDCI), which has hosted shows supporting Varanasi brocade and homegrown khadi in the past, is for the first time endorsing the cause of the handloom industry in such a big fashion. And with the Union Textiles Minister Smriti Irani in attendance at the opening show, Sunil Sethi, President, FDCI, was a happy man.

“The FDCI had always taken handlooms very seriously but this is the first time we have projected them this way. This has a lot to do with the support from the Ministry of Textiles, Development Commissioner (Handlooms). It’s a synergy — the design fraternity is taking handlooms seriously, and so is the government,” he said.

The tone for the day was set by a panel discussion with the likes of designers Gaurav Gupta, Sanjay Garg, Anita Lal from Good Earth, Sally

Holkar from The Handloom School and Uzramma from Malkha India where Garg made a plea for wages of weavers and also durability of the fabric. “In the prevalent times of climate change, we should embrace handlooms. Given their non-existent carbon footprint, they are a green industry,” said Uzramma. Here are the highlights from the ramp on the opening day:

Silken Smooth

With the Jharcraft show, Jharkhand’s rich weaving and textile culture was brought to the fore. Designers Rina Dhaka, Shaina NC, Dabiri and Shruti Sancheti showcased their designs, made in collaboration with weavers and artisans from the state. The silk-rich state, with its offerings of muga, mulberry and eri silks, proved to be a treasure trove for designers.

As Rina Dhaka said, “I have worked with silk, which has been treated to look like organic cotton. The embroidery and the tassels are all special motifs used and worn by the Chhau dancers.” While Sancheti took the minerals and deep forest reserves of the state and created looks in bold metallic colours of rust, black, deep purple and mahogany, Dabiri used a lot of mirror-work and silver gota-patti on mulberry silk fabric, while Shaina NC showcased her silk sari collection with a unique double sari drape.

Flourishing Legacy

Ikat specialist Madhu Jain celebrated the completion of 30 years in the industry with a show highlighting “a dying art” — the double ikat weave. There was also liberal use of golden gota-patti, which added a certain glamour to the collection of dominant black, yellow, red and beige. Many of her family members walked the ramp for her, making this collection deeply personal for Jain.

Mumbai designer Krishna Mehta, on the other hand, used Maheshwari fabric along with other silks like Pochampally to create a very young and spunky collection called “Parted Lips”. “I have contrasted the designs too — with pleats and layers and used metallic embellishments to add drama to the outfit. Handloom doesn’t mean boring,” added Mehta.

Handy Work

If you thought handlooms were only meant to make a statement or for standing out at an “arty” do, think twice. Designer duo Abraham & Thakore featured formal work wear made with natural organic fibres. “We have used cotton and silk blends from all over India and fashioned them into work wear. The fabrics work wonderfully in Indian summer,” said Abraham.

The collection featured dresses, trousers, saris and suits for men in blues, reds and monochrome shades of black and white. One also saw a lot of asymmetrical cuts and hemlines.

Source: indianexpress.com- Mar 17, 2017

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Steps to Promote Natural Fibres

Research and Development in natural fibres such as Banana, Himalayan nettle, Bamboo and hemp is supported under "Scheme for Research and Development for the Textile Industry including Jute" of the Ministry of Textiles.

Under the scheme, Government of India provides financial support to the extent of 70% of the project cost for undertaking applied research and to the extent of 100% for undertaking basic research by reputed research agencies including Textile Research Associations (TRAs), Universities, Industry Associations, Government approved research centers such as IITs/Government aided Institutions/ recognized engineering colleges/institutions approved by DST/DSIR etc.

For the Himalayan Indian Nettle, Government has granted approval for a project titled Development of products from Himalayan Indian nettle with project cost of Rs. 67.48 lakh, to Department of Jute and Fibre Technology, Institute of Jute Technology, University of Kolkata.

Similarly, for Banana Fibre, Government has given approval for two projects titled Development of eco-friendly recyclable/bio-degradable value added technical textiles from banana yarns" (Completed in 2013) and Development of banana fabric suitable for extreme cold Weather by plasma

Technology" (Completed in 2015) to Manmade Textile Research Association, Surat. MANTRA is making efforts to commercialize these products.

The above information was given by the Minister of State, Textiles, Shri Ajay Tamta today, in a written reply to a Lok Sabha question.

Source: business-standard.com - Mar 16, 2017

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Govt frames solar scheme to promote powerloom sector

The government today said it has formulated a scheme to provide incentives and concessions to loom weavers to utilise solar energy to increase production.

Minister of State for Textiles Ajay Tamta said that for the development of the powerloom sector, the government has formulated the 'Solar Energy Scheme'. "The scheme will come into force from April 1," he said in a written reply to the Lok Sabha.

Under the scheme, the government will provide financial assistance and capital subsidy to the extent of 50 per cent, 75 per cent and 90 per cent of the basic cost of the solar energy plant to applicants.

To a separate question, he said the government has conducted a study on the Scheme for Integrated Textiles Parks. The study has indicated that many of the parks have done well, but "the parks are yet to attain their planned investment levels due to lower occupancy rates".

Source: deccanchronicle.com - Mar 16, 2017

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Indian Cotton Situation Stable

Cotton situation in India from both producers and users points of view seem to be stable.

Cotton price is reasonable, stated the general manager of a large spinning mill in South India.

In a morning telephone call with this scribe today, the general manager whose mill procures 40,000 bales (170 Kgs each) of cotton each year stated that spinners, ginner and farmers are realizing reasonable price since February.

Spinning mills have been suffering over the past two years and many have been forced to close the doors due to cotton price volatility and weak yarn prices. This trend seems to have reverted. Currently, the mill has bought MCU-5 cotton at about Rupees 46,000 per candy (356 Kgs).

The mill in South India has about 68,000 spindles and spins cotton yarns with an average count of 65s Ne. They procure generally MCU-5 cotton with 30 mm staple and produce yarns with counts ranging between 60sNe and 80sNe, catering to bed sheets and poplin fabric producers.

Yarns prices have steadily climbed and is comfortable now, stated the source. The price of fine count 60sNe is about Rupees 290 per kilogram, which is reasonable. Over a period of one year, yarn price has gained about 40 rupees per kilogram for 60sNe, which is a favorable trend.

In India, this season's 65 percent of cotton crop has arrived and if the price stability is maintained, it will be win-win for the cotton and textile sectors.

The source cautioned that if the cotton price skyrockets as was the case sometime back, it would make it difficult for the spinners.

At present times, according to the well-informed source, cotton price vis-à-vis yarn price is comfortable.

Source: Textile Intelligence - Mar 16, 2017

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Sircilla's cotton powerlooms plunge into crisis yet again

RAJANNA-SIRCILLA: With steep hike in yarn price, cotton powerloom industry has been in crisis for last three months in Sircilla, known as another Bhiwandi.

Out of 30,000 powerlooms in Sircilla, about 5,000 produce cotton cloth. Each cotton powerloom used to produce 60 metre of cloth per day and now the production has come down to 50 per cent. Instead of two shifts, only day shift is being continued. About 2,000 workers and owners depend on cotton cloth production and the present crisis is leading to unemployment as the owners of the powerlooms are sitting idle due to high yarn price.

According to sources, yarn price which used to be `500 per kg was increased by `200 suddenly and the powerlooms owners are unable to bear this additional burden.

To bear the new price, one metre cloth has to be priced at `4 more but buyers refuse to buy at that rate. They are willing to purchase at old rate. At the best they are ready to accept just `1 per metre hike. Some owners are taking risk and producing cloth by borrowing money from private money lenders but many units have closed down.

The situation is leading to extreme steps and within two days two cotton powerloom unit owners Chiluka Satyanarayana and Merugu Uma Maheshwar committed suicide by hanging at their own powerloom unit sheds.

Meanwhile, Handloom and Textile Department authorities appealed to powerloom workers and owners not to take extreme steps as the government is taking steps to ensure handful work. Additional director of Handloom and Textiles V Ashok Rao said already an order was placed from Rajiv Vidya Mission (RVM) for school uniforms and due to steep hike of yarn price there are problems. "We are diverting them to terrycotton cloth production, which is flexible and affordable to powerloom units," he said.

Source: newindianexpress.com- Mar 17, 2017

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SIMA urges Tamil Nadu CM to remove cess on cotton

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outhern India Mills Association (SIMA) has urged Edapadi Palaniswami, the chief minister of Tamil Nadu to remove 1 per cent Agricultural Market Committee Cess on cotton and cotton waste for the state budget of 2017-18.

The GST committee has asked all the states to decide on their level of cess before the bill is rolled out in July.

M Senthilkumar, chairman of SIMA said that the textile industry of Tamil Nadu is in an awkward position in terms of competition and the other states have already announced sops for the benefit of the textile industry.

The cost of production for spinners in Tamil Nadu is Rs 15 more than the other states as they need to get cotton bales from the other states at a rate of Rs 6 per kg, according to media reports.

Senthilkumar said that removal of cess on cotton and cotton waste will benefit the spinners and create a level playing field.

Source: fibre2fashion.com- Mar 16, 2017

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TEA welcomes Tamil Nadu's tax free budget

Tiruppur Exporters' Association (TEA) has welcomed the tax free Tamil Nadu Budget 2017-18, which has been presented in Tamil Nadu Assembly by D Jayakumar, the state's minister of finance.

The association said that the people will benefit from the schemes announced in the budget that includes the allocation of Rs 2,000 crore for infrastructure development.

Raja M Shanmugham, president of TEA, said that the Tamil Nadu Infrastructure Development Fund (TNIDF) would be helpful for the development of the infrastructure, which is the need of hour for the industry.

He also welcomed the allocation of Rs 150 crore for the Tamil Nadu Skill development Mission to train one lakh youth and also intends to seek assistance from the Government of India to help the industry recruit skilled workforce and pave way for increasing the productivity and efficiency.

Shanmugham also hailed the proposal to strengthen single window system in the Tamil Nadu Industries Guidance and Export Promotion Bureau further by making it online so that investors can get all approvals expeditiously in a hassle free manner at one place.

While noting down the allocation of Rs 532 crore for MSME sector in the budget, he specifically lauded the doubling of allocation of capital subsidy to MSME units from Rs 80 crore to Rs 160 crore, which will be helpful for MSME units in Tiruppur, as more than 80 per cent of total units in Tiruppur are under MSME categories.

He also appreciated launching of a Special Export Promotion and Marketing support scheme at an outlay of Rs 10 crore to enhance the competitiveness of MSME units in domestic and international markets.

Source: fibre2fashion.com- Mar 16, 2017

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Government keeps Bt cotton seed prices unchanged

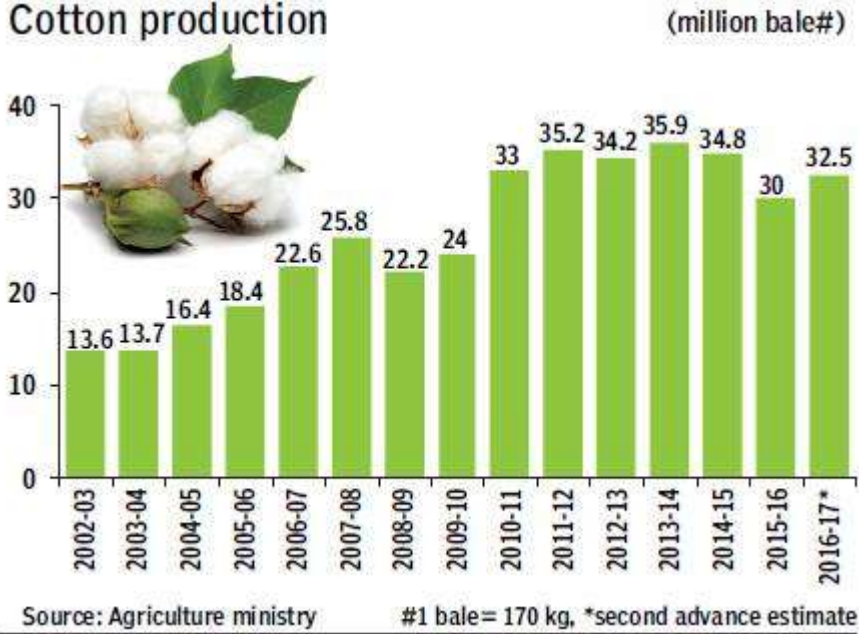
The agriculture ministry has decided to retain last year's maximum sale price (MSP) for genetically modified Bt cotton seeds for the 2017-18 kharif season. According to a notification issued by the ministry, the farmers would continue to get widely used Bollgard-II variety of Bt cotton seeds at R800 per 450 gram packet in next the kharif season.

An official who attended the meeting of a committee set up by agriculture ministry, said that status quo was maintained on the license fee, which includes royalty or trait value, as well.

The committee was set up last year to recommend MSP of cotton seeds after taking into consideration the components of seed value. The MSP decided by the committee includes a trait or royalty fee of R49 per packet paid by the seed companies to the technology developer.

Last year, MSP of Bollgard – II Bt cotton seeds was reduced sharply to R800 per 450 gram packet from R830-1,000 in the previous year. However the sharpest cut was on royalty or trait fees which was reduced by 74%, from R163 per packet to R49 after taxes.

Cotton production



After last year's cut in the fees to Mahyco Monsanto Biotech (MMBL), which sub-licenses Bt cotton seed technology to various domestic seed companies since 2002, the trait value has been just 6% of the pan-India ceiling price of R800 per packet for the

seed.

MMBL, a joint venture between the US-based biotech major Monsanto and Maharashtra-based Mahyco, had then moved the Delhi High Court against the reduction in trait value and the capping of the seed price. It argued that the December 2015 price control order was 'illegal and unconstitutional'. The court is yet to decide on the matter.

About 83% of the country's cotton area of 10.2 million hectares (in the 2016-17 season) was under Bt variety. The country's cotton production has risen manifold since the introduction of Bt seeds – from 13.6 million bales in 2002-03 to a projected 32.51 million bales in 2016-17.

After Bt cotton was introduced in India in 2003, it took no time for it to take the lion's share of the country's cotton area, but 2016-17 saw the first steep decline in its attraction to the domestic growers. Primarily because cotton farmers in Punjab and Haryana took to native varieties in last year's kharif season.

Farmers thought these might be less vulnerable to the deadly pest white fly than the genetically modified one. The share of Bt variety in total cotton area sown declined to 83% in 2016-17 from 91% in the previous season.

Source: financialexpress.com- Mar 17, 2017

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Cotton output for 2016-17 expected at 341 lakh bales

The cotton output is estimated at 341 lakh bales, of 170 kgs each, for 2016-17 crop year, same as January, an industry association said in its February projection.

Cotton production stood at 337.75 lakh bales last year, Cotton Association Of India (CAI) said in a release here.

CAI said, farmers continue to realise better price for their produce since the cotton prices have remained firm.

The cotton arrivals are in full swing now and gap of arrivals as compared to last year has narrowed down considerably in the preceding period, it added. The projected balance sheet drawn by the CAI estimated total cotton supply for the season at 407 lakh bales while the domestic consumption is estimated at 295 lakh bales, leaving an available surplus of 112 lakh bales.

Source: indiatoday.intoday.in- Mar 17, 2017

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Trading hit at Khammam cotton market yard

Barely two weeks after the introduction of the e-National Agriculture Market (e-NAM) online trading platform at the cotton market yard here, the Khammam Agriculture Market Committee (AMC) is facing fresh hurdles in smooth implementation of the Central government initiative.

The alleged refusal by a section of the traders to participate in the e-trading of the cotton at the market yard on Wednesday brought the transactions at the yard to a halt, forcing the AMC to announce a holiday for the market on Thursday.

The abrupt halt to the e-trading led to severe inconvenience to the cotton growers, who had brought their produce from different corners of the district to the cotton market yard here on Wednesday.

The authorities made arrangements to lift around 700 bags of cotton stocked at the market yard on Thursday.

Stakeholders' meeting

In an effort to overcome the impasse and resume the trading on e-NAM platform, Joint Collector Vinay Krishna Reddy held a meeting with the AMC office-bearers, the representatives of the Chamber of Commerce, farmers' associations and other stakeholders at the market yard on Thursday. KAMC chairman G Krishna and selection grade secretary P Prasad Rao were among those who participated in the meeting.

The Joint Collector sought the cooperation of all the stakeholders to ensure effective implementation of the Central government's initiative e-NAM, the transparent mechanism for price discovery, to help farmers secure fair price for their agriculture produce.

He made it clear that the e-NAM will be implemented by enlisting the support of all stakeholders in the cotton market yard.

e-NAM to stay

Some of the traders expressed their concern over the reported fall in the arrival of cotton to the Khammam market yard ever since the e-NAM was introduced two weeks ago.

A few other traders wanted the authorities to postpone the implementation of the e-NAM till other market yards in Telangana switched over to the platform.

However, the officials insisted that the e-NAM will be implemented in the cotton market yard without any interruption from Saturday.

Source: thehindu.com- Mar 17, 2017

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Cotton prices hold steady on strong export demand

Even as the cotton trade body maintains a higher crop size of 34.1 million bales (each of 170 kg) than last year's 33.8 million bales, prices are unlikely to cool off in the near future, said traders and stakeholders.

With an opening stock of about 4.5 million bales at the beginning of the 2016-17 season, the Cotton Association of India (CAI) has projected a total demand of 29.5 million bales for the year, against 38.2 million bales last year. CAI's estimates put available the surplus at 11.2 million bales.

However, looking at the trends in cotton arrivals at mandis, as much as 70 per cent of the crop is believed to have already hit the market. Traders put total arrivals so far at 24.4 million bales.

As arrivals rose cotton prices indicated a softening trend from their initial peak levels. But prices are again on an uptrend after the temporary dip.

The MCX March cotton contract fell by 2.37 per cent to ₹21,060 per bale on March 14 from the peak of ₹21,550 on March 8, and recovered to ₹21,400 per bale on Thursday.

Exports are likely to be around 5-5.5 million bales with the main destinations being Vietnam, Bangladesh and Indonesia. This is expected to further fuel the bullish sentiment.

Chinese demand

"China is a major buyer of Indian yarn at present. The yarn pipeline is empty, hence we expect more yarn demand from China this year. So, mill consumption in India will be more than expected, which will further put pressure on the prices," said Arun Dalal, a leading cotton trader.

Fueling the cotton prices will be the forecast of an El Nino at the beginning of the monsoon. "Expectations of higher cotton demand from China and forecast of an El Nino during the later part of the current month may keep cotton prices higher," added Ritesh Kumar Sahu, Fundamental Analyst, Agri Commodities, Angel Broking.

"Cotton prices on the domestic commodity exchanges have recovered nicely in the last two trading sessions, on Wednesday and Thursday, after correcting last week from their highest levels for the season, due to technically driven trades," said Sahu.

"Farmers continue to realise a better price for their produce since cotton prices have remained firm. Cotton arrivals are in full swing now and the gap of arrivals as compared to last year has narrowed considerably in the preceding period," said CAI president Nayan Mirani.

Farmers have got prices as high as ₹6,000 per quintal for raw cotton (kapas).

According to trader sources, prices at procurement level may scale up to touch ₹6,500 per quintal, while processed cotton prices are expected to jump to levels as high as ₹48,000 per candy of 356 kg.

Source: thehindubusinessline.com- Mar 17, 2017

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New lease of life for handloom sector

India has always had a strong legacy of unique hand-crafted products. We find testaments to the skill and creativity of our artisans from the Indus Valley, as early as 5,000 years ago. Craft in India, evolved from the need to create articles for day-to-day household, religious and cultural use. Handcrafted products enjoyed a special place in palaces, temples and homes and enjoyed royal patronage.

Over the centuries, while clinging to important traditions from the past, Indian craft is trying to adapt to changing global trends. While it has huge potential, this industry is faced with myriad challenges arising from the absence of patronage, lack of quality raw material, want of working capital, poor infrastructure (education, roads, etc.) and the influx of cheaper substitutes.

Handloom and handicraft contribute a sizeable revenue to the Indian economy and employ 130 lakh artisans in rural and semi-rural locations.

The industry is expected to employ 17.8 million by 2022. Indian handicraft is also witnessing huge demand in domestic as well as international markets, with exports alone amounting to \$3.5 billion in FY17.

To add impetus to this industry, public and private sector, NGOs play a key role. Non-profits such as Dastkar work towards upskilling artisans and showcasing their products through *haats/melas*. Private players such as Indian Roots and Jaypore provide the much needed market linkage for Indian handicraft and handloom.

The Government, through its initiatives and schemes influences the entire value chain; raw material sourcing, financing and minimum wages, among other critical issues.

Myriad challenges

Craft makes use of a myriad of raw materials from jute to cotton to wood. These are now difficult to obtain for the craftsmen as they have low bargaining power due to the low volumes required, forcing them to contend with sub-standard quality raw materials. In some cases, production of raw material is being undertaken in places far from where the craft originated, making these products expensive and difficult to acquire.

Craftsmen find it tough to access credit and face a working capital crunch. Specially in handloom, where the entire process of making the product takes anywhere from 10-15 days, the problem is more acute.

The working capital requirement starts with the procurement of raw material, payment for the dying process, production of the product and finally selling the product — all the while requiring money to take care of his family needs. While there are multiple government schemes to tackle this problem, lack of awareness keep craftsmen out of them.

Skill woes

A majority of craftsmen live in areas that haven't seen the same pace of development as Tier-1 or Tier-2 cities. Poor facilities such as lack of education (formal and skill-based), transport, common physical infrastructure (such as warehouses, dyeing units), packing and courier services are critical issues. Some villages don't have internet access at all.

The use of machines to mass produce traditional products in half the time, at a fraction of the cost, is yet another threat to the handloom and handicraft industry. It has made hand crafted products more expensive to own. For example, the cost of a handloom Benarasi saree starts from ₹5,000, while a power loom version is available for as little as ₹1,000. It is very difficult for the buyer to distinguish between a machine-made and hand-made product in the absence of an authentication mark.

The Ministry of Textiles has recently launched India Handloom Brand to create a differential identity for authentic and quality handloom products, making it easier for the buyer to make a purchase decision. There is no equivalent mark for handicrafts although the problem is solved to a limited extent by Craftmark (AIACA trademark) which is subscribed by 90 sellers.

Artisans have not been able to ride the e-commerce wave that has taken larger cities by storm. While India post is reliable and has an extensive network, it does not offer the same speed of delivery, return pickups and COD facilities that e-commerce customers expect.

Online access

This industry has much to gain from riding the e-commerce wave. Surveys show that the e-commerce market in India is growing fast. Once listed on an online platform, a weaver/artisan can instantly start selling directly to a population of a billion plus; whereas, currently he sells to a middle man at much lower prices.

Enabling a mindset change (from offline to online), building trust among weavers, availability of internet, working knowledge of computer, imaging in rural locations, inventory management, etc., are some of the blockers that e-commerce companies will face while interacting with weavers. The first few challenges can be overcome by spending more time in clusters and interacting regularly with the manufacturers.

Earlier, it was believed that imaging would be a major concern in rural areas but, now there are cost effective imaging solutions which make it possible to shoot the image at the artisan's place of choice

E-commerce players have already started to lend a helping hand to this industry. Amazon, for instance, has a store called Crafted in India which curates authentic handloom and handicraft. Flipkart has tied up with the Ministry of Textiles (2014) under its Abhiyaan program to resuscitate dying crafts.

Snapdeal has a selection of six handloom state bodies that it merchandises under its Handloom Store. While craft is a new category for the already established e-commerce players, organisations such as FabIndia (1960), Jaypore (2012) and Indianroots (2013) have been in this space for a few years now.

FabIndia, for example, is already connected to 55 thousand artisans through unique community-owned companies business model wherein the artisan has access to design inputs, micro finance and have built mechanisms where everyone in the supply chain is incentivised to deliver quality products. Considered a behemoth in the retail space, FabIndia has recently started selling online through their website.

Jaypore and Indusdiva, on the other hand provide design inputs to artisans and then buy these products for sale on their website. More recently, we have seen new players like GoCoop and weavesmart who are providing market access to artisans through the online route.

Such innovations and customised industry will have a long-term positive impact on the millions of lives touched by the craft sector. Only a concentrated effort by all the stakeholders in the value chain can help the sector overcome the challenges.

Source: thehindubusinessline.com- Mar 17, 2017

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