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IBTEX No. 163 of 2017 August 08, 2017

USD 63.74 | EUR 75.30 | GBP 83.17 | JPY 0.58

Cotton Market

Spot Price (Ex. Gin), 28.50-29 mm		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
19959	41750	**82.77**
Domestic Futures Price (Ex. Gin), October		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
20390	42651	**84.56**

International Futures Price

NY ICE USD Cents/lb (Dec 2017)	70.59
ZCE Cotton: Yuan/MT (Sept 2017)	15,010
ZCE Cotton: USD Cents/lb	**86.37**
Cotlook A Index – Physical	**80.45**

Cotton & currency guide: ICE cotton settled sideways on Monday's trading session at 70.55 cents/lb. Market is holding a mixed view because on the higher side it is yet failing to break above 71+ cents while also unable to move down below 70 cents for the past three trading sessions.

We believe market would remain in the same range unless any fresh trigger comes into market. We have the USDA WASDE Report on 10th of this month which may give fresh cues on the market.

The US cotton production holding above 19 million bales with global production and stocks rising may indicate a slight bearish tone on the cotton price. However, the actual figure shall decipher a fresh trend in the market.

Currency Guide:

Indian rupee appreciated by 0.08% to trade near 63.76 levels against the US dollar. The US dollar remains under pressure amid continuing uncertainty about Fed's monetary policy and Trump's administration.

Choppiness in global equity markets will however keep a check on rupee's appreciation. USDINR may trade in a range of 63.6-63.95 and we maintain sell on rise view.

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

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INTERNATIONAL NEWS

China Will Bite Back on Trade Actions and the US Won't Like It

If you ask China, the North Korea nuclear issue and U.S.-China trade relations have nothing to do with one another—or at least they shouldn't.

News of potential trade action against China for its intellectual property infractions emerged from the Hill this week, and though nothing was concrete, talk had potential duties pegged as a possible punishment for China.

Since then, China has warned the U.S. that actions like this would do little for either nation's position.

"We both win through cooperation. We both are hurt in a fight," China Commerce Ministry spokesperson Gao Feng said in a statement posted on the ministry's website.

The goal, at least on China's side, seems to be avoiding a trade war, but according to The Wall Street Journal, the country is prepared to target American businesses if Washington goes ahead with trade sanctions.

President Trump has voiced his displeasure with China and its inability both to improve its trade imbalance with the U.S. and rein in North Korea and its nuclear missile development. Trump had alluded to making trade concessions for China in exchange for its aid in dealing with North Korea, but that hasn't panned out as the president hoped.

As such, it seems Trump may want to initiate a case under Section 301 of the 1974 Trade Act, which would essentially allow the Administration to take action against China for unfair trade practices and avoid the World Trade Organization, which has been the body to handle these matters since its inception.

Despite its public interest in keeping the peace, China's retaliation could hit the U.S. wherever it hurts most, like agriculture or aircraft—industries where the U.S. has a considerable trade surplus.

"Usually China will not respond in the same industry sector," William Zarit chairman of the American Chamber of Commerce in China, told The Wall Street Journal. "They may target industries and products that will cause equal pain."

Source: sourcingjournalonline.com- Aug 06, 2017

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USA: The Robots Are Coming-And They May Pick Up Retail's Pace

Apparel supply chains could be giving way to robots in the future.

Pressed by demanding consumers and the accelerated fashion cycle, brands and retailers are considering robots as a way to ramp up their production and fulfillment operations. Although many aren't completely jumping on the robot bandwagon yet, experts predict that demand will increase over the next few years as the retail landscape continues to take on a high-tech face.

According to the International Data Corporation (IDC), global purchases of robots, including robotics-related hardware, software and services, are projected to reach $97.2 billion in 2017 and $230.7 billion in 2021. Manufacturing-related industries, including apparel, are expected to purchase robotics products and services the most this year with a spending total of approximately $54.6 billion.

Some companies have already dabbled in back-end robotics. From installing automated machines to equipping workers with body-protecting exosuits, these businesses are pioneering a new era where robots could slash traditional lead times, generate better products and streamline fulfillment tasks.
Production robots

Automation is already transforming production lines across a variety of industries. Softwear Automation, an Atlanta-based machine vision startup is shaking up production with Sewbots for automotive, apparel and footwear manufacturers.

The company currently offers three patented Sewbots, including the Lowry, the Budger and the ASM. Lowry is an overhead system style pick and place robot that requires minimal hardware changes and uses vision for high product variability. Budger is a robotic ball that works with other similar machinery to transport fabric. ASM is an automated sewing machine that sews without an operator and helps streamline apparel construction for materials, like knits, that may distort easily.

All robots use Threadvision, Softwear Automation's patented machine vision technology that maps and tracks the weft and waft of the fabric and helps with navigation, in addition to Qualsight, another machine vision technology, that helps with color, shape and quality identification.

When compared to traditional apparel production, Sewbots provides time and monetary savings. For example, the company's T-shirt workline produces a T-shirt every 22 to 26 seconds depending on the size and only requires one person to operate it. Softwear Automation's digital workline also requires one person to run it, since it has lean manufacturing built into the process. Cost investments and savings could average a one to two-year payback in the U.S. and a three-year payback in China.

Pete Santora, VP of Softwear Automation, said brands are highly interested in the robots because they can bridge the gap between their supply chains and consumers.

"If you can make goods closer to the end consumer, then they [brands] are incredibly energized to revisit what it means to make their products," Santora said. "Manufacturers are also interested because they don't want to die."

Automated fulfillment

At a time when retail is in a rut, many companies are turning to robotics to help streamline inventory and fulfillment operations as well. With robots working on back-end operations instead of humans, retailers can focus their budgets on in-store operations and improving the consumer experience.

With a system like RoboSupplyChain from Redwood Software, stores can streamline processes across supply chains, including production, warehousing, and operations planning, enabling them to better deliver on consumer expectations.

“Robots can deliver a monetary advantage in terms of cost of operations and efficiency, but the true value is in delivering service levels that exceed expectations as well as ensure optimal availability of stock at the right places across the supply chain. This has a direct influence on revenues and working capital,” Redwood Software chief of staff Neil Kinson said. “In a culture that demands instant gratification, the only way to profitably deliver expectations is to be as efficient as possible.

Benefits of RoboSupplyChain include connecting critical applications, managing planning, inventory and point of sale processes, and maintaining purchase order management and order tracking.

Kinson says with optimal use, his company’s automated system would handle 100 percent of companies’ manual tasks, freeing them up to manage the tasks in house and focus on scaling the business. And the investment has a fairly quick payoff. “We would typically look to see a return on the robotic investment within 6-12 months of implementation, with benefits that are tangible to the top and bottom line,” he said.

And though much has been made about technology stealing jobs, in some cases robots are also aiding workers in their everyday tasks. Retailers like Lowe’s, are piloting robots for inventory workers.

In April, Lowe’s and Virginia Tech co-developed an advanced wearable robotic suit for fulfillment workers. Dubbed exosuits, these devices protect employees against muscle fatigue and injury on shifts. The exosuit absorbs energy and delivers it back to the workers’ body, enabling them to exert less force when they lift boxes. While the workers bend and stand, the suit’s carbon fiber helps the workers bounce back up without difficulty, allowing them to accomplish more at work without hurting themselves.

Dr. Alan Asbeck, a Virgina Tech professor who led the Lowes and Virginia Tech robotics experiment, said these robots are not a threat to human jobs, but an opportunity to accomplish more on the back-end.

“The robots aren’t actually taking away jobs, they are helping the employee give more. Our exosuit does not replace people, I don’t think you can replace people with robots," Dr. Asbeck said. "The wearable robot is actually very important to help people do their jobs efficiently without getting injured."

Safety challenges

Although companies are bridging the gap between production and fulfillment and robots, there are still hurdles to overcome.

Safety is a concern with incorporating robots and humans in the same space. Most factory robots only know how to move from one point to another and are unaware of the environment around them. This could lead to injuries and even deaths if robots aren't equipped with the right hardware to stop their physical movements.

Dr. Asbeck said people are trying to provide robots with sensors, while coming up with tasks to make them more compliant in production facilities.

"The trend now is to try to give the robots sensing, so the robot can tell a 3-D image of how far away things are in the world, recognize people in the way and stop before that happens," Asbeck said. "The second challenge is coming up with tasks for the robot that are simple enough for the robot to do with the intelligence and manipulation capability that is possible today."

As robotics technology evolves, it will accelerate Industry 4.0—an era where apparel production could be fully automated, Softwear's Santora said. He said that as it evolves, the industry needs to be more open to this new kind of technology.

"I don't think we can underestimate how big of a culture change has to happen with the idea of connected devices and factories with robotics. A lot must happen culturally for brands and manufacturers to understand what this process flow is going to be," Santora said. "The major cultural change is going to be to stop relying on people to try and fill the gaps in the manufacturing process."

Source: sourcingjournalonline.com- Aug 06, 2017

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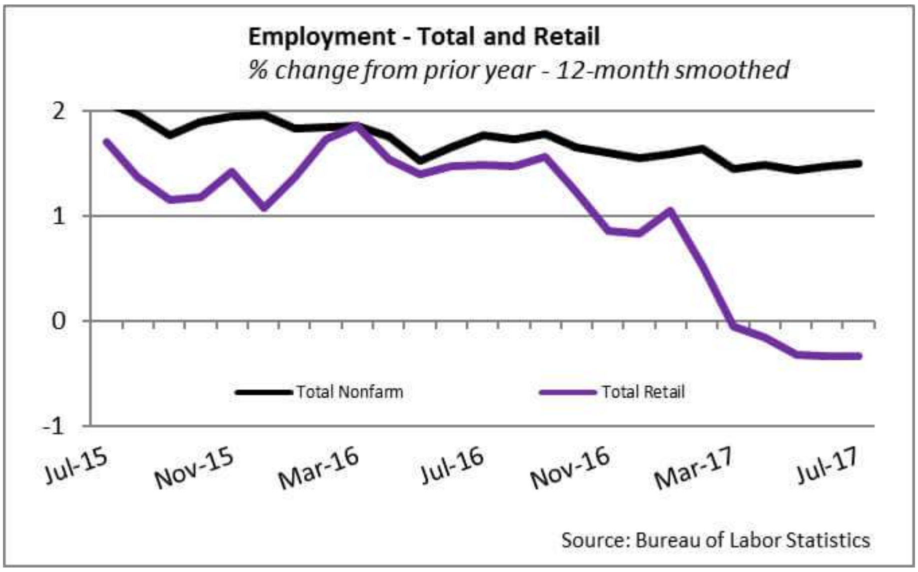
USA: Economy Adds 209K Jobs in July, Unemployment Falls to New Low

The economy added a higher-than-expected 209,000 jobs in July, according to data released Friday by the U.S. Bureau of Labor Statistics, bringing unemployment to 4.3%, tied with May 2017 for a 16-year low.



The retail industry, however, had little to celebrate, as the sector added only a thousand jobs in the month, further evidence that the industry is undergoing a secular upheaval that has more to do with changing consumer demands than with economic malaise.

Brick and mortar retailers are experiencing declining store foot traffic, the shift to online and off-price stores that employ fewer people than department and specialty stores, and store closures that are expected to put continued pressure on retail employment.

The biggest drop in employment occurred at apparel specialty stores, where a total of 10,000 jobs were shed. Department store employment increased by 2,000 jobs, while general merchandise stores increased their staffs by 5,000.

Several big-box and specialty retailers, including Macy's, Sears Holdings, J.C. Penney Limited, Wet Seal, American Apparel, Foot Locker, Abercrombie & Fitch, Michael Kors, Ascena Retail Group, Gymboree, and others, have announced plans to close stores that will result in further employment erosion in the sector.

Source: sourcingjournalonline.com- Aug 06, 2017

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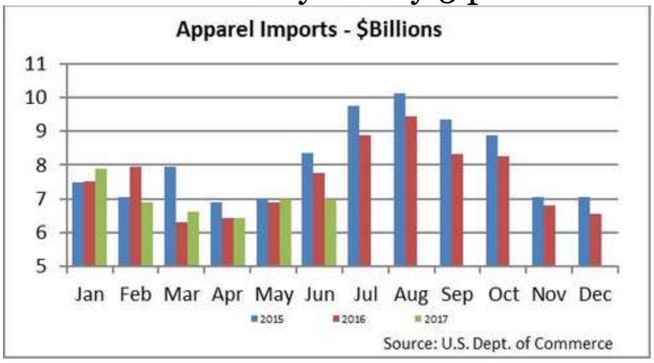
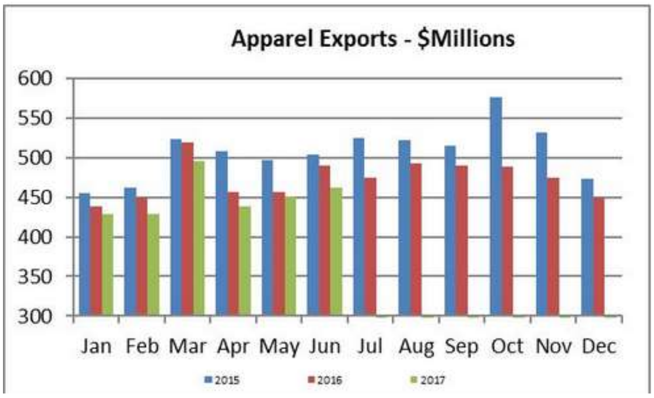
US Apparel Imports Fell in June and First Half of 2017

U.S. apparel imports fell in June, bucking the trend of overall imports, which increased by nearly 5 percent in the month.



Stagnant consumer demand for apparel and persistent price deflation at troubled brick-and-mortar retailers weighed heavily on demand even amid reduced fears of a cross-border tax on imports from Asia.



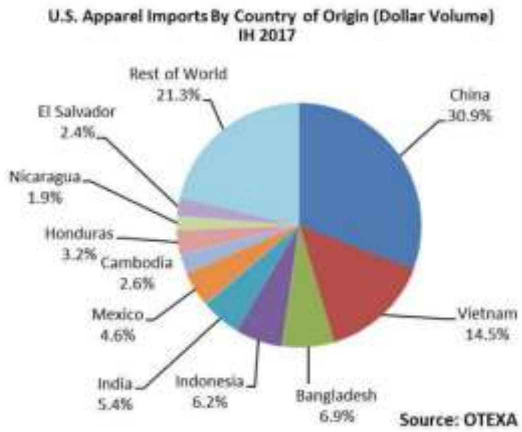
Continued declines in store traffic and seemingly weekly new store closure announcements are causing many stores to rein in inventory. Asian factories are reporting that U.S. buyers are placing smaller, more frequent orders with shorter lead times requested.

US IMPORTS AND EXPORTS In $ Millions	% Chg vs LY	Jun 2017	May 2017	Jun 2016
Total US Imports	4.8	199,866	202,096	190,785
Total US Exports	6.1	133,388	128,636	125,710
Total US Deficit	2.2	66,478	73,460	65,075
Apparel Imports	-3.4	7,491	6,995	7,751
Apparel Exports	-5.6	462	451	490

Total apparel imports dropped by 3.4% in the month to $7.5 billion on a CIF basis,, according to data released Friday by the U.S. Census Bureau, while total U.S. goods and services imports increased by 4.8%, to $199.9 billion. On a 12-month smoothed basis, apparel imports fell by 2.9%, their smallest drop in 13 months.

Apparel exports dropped 5.6% to $462 million. Total U.S. goods and services exports rose by 6.1%.

Apparel imports were lower in the first half of 2017 compared to the same period last year, according to OTEXA, the International Trade Administration's Office of Textiles and Apparel.



Total apparel imports declined by 1.9% on an MFA basis in the first six months of 2017, to $37.2 billion from almost $38 billion in the same period in 2016.

Among the top 10 U.S. apparel trading partners, only Vietnam, Nicaragua and Mexico have grown their apparel shipments to the U.S.

Apparel Imports: Jan-Jun 2017					
MM Dollars and Units					
APPAREL	**Dollars Millions**	**SME Millions**	**% Chg Dollars**	**% Chg SME**	**% Chg $/SME**
World	**37,248**	**12,799**	**-1.9**	**1.7**	**-3.5**
China	11,507	4,901	-3.7	4.0	-7.4
Vietnam	5,389	1,779	5.5	10.6	-4.6
Bangladesh	2,578	965	-5.5	-0.8	-4.7
Indonesia	2,309	654	-3.8	-0.5	-3.4
India	2,000	581	-1.1	0.5	-1.6
Mexico	1,730	426	4.3	-7.2	12.4
Cambodia	975	417	-6.2	-3.2	-3.0
Honduras	1,197	514	-0.7	1.6	-2.3
Nicaragua	715	270	1.1	5.9	-4.5
El Salvador	898	377	-5.3	-7.6	2.5
CBI	419	161	0.3	-4.6	5.1
CAFTA - DR	3,866	1,481	-2.0	-1.2	-0.8
W-Hemi	6,687	2,136	-0.2	-2.8	2.7
ASEAN	9,727	3,182	0.0	3.9	-3.7
OECD	1,459	128	-0.6	-2.8	2.3
rest of world	*7,950*	*1915*	*-2.9*	*-4.2*	*1.4*

On a square meter equivalent (SME) basis, imports have edged up by 1.7% this year, continuing the overall tendency toward cheaper goods, despite upward pressure on labor and raw material costs. The average cost per unit of an imported garment fell by 3.5% in the first half of the year.

The average cost per SME increased by 12.4% from Mexico, and rose 2.4% for El Salvador, but dropped for all other key trading partners, with the cost per SME from China suffering the biggest drop, down by 7.4% percent.

Continuing to make headway despite the failure of TPP, Vietnam's apparel shipments to the U.S. grew by 5.5% to $5.4 billion in the period, gaining a percentage of U.S. apparel import market share.

China has lost the most share of U.S. apparel imports in the period, down 0.6 percentage points to 30.9%.

Bangladesh also lost share, with apparel shipments to the U.S. down by 5.5% in the first six months of 2017, to 6.9% of total U.S. apparel imports.

Source: sourcingjournalonline.com - Aug 06, 2017

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China: Top Ten: Surprising Fashion Industry Facts

They say fashion is fickle and full of surprise. But, it is more than just what looks will we see strut down Marc Jacob's Spring runway show or what will come out of Karl Lagerfeld's mouth next. Here are some lesser known facts about our beloved industry from employment to imports, to personal spending and New York Fashion Week.

- 60 million people are employed by the fashion industry. This covers everything from designers to seamstresses to fashion buyers in the supply chain.

- To further drive home this point, Highsnobriety.com states, "The amount of people working on everything from yarn production right through to retail is roughly equivalent to the entire population of Italy."

- China's textile production is responsible for over half of all production in the world. The exact number rings in at about 54% according to Business Vibes. Their output is given an edge due to cheap labor and an abundance of resources. Outputting more than just textiles, this industry creates 3 billion tons of soot as a by-product in China.

- Germany reigns supreme with paying their garment workers a fair wage. On the other hand, the Philippines is the lowest-paying country.

- The number one importer of apparel is yours truly. The US receives the most garments in its ports each year than any other country on Earth.

- We also have the most retail space per person which very well may be the cause of all the imports. We have to stock those store shelves somehow. To put it in perspective, we have 7.3 sq. ft. per capita versus 1.7 in countries like Japan and

- The United States in number one AGAIN! Residents of Manhattan, New York spend the most on clothing at $362 per person per month.

- In opposition, the people who spend the least on clothing are those who hail from Tucson, Arizona. These Arizonans only ring up $131 of stylish wares per person per month. Can't say I am surprised… (#GoDevils)

- Fashion is good for the economy; especially if you are New York. Fashion week in the city generates around $20 million into economy according to Attire Club.

- The same woman Ruth Finley has been coordinating the fashion week calendar for the last 65 years and the shows are attended annually by 232,000 fashionable insiders and connoisseurs alike.

Source: toptenwholesale.com - Aug 06, 2017

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Pakistan: Domestic textile sales outpace exports

The share of Pakistan's textile industry in domestic commerce has surpassed the sector's export figures, according to data compiled by the All Pakistan Textile Mills Association (Aptma) – an umbrella organisation of textile manufacturers.

Textile sales in the local market currently stand at $13.7 billion out of the combined local and foreign sales of $26 billion, Aptma revealed. Textile exports for the year 2016-17 stood at $12.3 billion.

The organisation said the textile industry's share in the local market was still below potential since it constituted merely 32% of the textile items bought by consumers. Smuggled or informal (24%) and imported goods (44%) make up the rest of the textile products being sold in Pakistan.

According to Aptma statistics, the textile sector contributes 8.5% to Pakistan's total economic output of $300 billion. The sector is underperforming both in domestic as well as in export markets because of several structural and external challenges.

Aptma said Pakistan's global market share had declined from 2.2% to 1.7%, a fall of 23% over the past few years. Regional competitors including India, Bangladesh and Vietnam have, however, managed to increase their exports to $36.4 billion, $31 billion and $31.5 billion respectively by 2016 from $27.7 billion, $19 billion and $15.2 billion in 2010.

Their share in global textile exports has increased proportionately to 4.9%, 4.2% and 4.2% respectively.

Apart from these issues, the textile sector, in general, was facing several challenges including outdated technology, Aptma representatives said.

While several manufacturers have upgraded their production units by installing technologically advanced machinery and equipment, the trend has failed to pick up momentum across the entire sector.

Pakistan's textile industry has lost technological advantage over its competitors as no major investments have been made over the past decade.

Industry sources identify investor reluctance to make new investments due to high cost of doing business as the reason behind this shortfall.

"The industry has lost 15% of the technological edge it had over its competitors," said an Aptma member.

The textile sector saw investment of $1 billion in machinery in 2005-06. Annual investments since then have come down with a mere $560 million invested in 2016-17, down 44% from 2005-06.

India and Bangladesh, on the other hand, added 25 million and 4.29 million spindles respectively to their textile sector infrastructure between 2005 and 2015 along with 78,600 and 42,900 shuttle-less looms.

Aptma said the major reason behind the declining trend was high cost of electricity. Energy costs constitute more than 30% of the total conversion cost in spinning, weaving and processing industries.

Industry representatives decried that the industrial gas tariff in Pakistan was 100% higher whereas electricity tariff was approximately 50% expensive than that in regional competitors.

Electricity bills are inflated with various surcharges including line losses, theft surcharge and system inefficiencies, which cannot be passed on to international buyers of Pakistani textiles.

Aptma said the industry was also facing sustainability challenges due to non-tariff barriers including compliance-related barriers to entry into major markets.

Conditions such as implementation of the United Nations' Sustainable Development Goals, compliance with 27 UN conventions for the EU's GSP Plus status and modifications in World Trade Organisation rules on labour standards restrict the entry of Pakistani goods in several markets.

Aptma representatives are still optimistic about the industry's export potential – estimating additional export capacity of $3.9 billion subject to an enabling environment.

Revising free trade agreements and regional trade agreements according to the country's comparative advantages is one such remedy.

Source: tribune.com.pk - Aug 06, 2017

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Iran: Plan to Set Up Apparel Industrial Town in Tehran

Plans are underway to establish a new apparel industrial town in Fashafouyeh, located in Tehran Province's Rey County, with the stated aim of limiting imports, boosting domestic production and making the price of Iranian clothing more competitive.

According to Director General of Textile and Clothing Department at the Ministry of Industries, Mining and Trade Afsaneh Mehrabi, some 45 hectares of land have been bought for the new apparel industrial park, the Persian daily Shahrvand reported.

Italian and Turkish apparel producers will be present there for cooperation with Iranian producers, the report added.

The Ministry of Industries, Mining and Trade has mandated foreign representatives, branches and distributors of apparel in Iran who seek business licenses to produce goods worth 20% of their import value (in rial terms) inside Iran and to export at least 50% of this domestic production. The initiative, the ministry says, is aimed at increasing domestic production, creating jobs and reviving Iran's aging apparel industry.

According to deputy minister of cooperatives, labor and social welfare, Hamid Kalantari, the apparel industry has the highest job creation potential among all industries in Iran.

Currently, 9,818 industrial units are active in Iran's textile and apparel industries licensed by the Ministry of Industries, Mining and Trade, constituting 11% of all industrial entities in the country.

According to Mehrabi, these units have created more than 290,000 direct jobs, accounting for 13% of all industrial jobs in Iran, the ministry's official news service Shata reported.

Mehrabi believes setting up apparel industrial parks is highly beneficial for Iran, as it leads to transfer of know-how, increases quality and lowers production costs.

Last month, IRNA reported that Iran's Small Industries and Industrial Parks Organization, Minister of Cooperatives, Labor and Social welfare, Cooperative Investment Guarantee Fund, Iran's Clothing Association and Tose'e Ta'avon Bank signed a multilateral memorandum of understanding to set up Iran's first-ever apparel industrial park near Tehran's Imam Khomeini International Airport.

Chairman of Iran's Small Industries and Industrial Parks Organization Ali Yazdani said on the sidelines of the signing ceremony held on July 12 that investors from Italy, China, South Korea and Turkey had already shown interest in this project.

According to the Headquarters for Combating Smuggling of Goods and Foreign Exchange, apparel tops the list of goods smuggled into Iran.

Textile, Apparel and Leather Industry Organization, affiliated to the Industries, Mining and Trade Ministry, had announced that some 90% of foreign garments are smuggled into the Iranian market.

In a bid to tackle the staggering rate of smuggling in the apparel market, the Islamic Republic of Iran Customs Administration recently banned any commercial import of clothing by individuals.

The administration issued a directive late last Iranian year (March 2016-17), based on which the import of clothing is only possible by registered companies and authorized representatives under the Industries, Mining and Trade Ministry regulations.

Iran's per capita apparel consumption is lower than the global average.

According to the Central Bank of Iran, clothing had a 4.5% share in the total Iranian families' spending in the fiscal 2015-16. In other words, each Iranian family spent an average of 15,897,000 rials ($423) on clothes.

According to Mehrabi, Iran is the 36th biggest exporter of textile products and 90th biggest exporter of apparel in the world.

"Taking into account both textile and clothing products, the country's ranking stands at 59th," she said.

Source: financialtribune.com - Aug 06, 2017

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Vietnam textile sector needs $22bln investment

Textile and garment is Viet Nam's third largest export sector, with turnover reaching $28 billion last year. However, the country has not been proactive in obtaining raw material.

As a result, to reach its export turnover, the textile and garment sector consumed 8.9 billion sq.m. of cloth, of which domestic factories were able to produce only 2.8 billion sq.m., while six billion sq.m. of cloth was imported, worth $17 billion.

According to Nguyen Van Tuan, chairman of the Viet Nam Cotton and Spinning Association (VCOSA), apart from financial potential, foreign textile corporations also have a lot of experience in developing a synchronous production chain of textile, fiber, weaving, dyeing and design.

This would be an opportunity for Vietnamese garment enterprises to access and learn technologies and strategies for long-term development, he told VNA.

Pham Xuan Hong, chairman of the HCM City Association of Garment Textile Embroidery-Knitting (Agtek), said the country's participation in free trade agreements (FTAs) had contributed to the development of both the commercial value and internal strength of the Vietnamese textile and garment industry.

In terms of foreign investors, VNA quoted Sunny Huang, executive director of New Wide Group, as saying Viet Nam has a lot of potential to attract textile and garment investment. Besides an abundant labour force and low cost of living, Viet Nam also has infrastructure and transport network advantages, and the electricity and water supplies are better than in some other countries in the region, he added.

However, many argue that in the long run, Viet Nam's textile and garment industry should not just attract foreign investors. but should also focus on high quality human resource training for the industry's development.

According to Nguyen Hong Giang, director of Sao Viet Consulting JSC, associations, enterprises and training institutions should work closely for the development of professional criteria and skills for the textile and garment industry in general, and for weaving and dyeing in particular.

In addition, businesses should invest in the construction of training facilities and enable students to practice at factories so that they can meet the employers' requirements immediately after graduation, Giang said.

Source: vietnamnet.vn- Aug 08, 2017

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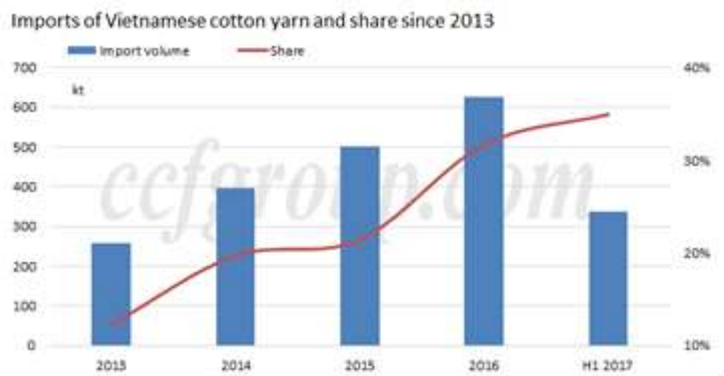
Why Vietnam possess dominating position on imported cotton yarn market?

Imports of Vietnamese cotton yarn keep growing although overall imports of cotton yarn are decreasing in China, and Vietnamese cotton yarn has aroused much concern from market players.



Surging imports of Vietnamese cotton yarn is mainly attributed to the flow-back of cotton yarn from Chinese companies invested there or to the growth in trade sector? Which are major cotton yarn descriptions imported from Vietnam?

Imports of Vietnamese cotton yarn in China

Imports of Vietnamese cotton yarn are increasing in China, at 258kt in 2013, sharing around 12.3% of the total and with monthly volume at 21.5kt, rising to 625.1kt in 2016, sharing 31.69% of the total and with monthly volume at 52.1kt.

In Jan-Jun, 2017, cotton yarn imports totaled around 336.8kt, occupying 35% of the total and with monthly level at 56.1kt. Vietnam dominated imported cotton yarn market in China despite overall reduction, with market share at around 34.3% of the total in H1 2017.

Vietnam is a hot investment region for many Chinese companies and several Chinese companies like Texhong, Bros Eastern, Huafu, Jiangsu Yulun and Luthai established factory there. Many cotton yarn produced by the Chinese companies invested there flow back to China. Does the growth of Vietnamese cotton yarn in China mainly contributed to the flow-back from Chinese companies there?

Deducting the cotton yarn from Chinese companies invested there, imports of Vietnamese cotton yarn also increased apparently. Imports of Vietnamese cotton yarn were around 143kt in 2013, taking up 8.16% and with monthly volume at 12kt, rising to 291.4kt in 2016, possessing 16.1% of the total and with monthly level at 24.3kt, and at 172.3kt in Jan-Jun, 2017, sharing around 19.62% of the total and with monthly volume at 28.7kt.

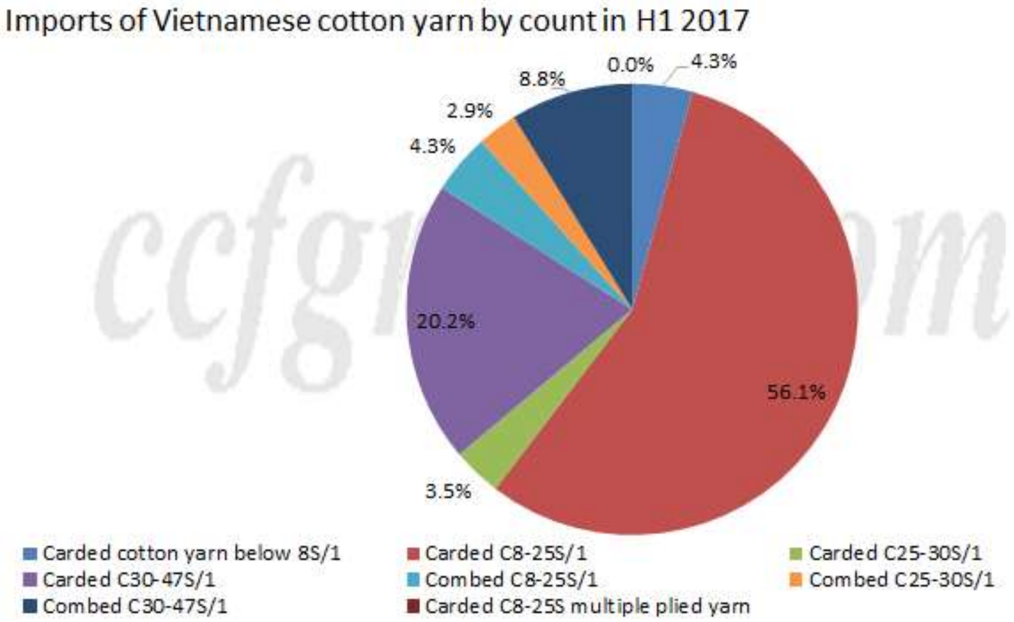
Soaring Vietnamese cotton yarn is likely to be mainly attributed to the following reasons:

1. Compared with Indian and Pakistani cotton yarn, imports of Vietnamese cotton yarn enjoy tariff free advantage. Cutting price means squeezing margins for some Vietnamese cotton yarn plants, but for many Indian and Pakistani cotton yarn mills, price reduction means losses.

2. Vietnamese cotton yarn is mainly made of imported cotton, which can lock in cotton cost in advance and reduce the influence from local cotton production change. In recent 1-2 years, cotton production in Pakistan and India is low, resulting into high cotton price and diminishing the competitiveness of cotton yarn on global market.

3. Delivery cycle for Vietnamese cotton yarn is shorter, with risk more controllable. Vietnamese cotton yarn can be delivered to Guangdong from North Vietnam that day by land transportation, and it will take around 2-3 days to Zhejiang, Jiangsu and Shandong by land transportation. It will take around 7-15 days if shipped by sea, and the delivery time will be around 15-30 days for Indian and Pakistani cotton yarn. Thus, choosing Vietnamese cotton yarn can reduce risk when market is volatile.

2. Major imported Vietnamese cotton yarn in China by count



Imports of Vietnamese carded 8-25S/1 shared more than 56% of the total, hitting market expectation, and those of carded 30-47S/1 ranked the second place, possessing 20.17% of the total, far lower than anticipation. In actual circulation of imported cotton yarn, imports of Vietnamese carded 32S seemed to be higher than those of carded 16S and 21S.

After deducting imports from Chinese companies invested there, the result changed slightly but did not alter fundamentally. Market share of carded 30-47S/1 rose to 31.60%, but that of carded 8-25S/1 was still above 50%, which may be related with the surging of open-end low-count cotton yarn in Vietnam and growing imports of carded 21S contamination free.

In summary, hiking Vietnamese cotton yarn not only comes from the flow-back of cotton yarn from Chinese companies invested there, but also from the growth of trade sector. Imports of Vietnamese carded 8-25S/1 occupied more than 50% of the total, which may be different from market feeling that imports of carded 21S are bigger than those of 16S and 21S. It may be related with the rising of open-end low-count cotton yarn in Vietnam, but such conjecture still needs further research.

Source: ccfgroup.com- Aug 07, 2017

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US urges EAC to lift ban on used clothing import

Acting Assistant US Trade Representative for Africa Constance A Hamilton has said that the United States will continue to work on the issue of a petition challenging the decision by east African countries to ban used US clothing and footwear. A recent public hearing was an initial step to determine the veracity of the petition's allegations, she said.

Hamilton said this recently responding to a query in a teleconference with media personnel at the US Embassy in Nigeria.

The petition, filed by the Secondary Materials and Recycled Textiles Association (SMART), complained that the ban by the six countries of the East African Community (EAC) -- Rwanda, Uganda, Kenya, Burundi, South Sudan and Tanzania -- imposed hardships on the US used-clothing industry and violated rules of the African Growth and Opportunity Act (AGOA). The EAC claims the ban will boost domestic clothes manufacturing in member nations.

Founded in 1932, SMART comprises companies from the United States, Canada, Mexico, South and Central America, Europe, Asia, and Pacific Rim countries. Enacted in 2000, US trade act AGOA enhances market access to the US for qualifying Sub-Saharan African countries.

Expressing concern that the US used clothing sector that employs around 40,000 people is losing market share gradually because of this ban, Hamilton said the AGOA criteria is very clear about not putting in place bans or restrictions on US products.

"So what we're saying to the countries of the EAC is, we welcome you to use AGOA to the fullest, but please do not ban a legitimate American product and hurt US citizens and companies and our employment on the backs of that," she said.

The United States does not believe the EAC argument that used clothing is stifling their ability to grow their local industry as the claim is not supported by data or research, she said.

"We do believe that these things can exist side-by-side, and we encourage the EAC to look at some of that research and go back and revisit this ban before we have to make a final decision on what we're going to do as a result of the petition," she added.

The United States had initiated an 'out-of-cycle' review of the trade benefits under AGOA to Rwanda, Tanzania and Uganda in June this year as a result of the petition.

Source: fibre2fashion.com- Aug 07, 2017

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Bangladesh sets export growth target at seven per cent

Bangladesh wants its total exports to grow at 7.87 per cent for fiscal year 2017-18. Garments are expected to contribute $30.16 billion to the total targeted amount with 8.12 per cent growth. The country is also looking to earn $1.38 billion from the leather industry, followed by jute and jute goods at $1.05 billion and $880 million from home textile products.

These targets have been set taking into consideration the global economic outlook, policy changes in import and export destinations, the fluctuating exchange rate, stakeholders' feedback and supply side capacity. Business leaders feel the export targets are achievable but the sectors need support, including gas and electricity connections.

Despite spending a lot on safety standard improvements, exporters, especially from the apparel sector, are not getting a satisfactory price for their products. Bangladesh's overall export earnings in fiscal 2016-17 were 1.68 per cent higher than what they were a year ago. They were also the lowest in the last 15 years.

The lead time is very important as businesses have to import raw materials to make the products. There is another struggle to ship the products due to the congestion in Chittagong port.

Source: fashionatingworld.com- Aug 05, 2017

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China's RCEP push veils grand plan

Community social media platform 'LocalCircles' recently did a survey on the Indian consumer's perception about items imported from China. The results gave a peek into the minds of Indian consumers. It showed 52% of participants were of the opinion that for the same product, the quality of a 'Made in India' version was superior to the one from China.

However, 83% said they buy Chinese products as those items were the cheapest. On the issue of addressing 'quality concerns' about imported Chinese items, 98% said there should be better screening of such products before they enter the Indian market — including ensuring that only those imports meeting the Indian (BIS) standards are allowed.

The poll assumes significance as it comes amid ongoing negotiations for a mega-regional Free Trade Agreement (FTA) among 16 Asia-Pacific nations, including China and India. Known as the Regional Comprehensive Economic Partnership (RCEP), the proposed FTA, aims to boost goods trade by eliminating most tariff and non-tariff barriers — a move that is expected to provide the region's consumers greater choice of quality products at affordable rates. It also seeks to liberalise investment norms and do away with services trade restrictions.

The RCEP is billed as an FTA between the 10-member ASEAN bloc and its six FTA partners — India, China, Japan, South Korea, Australia and New Zealand. When inked, it would become the world's biggest free trade pact. This is because the 16 nations account for a total GDP (Purchasing Power Parity, or PPP basis) of about $50 trillion (or about 40% of the global GDP) and house close to 3.5 billion people (about half the world's population). India (GDP-PPP worth $9.5 trillion and population of 1.3 billion) and China (GDP-PPP of $23.2 trillion and population of 1.4 billion) together comprise the RCEP's biggest component in terms of market size.

The RCEP 'guiding principles and objectives' state that the "negotiations on trade in goods, trade in services, investment and other areas will be conducted in parallel to ensure a comprehensive and balanced outcome." However, it is learnt that China, using its influence as the global leader in goods exports, has been deploying quiet diplomacy to ensure consistent focus on attempts to obtain commitments on elimination of tariffs on most traded goods.

China is keen on an agreement on a 'high level' of tariff liberalisation — eliminating duties on as much as 92% of traded products. However, India's offer is to do away with duties on only 80% of the lines and that too, with a longer phase-out period for Chinese imports (ie, about 20 years, as against 15 for other RCEP nations).

Duty impact on India

A highly ambitious level of tariff elimination without enough flexibility would affect India the most on the goods side. This is because in the RCEP group (except Myanmar, Cambodia and Lao PDR), India has the highest average 'Most Favoured Nation (MFN) tariff' level at 13.5%. MFN tariff, as per the WTO, refers to normal, non-discriminatory tariff charged on imports — excluding preferential tariffs under FTAs and other schemes or tariffs charged inside quotas.

A March 2017 discussion paper on RCEP by the think tank RIS also said, "India is the only participant that has a high level of merchandise trade deficit ... Its trade deficit with RCEP countries is also more than half its global trade deficit." The paper, by V.S. Seshadri, also showed that India's trade deficit with China "is over three times its exports to China (in 2014), a situation not matched by any other RCEP member except Cambodia…" It further said, "considering India's vulnerabilities and large bilateral trade deficits, India will need substantial flexibilities to deal with China… A longer phase out period with backloading of concessions, particularly on sensitive products, will be essential."

On the sidelines of the recently held RCEP talks in Hyderabad, representatives from the Indian industry laid out their apprehensions before the industry bodies of other RCEP nations and the trade negotiators. Their main worry was that the proposed FTA, owing to the possibility of elimination of duties across most sectors, could lead to a surge in inflow of low-priced goods, mainly from China. This, India Inc. feared, would result in their share in the domestic market contracting, and consequent downsizing/closure of operations, as well as job losses. This could lead to lower incomes and reduced consumer spending.

Also, since India already has separate FTAs with the 10-member ASEAN bloc, Japan and Korea, India Inc. feels that on account of the RCEP, India may not gain much on the goods side with existing FTA partners. India is also negotiating separate FTAs with Australia and New Zealand. However, be it through a separate FTA or via RCEP, India's gains on the goods segment from Australia and New Zealand will be limited as MFN tariff levels of those two countries are already low. China is the only RCEP country with which India neither has an FTA, nor is in talks for one. Therefore, Indian industry sees RCEP as an indirect FTA with China, especially since, given the sensitivities involved, there could be a hue and cry if the India opts for a direct FTA with that country.

Trade deficit woes

Ajit Ranade, chief economist, Aditya Birla Group, said even without a bilateral FTA, India was already affected by China's overhang of excess capacity in sectors including metals, chemicals and textiles. Goods imports from China have been far outpacing India's shipments to that country (India's exports are mainly troubled by China's non-tariff barriers). This has led to goods trade deficit with China widening from just $1.1 billion in 2003-04 to a whopping $52.7 billion in 2015-16, though easing slightly to $51.1 billion in 2016-17. Mr. Ranade said India's FTA strategy has to be guided by the 'Make In India' initiative that aims to boost domestic manufacturing and job creation within India.

In return for greater market access in goods, India, with its large pool of skilled workers and professionals, might be trying to use the RCEP to gain on the services side, by securing commitments from the other nations to mutually ease norms on movement of such people across borders for short-term work.

However, the RCEP is just one element of China's grander plans for global dominance. In February, its foreign minister Wang Yi said, "We hope to ... speed up the RCEP negotiation process and strive for an early agreement, so as to contribute to realising the greater common goal of building the Free Trade Area of the Asia-Pacific (FTAAP)." The FTAAP spans 21 Asia-Pacific Economic Cooperation countries, including the U.S. and China, but does not cover India (though it has sought to be a APEC member). With the U.S. withdrawing from the Trans Pacific Partnership — a mega-regional FTA not involving India and China — that similarly aimed to help establish the FTAAP, the path is clear for China to push ahead with this strategic initiative to its advantage through the RCEP.

In May, Chinese Commerce Minister Zhong Shan said the RCEP “highly echoes the Silk Road spirit.” The Silk Road Economic Belt (on land) and the Maritime Silk Road (via the ocean) comprise China’s Belt and Road Initiative, that India had opposed on strategic grounds.

Joshua P. Meltzer of the think-tank Brookings said in an article that the impact of the BRI — to which China has committed $1.4 trillion — “on regional trade integration should also be seen in light of trade agreements such as the RCEP.”

“Once completed, RCEP will also provide preferential access to each country’s markets. BRI could help China address some of its excess capacity in industries such as steel and cement, since infrastructure projects supported by the initiative would boost external demand for Chinese exports. The initiative could provide a means for Chinese industries with excess capacity to export equipment that is currently idle.” It is pertinent for India to note this larger picture even as it sees the RCEP as “a beacon of hope for free trade” and a pact offering “a positive and forward-looking alternative in the face of growing protectionism across the world.”

Source: thehindu.com- Aug 08, 2017

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Cambodia's garment exports grow at slower pace in first half

Cambodia's garment exports grew at a slower pace in the first half of the year, possibly due to stronger competition from Vietnam and Myanmar for U.S. sales, the central bank said.

Garment exports grew just 4 percent in the first six months of the year, less than half of the 9 percent pace seen in the same period in 2016, National Bank of Cambodia (NBC) said in its semi annual report.

Cambodia's textile and footwear industry generates $6 billion annually for the economy. It has created 600,000 jobs that sustain many rural families, helping to sharply reduce the country's poverty rate.

"The garment sector, which is the strongest force in expanding the economy, maintains fair growth even though it is at a little slow pace if compared with the same period last year," National Bank of Cambodia (NBC) said in its semi annual report. The slowdown may be due to a 2.3 percent drop in exports to the United States amid stronger competition from Vietnam and Myanmar, the report said.

Increases in Cambodia's minimum wage were also a factor, leading to higher production costs, the report said. Cambodia's new minimum wage is $153, more than double the $64 minimum wage for garment workers in Bangladesh, the world's second-biggest exporter of garments after China. The country's exporters may face more challenges ahead.

With the World Bank's upgrade of the economy last year to lower-middle income country status, Cambodia will no longer receive preferential trade access in the European Union (EU) over the next three years, the report noted.

Foreign direct investment in the garment sector dropped by about 30 percent in the first quarter of 2017, compared to a 5 percent drop in the same period last year, the report said.

Source: reuters.com- Aug 07, 2017

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NATIONAL NEWS

Job work in entire textile sector will attract 5% GST

At its 20th meeting today, the Goods and Services Tax (GST) Council has agreed to job works on entire value chain in the textile sector will only invite 5 per cent GST. This effectively means that job work on wearing apparel would attract 5 per cent GST instead of 18 per cent tax earlier.

Industry bodies like the Indian Texpreneurs Federation (ITF) and Tiruppur Exporters Association (TEA) have welcomed the announcement.

“On behalf of ITF, our sincere thanks to Finance Minister and the GST Council for this decision. This shows the care from government on the industry feedback and ground reality to adjust the GST rates,” said ITF secretary Prabhu Damodaran.

“This decision will help thousands of SMEs in the textile sector and improve the efficiency in whole textile manufacturing chain,” he added.

TEA president Raja M Shanmugham too thanked the GST Council for considering the requisition of garment sssociations, particularly from Tiruppur cluster and noted that the decision is a big relief to the micro and small job working units in Tiruppur cluster.

He said 5 per cent GST slab will help for the seamless credit flow and fulfill the objective of GST.

West Bengal finance minister Amit Mitra said that the decision will help many poor people.

Originally, the GST rates for job work on textiles and apparel was kept at 18 per cent. It was subsequently revised downward to 5 per cent during the meeting of the GST Council held on June 11.

However, the revision of rates was made applicable only for job work on cotton yarn and textile fabrics, while the job work made on wearing apparel was excluded from this rate reduction.

Source: fibre2fashion.com- Aug 05, 2017

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Garment manufacturers cheer GST rate cut in job work

Garment manufacturers have welcomed the government's decision to cut service tax (goods and services or GST levy) on the third-party services popularly known as job work.

The GST Council on Saturday decided to cut the tax rate on services rendered by third parties from 18 per cent to 5 per cent. Earlier, the GST Council had lowered the rates on the job work in the jewellery sector while keeping the rate unchanged at 18 per cent on readymade garments.

"We welcome the decision. This is a major relief for the garments sector. The rate of 18 per cent was the biggest impediment for the growth of the garments sector. With this relief garment sector in India will see a major jump in coming days," said Rahul Mehta, President, Clothing Manufacturers Association of India.

In the unorganised garment sector, almost 75 per cent depends on job work such as stitching, trading and other associated work. The sector feared hundreds of thousands of job losses with high tax on third party work.

The textiles sector as a whole, in fact, has heaved a sigh of relief.

Source: business-standard.com- Aug 06, 2017

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India Handloom Brand product sales may double in 2017-18

The sale of products from India Handloom Brand (IHB), an initiative of the Ministry of Textiles, is likely to see a two-fold rise at Rs 180 crore in the current financial year, says a senior official.

The IHB is an endorsement to quality of the handloom products in terms of raw material, processing, embellishments, weaving design and other parameters, besides social and environmental compliances.

The IHB portal lists such products and contact details of their manufacturers and retailers, from where buyers can procure them. These products include natural dyed fabrics and sarees, organic cotton fabrics, cotton and silk sarees and branded handloom products sold in stores which have tied up with the IHB.

During 2016-17, the India Handloom Brand product sales were to the tune of Rs 95.63 crore. During the first two months of the current fiscal (April-May), the combined sales figure was Rs 29.42 crore.

Going by the first two months average of Rs 15 crore each, the Development Commissioner (Handlooms) expects the sales to reach at least Rs 180 crore in the current fiscal.

"With average sales of Rs 15 crore a month we should reach the Rs 180 crore mark. Handloom products are sold more during the winter months so sales may increase going forward," Development Commissioner (Handlooms) Shantmanu told PTI.

The office of Development Commissioner for Handlooms has also engaged retail stores for selling India Handloom Brand products under partnership framework for IHB retail stores. These stores have set aside an exclusive area for showcasing and selling IHB branded products only.

Source: business-standard.com- Aug 06, 2017

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Trans-shipment service for imported cotton at Tuticorin

The Indian ministry of shipping has facilitated setting up of a trans-shipment facility for imported cotton at Tuticorin port in Tamil Nadu for storing around 250 containers as the demand for the imported fibre is rising among smaller mills due to quality issues in cotton procured from domestic sources. The facility was inaugurated on August 4.

The new facility will offer small and medium category spinning mills direct and daily access to imported cotton, Southern India Mills' Association (SIMA) said in a press release. The cotton can be stored for up to 30 days for free of cost and another 60 days at a discounted charge with freedom to sell the cotton either in India or any other country depending on demand.

Only larger mills could import cotton earlier and derive benefits due to their financial strength and volume of import, according to SIMA.

"The trans-shipment facility would bring stability in cotton prices as imported cotton would be available at demand and also help the mills to prevent losses due to price volatility and also currency fluctuations," said SIMA chairman M Senthilkumar at the inaugural event.

The textile industry in Tamil Nadu accounts for one-third of cotton textile business and 47 per cent of spinning capacity in the country. Spinning mills in the state consume about 120 lakh bales (a bale is 170 kg) of cotton per year.

Mills in the state procure around 80 per cent of cotton from Gujarat, Maharashtra, Telangana and other states as Tamil Nadu's annual cotton production stands at around 5 lakh bales. They also import around 15 per cent of the cotton from Africa, US and Australia.

SIMA succeeded in facilitating coastal movement of cotton between Gujarat and Tamil Nadu and also lobbied for creation of a free trade zone (FTZ) facility at Tuticorin. But as creation of an FTZ facility is time consuming, a trans-shipment facility was set up first.

Source: fibre2fashion.com- Aug 05, 2017

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Textile industry cheers lowering of GST rate on job work

The Confederation of Indian Textile Industry (CITI) today welcomed the GST Council's move to slash the rate on job work like weaving, cutting, knitting and embroidery to 5 per cent from 18 per cent decided earlier.

The GST Council, headed by Finance Minister Arun Jaitley comprising representatives from all states, last week decided to tax all job works in the textile sector at 5 per cent.

This 5 per cent rate will be applicable for job works in apparel, shawls and carpets.

In a statement, CITI Vice Chairman Sanjay K Jain described it as a big breather to small job work manufacturers in all segments of textile value chain which will allow the free flow of business across the value chain.

"A common rate across the chain would also avoid confusion. All textile job works being manufacturing activities were exempted from service tax in pre-GST regime. But job workers could not avail input tax credit that had been increasing the cost of the products and affecting the export competitiveness and also the domestic consumers," Jain said.

He said the 5 per cent GST rate on job works would enable the industry to claim full input credit and also avoid any inverted duty and strengthen the global competitiveness of the textile sector apart from benefiting the domestic consumers. However, Jain said the reduction of GST rate for manmade fibre and synthetics from 18 to 12 per cent being postponed is disappointing.

He claimed that imports are now cheaper than domestic products as the countervailing duty (CVD) and special additional duty (SAD) on imports have become Integrated GST.

"Earlier the additional duties, namely, CVD & SAD were a protection against imports. Hence, industry would need some safeguard measures to ensure the Make in India initiative does not wash away in the avalanche of imports (which have post GST become 12 to 16 per cent cheaper).

"We have apprehensions that Indian market would get flooded with imports from China, Bangladesh and Sri Lanka, which would end up in huge job losses," Jain said.

He urged to the government and GST Council to accommodate the textile industry's demand of 12 per cent GST rate on MMF and synthetic yarn or refund of duty under inverted duty incidence at fabric stage as prescribed in GST Act.

Source: moneycontrol.com- Aug 06, 2017

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Govt services now at weavers' service centres in India

Indian weavers will now be able to avail of a wide array of government services, including banking, passport, insurance, electricity bill payment, PAN card generation for filing income tax returns, voter ID and Aadhar card for unique identification, at the various weavers' service centres (WSCs), Union textiles minister Smriti Irani has announced.

Apart from providing technical assistance, the WSCs will serve as a one-stop window for weavers, offering various services, the minister said while inaugurating a camp in Guwahati on Mudra loans for weavers and Hathkargha Samvardhan Sahayata Scheme for handloom weavers, according to a press release from the ministry.

Under the Pradhan Mantri Mudra Yojana (PMMY or Mudra), loans ranging from Rs 50,000 to Rs 10 lakh are provided to small entrepreneurs, while the Hathkargha Samvardhan Sahayata Scheme bears 90 per cent of the cost of new looms.

There are 28 WSCs under the office of development commissioner (handlooms), ministry of textiles, functioning in various parts of the country.

This week, the ministry will sign an MoU with Common Service Centres, which will enable WSCs to offer such services from this year, she said.

Sanctioning Mudra loans to 50 weavers on the occasion, Irani highlighted the case of handloom weavers in Sambalpur, Odisha, who could improve their earnings by more than 60 per cent within three months of receiving Mudra loans.

Source: fibre2fashion.com- Aug 07, 2017

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Action plan mooted for trade facilitation pact

India has set the ball rolling for the smooth implementation of the World Trade Organization's trade facilitation agreement by formulating a detailed action plan with timelines for the pact, sources said.

TFA seeks to ease customs procedures, expediting movement, release and clearance of consignments. Implementation of the plan, which also includes suggestions of the private sector, has been divided into short term (0-6 months), medium term (6-18 months) and long term (18-36 months).

The short-term action plan includes augmentation of storage infrastructure for perishable goods and clearance of such goods within 12 hours of landing for import and 8 hours for export.

The plan for mid-term includes updation of all regulatory information available on the internet on a single window portal; to put in place adequate bio-security measures for livestock imports and publication of all fees on a single window website.

The Central Board of Excise and Customs and the commerce ministry would also work on streamlining policy for e-commerce which includes cutting documentation requirements and providing single submissions.

The agencies and ministries involved in the implementation process include CBEC, Directorate General of Foreign Trade and Animal & Plant Quarantine, textiles and environment ministries.

Source: newindianexpress.com - Aug 07, 2017

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'New integrated textile policy soon'

Chief Minister Edappadi K. Palaniswami on Monday said the government will formulate a new integrated textile policy for the State. Speaking at the National Hand Tex 2017 event to mark the third National Handloom Day, the Chief Minister made the announcement.

He further said that the Ahimsa brand of silk sarees will be introduced in Co-Optex showrooms as per customers' demands, and efforts are being taken to manufacture organically dyed cotton sarees in Dindigul, Vadambacheri in Coimbatore, and Manamedu in Tiruchi districts.

The Chief Minister said the handloom industry in the State was just behind agriculture in terms of providing employment. He also listed out various measures taken by the Tamil Nadu government for the welfare of handloom and powerloom weavers.

He added that the government had increased free power supply to handloom weaver from 100 units for two months to 200 units. About 964 out of 1,156 handloom weavers' cooperatives were making profits as a result of the various schemes rolled out, he said.

Earlier in the day, the Chief Minister said the State government was constantly pressurising the Centre to provide exemption from NEET to students from Tamil Nadu.

To a query on a possible merger with the OPS camp, he said, "We hope to see a united AIADMK soon."

Source: thehindu.com- Aug 08, 2017

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Why Surat textile industry is unhappy with GST rate

The Centre has revised the goods and services tax (GST) on textile from 18% to 5% in last meeting on Saturday. However, textile industry in Surat seems unhappy with the decision and considering to resume the protest against GST. The GST Council had on Saturday decided on a cut in rates on job work, from 18% to 5%.

However, this has brought cheer to only the garment industry, not to the synthetic and fabric-based textile industry that largely located in Surat. Tarachand Kasat, president of GST Sangharsh Samiti of Surat, said, “Surat is a hub of synthetic and fabric-based textile.

The recent decision on GST rates will not impact us in a large scale. Moreover, we had demanded removal of 5% tax and easy filing of return. The samiti will meet and interact with the traders on Tuesday or Wednesday to decide strategy to recall the protest.”

The traders in Surat had called off their two-week-long strike on July 18 against the imposition of 5% GST on textiles following the Centre’s assurance to look into their demand. Thousands of textile merchants in Surat had shut their shops to protest the new tax structure. The trade has also demanded 18-month time for implementation of GST. However, the council has refused the demand.

Surat’s textile industry employs about 1.5 million people, spread in spinning, weaving, dyeing and processing, trading and garmenting, through nearly 20,000 manufacturers, including power looms, 75,000 traders and 150 wholesale markets. Of this, garmenting forms a small portion. The bulk is in spinning, weaving, dyeing and processing, as well as trading of fabrics, sarees and dress materials.

Source: financialexpress.com- Aug 08, 2017

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