iBtex. TEXTILE INTELLIGENCE CENTRE
INFORMATION BUREAU TEXPROCIL

TEXPROCIL NEWS CLIPPINGS

The Cotton Textiles Export Promotion Council [TEXPROCIL]
Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai - 400 004. Maharashtra State. INDIA
W. www.texprocil.org E. enews@texprocil.org T. +91-22-2363 2910 to 12 F. +91-22-2363 2914

IBTEX No. 65 of 2017 Mar 31, 2017

USD 64.82 | EUR 69. 20 | GBP 80.89 | JPY 0.58

Cotton Market

Spot Price (Ex. Gin), 28.50-29 mm

Rs./Bale	Rs./Candy	USD Cent/lb
20413	42700	**84.04**

Domestic Futures Price (Ex. Gin), March

Rs./Bale	Rs./Candy	USD Cent/lb
21090	44115	**86.82**

International Futures Price

NY ICE USD Cents/lb (March 2017)	76.23
ZCE Cotton: Yuan/MT (May 2017)	15, 390
ZCE Cotton: USD Cents/lb	**85.17**
Cotlook A Index – Physical	**86.30**

Cotton guide: Cotton traded extremely steady on Thursday's trading session. The May future ICE contract ended the session at 76.23 cents marginal change from the previous close. The same contract had made a low of 76.10 during the trading session. The major data released was the US export sales. In total the export sales figure for the week ending 23rd March stood lower at 476.6 vs. 529.50 K bales.

However, the recent figure suggests exports of cotton from the US have increased substantially. The March average stood at 482K bales while in February the average of exports was 409K Bales. However, in total there has been a jump over 97% since the beginning of 2017. The exports have increased from 241.70 K bales to 476.60K bales as of latest figure.

Nonetheless, the reaction in the price was negligible on Thursday's trading session because the data came slightly lower than the previous week's figure. There may be another factor that did not permit rise in the price is the further cut in the open interest.

The OI has shrunk to 0.141 million contracts lower in last one week and lowest since price made a high of 79.50. We believe if the cut in the position continues to increase the price of cotton at ICE may remain under stress. This morning ICE cotton is trading marginally higher at 76.43 with USD index trading higher at 100.58. Market would remain cautious during today's trading session ahead of USDA planting report. Until then the scenario would be shaky and price may hold a sideways tone. However, as discussed earlier the sentiment is expected to be lower and believe once 76 cent is breached down the price could decline to 75.75 cents. However, on the higher side we see 76.85 cents as key resistance levels.

Coming to domestic market in India, the spot price continued to stay steady near Rs. 44000 per candy for S-6 variety. At the prevailing exchange rate, equivalent value is approximately 85.10 US cents per pound. In the other hand, Punjab J-34 has weakened slightly, to settle at RS.4, 740 per maund. In the meanwhile, nationwide, daily seed cotton arrivals have again fallen for the second day below 100,000 lint equivalent bales, to be placed at 98,800 bales, including 33,000 from Gujarat and 34,000 from Maharashtra.

There is a slight disconnect between domestic and ICE cotton price. Therefore, the MCX cotton future has become highly volatile. We saw April future trading lower during the day while in the evening session with a slight rebounding in the ICE price pushed the MCX contract to rebound from the day low. The April contract ended the session at Rs. 21090 down by Rs. 60 while intraday low was quoted at Rs. 20870. On today's trading session we might initially see marginal rise in the price while believe cotton to remain sideways on today's trading session with marginal bearish tone. The trading range would be Rs. 21190 to Rs. 20900 per bale.

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

NEWS CLIPPINGS

INTERNATIONAL NEWS

U.S. Textile and Apparel Industry Inching Forward After Steep Asian Competition

The U.S. textile and apparel industries have seen revenues slowly rise over the last seven years as free-trade agreements and rising Asian prices have given local textile and clothing makers a bit of a reprieve.

TOP 4 EXPORT MARKETS BY COUNTRY

2016 Data in $ Billions

1. Mexico	$6.3B
2. Canada	$5.2B
3. China*	$1.8B
4. Honduras	$1.5B

*Data for China includes exports to Hong Kong and Macau.

In 2016, production of U.S. man-made fiber and filament, textiles, and apparel shipments totaled nearly $75 billion, an 11 percent increase from 2009, according to the **National Council of Textile Organizations**, which recently released its “2017 State of the Industry Address.”

That slight annual increase in production is good news after the apparel and textile industries were walloped with major overseas competition in the 1990s and early 2000s.

“It has been a fairly stable and strong environment for about five or six years,” said Auggie Tantillo, president and chief executive of NCTO, a Washington, D.C., trade group that represents about 85 percent of the textile companies in the United States. “But the market has been flat for 18 months due to sluggishness in the global and U.S. economies and the uncertainty in the retail sector.”

Yarns and fabrics accounted for $30.3 billion, or nearly half the shipments sent out, while carpet, home furnishings fabrics and other non-apparel sewn products made up $24 billion in revenues. Apparel came in at $12.7 billion.

One of the U.S. textile industry’s saviors has been free-trade agreements that require that regional yarns and fabric be used in production.

If you look at the $13 billion man-made fiber, yarn and fabrics exported from the United States, a big chunk, $4.4 billion, is sent to Mexico, $1.6 billion is shipped to Canada, and another $1.3 billion is earmarked for Honduras.

The Dominican Republic receives $759 million in shipments. All these countries are members of either the North American Free Trade Agreement or the Dominican Republic Central America Free Trade Agreement.

Tantillo said the U.S. textile industry exports about 40 percent of its production and more than half goes to Mexico, Canada and Central America.

Still, there are ways to increase U.S. textiles exports to free-trade partners. And President Donald Trump could have a big role in that.

NAFTA—the free-trade agreement between the United States, Canada and Mexico—went into effect in 1994 but still has trade-preference levels written into it. Trade-preference levels allow a certain amount of yarns and fabric produced outside the free-trade-agreement region to be used in apparel production as long as the non-regional goods are cut and sewn within the free-trade countries.

Currently, Mexico is allowed to bring in 45 million square-meter equivalents of yarn and fabric a year from places such as China, which it normally uses up halfway through the year.

Canada has an annual allotment of 88 million square-meter equivalent units, although it most recently used only about 25 million of that. “That is a degradation of the yarn-forward requirement [for the free-trade pacts], and we think that is a problem,” Tantillo said.

When Trump discusses changes to NAFTA, the U.S. textile industry would like to see these trade-preference levels eliminated. Doing away with these loopholes would undoubtedly boost U.S. textile exports, textile producers said.

When NAFTA was being negotiated more than 25 years ago, Canada asked for a TPL because it did not have a strong textile industry.

Still, the U.S. textile industry believes NAFTA is a pillar upon which the U.S. textile supply chain has been able to grow.

Canada and Mexico are the biggest U.S. textile markets. Also, Mexico has a lot of apparel factories sewing clothing for retailers and manufacturers who need a quick turnaround on goods.

Domestic push

The U.S. textile industry would like to see several steps taken to encourage more domestic production. It also fully supports the Trump administration's call to negotiate more bilateral free-trade agreements that would have yarn-forward regulations encouraging the use of American fibers, yarns and fabrics.

However, the trade group is opposed to a free-trade agreement with Vietnam, now the No. 2 maker of clothing imported into the United States.

Vietnam, which is turning into a cheap alternative to China, is a Communist-run country that has a non-market economy, NCTO maintains, and would heavily disrupt the U.S. textile industry if goods were allowed to enter the country duty-free.

The U.S. textile industry is hoping to add to the 565,000 people employed in the industry last year—with 131,300 working in apparel manufacturing and another 113,900 employed in yarns and fabrics.

The U.S. textile industry is recovering from some hard times experienced in the late 1990s through the early part of the 21st century, when business was dropping 10 percent each year.

"There was a confluence of events starting in late 1999, when the Asian currency crisis occurred and practically every Asian currency collapsed by 30 to 40 percent, causing exports to surge to the United States. Then you had China joining the World Trade Organization in 2001," Tantillo recalled.

But things are turning around. Investments in U.S. textile fiber, yarn, fabric and other non-apparel textile production grew to $1.7 billion in 2015, a 75 percent rise from the $960 million invested in 2009.

“I would say the feeling is upbeat, and there is a positive outlook for the industry,” Tantillo said. “There is a level of frustration with the slow economy and sluggishness in the market, but we all know markets are cyclical.”

Source: apparelnews.net- Mar 30, 2017

HOME

****

Pakistan govt textile committee suggests making TCP operational

The Pakistan National Assembly Standing Committee on Textile Industry has given directions to the textiles ministry to make the Trade Cooperation of Pakistan (TCP) operational, to facilitate cotton growers.

The committee also suggested increasing the strength of scientists at Central Cotton Research Institute, Multan to make research work more effective.

"The committee also recommended that incentives should be provided to stakeholders in the cotton industry, to enable further development of the sector," a press release of the National Assembly Secretariat stated.

It also suggested increasing education and awareness among cotton growers through electronic and print media to increase cotton output in the country.

Source: fibre2fashion.com - Mar 30, 2017

HOME

****

Azerbaijan cotton industry created 64,000 jobs last year

Cotton industry in Azerbaijan created 64,000 jobs in 2016, and a three-fold jump in job creation is expected this year, the country's president Ilham Aliyev has said.

Since the September 2016 presidential decree on state support for cotton production, the government has been providing very large state support to cotton growing in the country.

"We (have) invested, and we will invest hundreds of millions of dollars in the development of cotton growing," said Aliyev while addressing a conference on the development of cotton growing in Azerbaijan, in Saatli region this week.

Cotton growers in Azerbaijan are now exempt from all taxes, including land tax. And, due to the government's focus on giving a new life, the cotton industry is likely to see more than a three-fold jump in jobs.

The industry is expected to generate nearly 200,000 new jobs this year, the president said.

The development of cotton growing will go a long way in boosting the country's light industry.

"Last year we laid the foundation of a light industry park in Mingachevir (the fourth largest city in Azerbaijan). A total of nine plants, including a yarn plant, will be built there.

The first plants will already open there this year. And this is a great economic initiative," said Aliyev.

Source: fibre2fashion.com- Mar 30, 2017

HOME

****

Trump to launch review of trade policy as he levels new threats at China

President Trump on Friday plans to sign two executive actions that will launch reviews of U.S. trade policy, the latest in a series of measured steps that could lead to a revamp of the way the U.S. engages with the global economy.

Both executive actions could serve as preludes to more severe White House decisions regarding tariffs and trade agreements, but on their own they reflect a marked softening from the heated trade jabs Trump used on the campaign trail, when he threatened to enter into trade wars with Mexico and China.

Still, the executive orders will come one week before Chinese President Xi Jinping visits the new U.S. president, and Trump put Xi on notice Thursday when he wrote in a series of Twitter posts that he plans to have “difficult” conversations with his Chinese counterpart about trade issues.

The first executive action will direct the Commerce Department and a new White House trade council to “identify every form of trade abuse and every nonreciprocal practice that contributes to the U.S. trade deficit,” Commerce Secretary Wilbur Ross told reporters Thursday.

The trade deficit is the difference between a country’s imports and its exports. The United States has large trade deficits with a number of countries because it is so wealthy and imports goods from countries where products can be manufactured more cheaply.

Trump has said that trade imbalances with Mexico and China are because those countries take advantage of the United States and he has called for taking a much tougher stance with each of them, threatening them with new tariffs and taxes.

“So what this report will do is within 90 days, come back to the president with the detailed causes by country and by major product," Ross said.

Ross said the executive action wasn’t meant to single out China or any other country, but he did mention the large gap between what the United States imports from China compared with what it exports to China, something Trump has railed about for more than a year.

Other countries that he said could be reviewed are Japan, Germany, Ireland, Vietnam, Italy, South Korea, Malaysia, India, Thailand, France, Switzerland, Taiwan, Indonesia, and Canada.

“So we’re going to be very busy during the next 90 days trying to trace through the intricacies of each of these events,” he said.

He said the analysis “will demonstrate the depth of the administration’s intention not to hip-shoot, not to do anything casual, not to do anything abruptly, but to take a very measured and analytical approach both to analyzing the problem and, therefore, to developing the solutions for it.”

The second executive action will prompt a review of the United States' practice of what the White House says is an “under-collection” of anti-dumping and counterveiling duties.

“Dumping,” in trade parlance, is when one country unloads excess inventory in a way that harms another country.

For example, if China manufactures excess steel and tries to sell it at a discounted price in the United States, it could unfairly harm the U.S. steel industry.

The United States has anti-dumping duties in place to prevent this sort of behavior, but the new executive action will study why these duties aren’t always being enforced.

“The problem here is that this isn’t just money lost to the Treasury,” Peter Navarro, who heads the White House National Trade Council, told reporters. “It’s the fact that the domestic workers and the domestic manufacturers who were supposed to be being defended against these unfair trade practices were not being defended because of this under-collection.”

The executive actions come as the White House has begun discussions with lawmakers on Capitol Hill aimed at beginning the process of renegotiating the North American Free Trade Agreement, a trade deal that went into effect in 1994 and Trump has said must be rewritten.

During the campaign, Trump touted his "economic nationalism" message by saying the United States must do more to protect American workers even if that meant adopting a more adversarial relationship with foreign governments.

He promised to label China a "currency manipulator" on his first day in office, but he has since declined to follow through on that threat.

Still, Treasury Secretary Steven Mnuchin sent a message to foreign leaders at a recent gathering of global finance ministers in Germany when he refused to agree to past language that stipulated the United States and other governments would take steps to fight protectionism.

White House officials have said they don't plan on adopting protectionist policies but they will retaliate against other governments if they think trade policies are negatively affecting American workers.

Source: washingtonpost.com- Mar 30, 2017

HOME

****

USA: Making cotton 'top of mind' for every piece of the supply chain

Whether it's a buyer for a yarn mill, a fashion merchandiser or a consumer, Cotton Incorporated executives want them to think about cotton first when making purchasing decisions.

Knowing the right approach to accomplish that takes research, and that's what the Consumer Marketing Division at Cotton Incorporated tries to do at a time the cotton industry is struggling to regain markets from cheaper synthetic fibers.

Kim Kitchings, senior vice president for consumer marketing, at Cotton Incorporated discussed those efforts in a video shot during a presentation at the Multi-region Producer Tour at its headquarters in Cary, N.C.

Source: deltafarmpress.com - Mar 29, 2017

HOME

****

Korean brands to get permanent display space in New York

The South Korean ministry of culture, sports and tourism is opening a permanent promotion venue for South Korean fashion brands and designers in New York in February next year.

The showroom, which will show outfits from various brands and designers will be built at a cost of $1.68 million and will be open in time for New York Fashion Week, next year.

According to a South Korean news agency, the showroom is being opened in response to requests from the industry to have a permanent location in New York, which is the centre for global fashion, rather than participate in various events.

The venue will have display space for around 10 fashion brands, exhibition hall, offices, fashion ramp, etc.

Source: fibre2fashion.com– Mar 30, 2017

HOME

****

EU: Commission clarifies scope of proposed CMR in textiles restriction

A list of articles to be included in the proposed restriction of 286 carcinogenic, mutagenic and reprotoxic (CMR) substances in consumer textiles and clothing will be drawn up by the European Commission.

Following a consultation last year, the Commission is preparing the draft restriction text, which is planned for discussion in the REACH Committee before the summer.

The proposal sees the ban taking effect in two phases, with articles that come into 'direct and prolonged contact with the skin' covered first. As well as clothing articles and footwear, this would cover some textile articles such as bed linen, pillow cases and towels.

But industry associations have said it is not clear which articles will be included.

The Commission held a technical workshop in February, to discuss the scope of the restriction, possible exemptions, substances to be covered and concentration limits.

Attendees included textile and clothing production experts, industry associations, NGOs and member state authorities. Textile trade associations Euratex, the Apparel and Footwear International RSL Management group (AFIRM) and the Federation of the European Sporting Goods Industry (FESI) were among organisations to submit comments on the workshop.

AFIRM called for clarity on which materials are excluded from the restriction. It said there was “no justification” for including inaccessible parts of clothing, footwear and textile articles with no potential for skin contact under foreseeable use and abuse conditions.

The association also asked for clarification on whether non-textile parts of clothing, footwear, and textile articles made from polymers and other materials, such as buttons, zippers, hooks, clasps, shoe outsoles, would be included.

In response to concerns, the Commission has announced it will produce “a non-exhaustive list of articles (including borderline cases) covered in the restriction and include it in a Q&A that could be updated when needed.”

The proposed substances in the restriction are:

- formaldehyde;
- cadmium, chromium, arsenic and lead compounds;
- chlorinated aromatic hydrocarbons;
- phthalates;
- aprotic solvents;
- benzene and polyaromatic hydrocarbons (PAHs);
- azo-dyes and arylamines; and
- quinoline.

A list of the specific substances, the proposed limits and the available testing methods are available on the DG GROW webpage for the workshop.

The Commission has proposed a derogation for second-hand articles.

It said that one for recycled fibres, or for parts of clothing and textiles re-used to produce new articles, would be difficult to enforce. This is because it could lead to "the use of restricted chemicals in the production process in new products containing recycled fibres or other materials" as it would be difficult to verify whether the chemical was already present in the recycled materials or added afterwards.

Industry also want derogations for protective clothing potentially used by consumers, disposable clothing and textiles, and inner components of upholstery.

The Commission said it is open to consider ad-hoc exemptions for specific substances and articles. Stakeholders are invited to send supporting information by April 28.

Source: chemicalwatch.com– Mar 30, 2017

HOME

****

Slowing down fast fashion in Berlin

The rise of fast fashion has increasingly distanced the fashion supply chain from a European context, with textile and garment production being dispersed to many locations in developing countries, as companies compete to find ever-cheaper sources of labour.

The geographical distance can also translate into a separation from the values, ethics and sometimes also tastes of consumers in Europe.

Furthermore, workers in the textile and garment industry are often isolated from the customers they serve. Invisible and lacking the power to challenge and change the conditions that they are forced to work in.

In an effort to reclaim control over the fashion supply chain, some Berlin fashion designers are bringing textile and garment production back to the German capital.

It starts with producing and purchasing fabrics made in Europe, which are higher quality, but more expensive. Bonnie & Buttermilk , a designer duo based in Berlin Mitte, purchase high-quality, durable fabrics from German and Dutch retailers, as well as sometimes from Asia.

Eike Braunsdorf, one of the co-founders, confessed that the very decision to create the brand stemmed from the inability to find the exact patterns and colours for the fabrics that she and her cofounder wanted. This led them to decide to draw them by hand and get them printed in Germany in small quantities.

Bonnie & Buttermilk's fabrics have an ecological label. But, in the competitive world of fashion, costs remain and issue and compromises are still necessary.

Eike explaines that she does not use organic cotton because "fabrics that get printed in Germany are so expensive that, if they were bio [organic], they would cost twice as much, and it would be even harder than it is already to produce in Berlin and compete with always cheaper clothes from big labels."

She emphasised that her clients appreciate the fair production and know that comes at a cost.

Another Berlin-based brand, 1979, also sources all its fabrics for small editions of its bathing suit collections from within the European Union, while carrying the 'Oekotex Standard 100' certificate.

Suzanna Kuhlemann, the founder, uses three suppliers, two French and one Italian, to obtain high-quality swimwear fabric, linings and notions that are very durable and tested in saltwater and chlorine.

The line is manufactured in Chemnitz, a German city, making it exclusive and expensive and therefore a product not compatible with the mass market or mass production.

Similarly, Sadak , a local designing company producing high-end edgy streetwear, gets most of its fabrics, which are 80 percent organic cotton, from Italy and Germany.

These locally-producing fashion brands also work independently of the typical industry-cycles.

Sadak, for instance, creates limited editions of clothes for each collection every season. This means they do not overproduce, and sell the clothes in multi-brand shops across the world.

Sadak also offers customised designs for its biggest clients, which include Rihanna and Tyga.

The label also found a new market making clothes clothes for the second edition of the The Hunger Games film franchise.

In the same vein of adaptation, 1979 has a line of continuous styles that are offered in addition to new, seasonal or limited edition colors. These permanent styles are improved each year, the patterns are fine-tuned and optimised based on feedback regarding feedback from clients over the last year. New styles are integrated into the permanent collections based again on their popularity.

Due to the production costs in Germany, these alternative fashion companies tend to have few employees, who, however, benefit from the labour protections and laws imposed in the European Union.

Saša Kovačevic , the Serbian-born creator of Sadak, explained that his company currently employs two workers on a freelance basis in the studio, who get paid between €1,500 and €3,000 for two-weeks' work.

The team at the 1979 factory consists of a seamstress who does the cutting and ten others focused on sewing. They receive their salaries directly from the manufacturing company, which gives them a regular contract including all benefits and performance based-pay guaranteed to always remain well above the minimum wage.

The working hours are from 6/7 until the early afternoon. All the staff have been working there for more than 10 years.

Despite labour and production costs, there are some key advantages to relocalising production. Suzanna from 1979 emphasised communication in local in-country production is easier, ensuring fewer mistakes as well as easier logistics, shipping, customs and legal matters.

She added: “The greater significance is the transparency that comes with it and that you can much easier actually see and verify that you have the fair conditions you want. And what is most important to me: you have a clear conscience, knowing that you have made a good decision socially and ecologically and can fully stand behind your product.’

According to Eike from Bonnie & Buttermik, another advantage is that local production is very fast. Her brand is able to produce a piece of clothing in two days whenever the customer needs it, while also being able to offer bespoke services.

For Saša, the main advantage of producing in Berlin is seeing and touching the product during the entire process. He emphasised that he prefers having control over applying prints and patterns together, since a company somewhere else in the world might not be able to do the way he prefers.

All this is paid for in prices that can be 100 percent higher that foreign sourced products. This makes it especially difficult for smaller labels.

Suzanna stressed: “Many times the sewing price is so high, that a product is too expensive to be sold wholesale in other stores, because their margin again is so high, that the item turns out up to 30 percent higher and this often is decisive in the customer´s decision, making it harder for the label to stay profitable.”

Given the higher price tag of the items, locally-producing companies remain a niche industry, whose clientele are made up almost exclusively of wealthier consumers.

According to Suzanna, her buyers consist mainly of women in their thirties and forties, who “are well travelled and interested in world affairs, a healthy and sustainable lifestyle and fashion, and who have found their personal style, appreciate quality and care about the origin and making of the products they use.”

All the producers remain confident in the business sense behind their decision. Eike points out that as more people are changing their consumption patterns by “buying less and focusing on special products made in a fair manner,” the target audience of locally-produced clothes will continue to broaden.

Source: euronews.com– Mar 30, 2017

HOME

****

Uzbekistan to develop its textile industry

Uzbekistan has decided to focus on developing its textile industry. The country is paying special attention to deep processing of cotton fibre, manufacturing goods for exports keeping in view the world market and creating new jobs.

Creating facilities for processing of cotton fibre will reduce cost of production and also provide source of income to people.

This was announced by President Shavkat Mirziyoyev during a visit to "Toshrabot" mahalla in Qiziltepa district, where he looked at several projects aimed at developing textiles in the region. The country is trying to attract foreign investments to implement these projects costing more than $70 million.

The factories are to be equipped with highly-efficient modern machines, manufactured by Rieter, a Swiss company, Mirziyoyev said.

As a result of implementation of these projects, the country will be able to fully process cotton fibre.

Increase in the output of finished industrial products is of great importance for raising the standard of living of people, he said.

Source: fibre2fashion.com– Mar 31, 2017

HOME

****

Pakistan: Commodities: Cotton price remains higher

Fear of adverse impact on cotton production due to acute shortage of irrigation water kept buyers in the forefront on Thursday. Lint prices also remained higher as a result.

The following are Friday's Karachi Cotton Association (KCA) official spot rates for the crop (2016-17) local dealings in Pak rupees for base grade 3 staple length 1-1/16" micronair value between 3.8 to 4.9 NCL.

Rate for	Ex-Gin Price	Upcountry Expenses	Spot rate Ex-Karachi
37.324kg	6,750	135	6,885
Equivalent 40kg	7,234	145	7,379

Spinners fear that buying cotton would be more difficult in the next season due to acute shortage of water for Kharif crops of Sindh and Punjab.

However, limited stocks of cotton held by ginners inhibited trading from expanding even though buyers kept chasing cotton in order to replenish their stocks.

The world's leading markets remained mixed. The New York cotton market came under profit-selling while Chinese and Indian markets were easy.

The following deals were finalised on the ready counter: 1,000 bales from Kabirwala at Rs7,000, 600 bales Sadiqabad at Rs7,000, 800 bales Rahimyar Khan at Rs7,000 and 400 bales Jotoi at Rs6,875.

Source: dawn.com– Mar 31, 2017

HOME

****

NATIONAL NEWS

Govt, industry to chalk out roadmap for Indian textile sector

Union Textiles Minister Smriti Irani, Power Minister Piyush Goyal, MSME Minister Kalraj Mishra, senior bureaucrats and several top industrialists, especially from Gujarat, will be among those present in the conference, officials said.

Several Union ministers, key policymakers and representatives of the global textile and apparel industry will try to thrash out the issues facing the sector at a 3-day international conference here from June 30.

It will suggest a 10 year roadmap for the sector's growth.

Union Textiles Minister Smriti Irani, Power Minister Piyush Goyal, MSME Minister Kalraj Mishra, senior bureaucrats and several top industrialists, especially from Gujarat, will be among those present in the conference, officials said.

The participants will deliberate upon how India can be made a global sourcing hub and an investment destination; explore the growth potential of technical textiles; identify productivity and product diversification challenges for natural fibres; skilling requirements in high value chain; and carving a niche market world-wide for Indian handcrafted goods.

"The key aspect of the conference is to develop a clear and comprehensive policy and frame an action plan for the textile and apparel sector.

"We aim to bring together national and international industry stakeholders to participate in focused discussion on the present status of the industry, current challenges and emerging global trends," a senior official told PTI.

The conference is being organised by the Ministry of Textiles and will also see participation from different states as well as prominent Indian and international industry stakeholders.

Source: moneycontrol.com- Mar 30, 2017

HOME

****

Lok Sabha approves 4 supplementary GST legislations

The Lok Sabha has approved four supplementary Goods and Services Tax (GST) legislations – the Central GST bill, Integrated GST bill, Compensations bill and Union Territory GST bill.

The bills were passed after a number of amendments moved by the opposition parties were negated. This bill is expected to bring a uniform indirect tax regime in India.

Union finance minister Arun Jaitley said that the new regime will make commodities and services slightly cheaper by removing the cascading effect of taxes.

The rates will essentially be based on whether the product is used by a common man or a rich person, he added.

The new regime will put an end to the harassment of businesses by various authorities and there will be a single rate for every commodity across the country, said Jaitley.

He also said that having one rate for all commodities would be highly regressive and thus the Council has decided on multiple GST rates.

Besides food articles, which will continue to be zero rated under GST, all the products will be fitted in appropriate tax brackets of 5, 12, 18 and 28 per cent.

A cess will be levied on demerit and luxury goods temporarily for a period of 5 years and its proceeds will be utilised for compensating the states for their revenue losses.

The GST bill is expected to check tax evasion and will help boost GST growth by close to 2 per cent. It is most likely to be rolled out on July 1.

Source: fibre2fashion.com - Mar 30, 2017

HOME

****

33rd India Carpet Expo generates over Rs. 800 to 1000 crore business, enquiries

Carpet Export Promotion Council organized the 33rd Edition of India Carpet Expo from 27th to 30th March 2017 at Hall nos. 11, 12 and 12A Pragati Maidan, New Delhi, with an aim to promote the Cultural Heritage and showcase the weaving skills of Indian hand-knotted carpet artisans amongst the overseas hand-knotted carpet buyers.

India Carpet Expo was inaugurated on 27th March 2017 by Textile Minister Smriti Irani in the august presence of Ajay Tamta, Minister of State for Textiles and Virender Singh, Member of Parliament, Bhadohi. Dignitaries like Rashmi Verma, IAS, Secretary (Textiles), J.K Dadoo Additional Secretary, Department of Commerce, Puneet Agarwal, Joint Secretary, Ministry of Textile, Smt. Babni Lal, Economic Advisor, Ministry of Textile, Aditi Das Raut, Trade Advisor, Ministry of Textile and Ranjan Kumar, Commissioner, Vindhyachal Mandal, Mirzapur marked their presence in the Expo.

Ajay Tamta, Minister of State for Textiles said, "Handmade Carpet Industry holds No. 1 Status in terms of value and quantity in export of handmade carpet. We are very glad that CEPC organizes this Expo twice every year to promote Indian weavers worldwide. Every year Expo generates huge amount of business. We assure our support to the carpet industry for their efforts for the betterment of small Manufacturers and artisans"

The Chairman of CEPC Mahavir Pratap Sharma, said "over 4000 enquiries and almost Rs. 800 to 1000 crore business is expected from the four day Expo which shall be executed in the coming months. This year we are expecting Growth rate of about eight to nine percent in terms of dollar.

This expo will lead to opening up of new market opportunity for the industry and shall help small and Medium Indian carpet exporters in promoting their products to overseas countries.

Eventually, this ongoing process, on a broader scale, is instrumental in projecting" Make in India Brand" in overseas markets. Government has set up a target of almost Rs.11, 000 crore (US $ 1561 million) carpets and floor covering export for the fiscal year 2016- 2017, which he said shall be achieved.

He further said Indian carpet expo is an ideal platform for International Carpet Buyers, Buying houses, buying Agents, Architects and Indian Carpet Manufacturers and Exporters to meet and establish long term business relationship.

For the first time 60 countries participated in the expo, where buyers form countries like Bulgaria, Israel, Malaysia, Mauritius, Taiwan, Zimbabwe, Vietnam, Serbia, Hungary attended for the first time alongside countries like Australia, Brazil, Canada, China, Chile, Germany, Mexico, Russia, Singapore, South Africa, Turkey, U.K., USA, Japan etc."

The Carpet Export Promotion Council showcased the products of more than 305 reputed small, medium and large manufacturer exporters from all over country viz U.P., Rajasthan, Haryana, Jammu and Kashmir, Punjab, Madhya Pradesh, Himachal Pradesh, Andhra Pradesh etc.

A record number of 397 overseas carpet buyers visited the expo to generate business for this rural based cottage sector. It is the endeavor of the Council to provide exclusive business environment to the both carpet importers as well as manufacturer-exporters, which ultimately will benefit about two million weavers and artisans employed in this highly labour intensive rural based MSME cottage industry.

Source: business-standard.com- Mar 30, 2017

HOME

****

Cotton, khadi in high demand this summer

The city seems to be going along with Union textile minister Smriti Irani's last year's #IWearHandloom campaign. It can be gauged from the high demand for hand woven and handloom materials in an effort to look edgy.

"One just wants to wear breathable materials in summer months. Cotton or mul fabric maxi dresses, paired with canvas shoes and silver junk jewellery for a boho chic look, are finding many takers this season. Block prints and 'kalamkari' are also being well loved," said designer Jayshree, who runs a boutique on Boring Road.

"Georgette and chiffon have already been tried and tested previously and this time cotton is leading the fusion front," she added.

Floral motifs and stripes are always a big hit in summer months. Branded shops around the city seem to be overflowing with bright colourful shades along with ivory and pastel colours.

Shreya, a third year student of NIFT-Patna said brands have adopted handloom fabrics like khadi and cotton and fused them with western designs. In latest twist, Madhubani paintings, warli art and prints have also made an appearance on Indo-western dresses.

Shreya said with summer shades of yellow are in, Ox blood red has made a comeback. Dramatic sleeves are a thing this season. Gold and copper jewellery are out as youngsters are opting for silver jewellery this summer. Wedges and white shoes are a big hit, she added.

Hemlata Shekhawat, director of Srijani, an NGO associated with the production of handicrafts and handloom lifestyle products, said they are trying to help weavers, who were not getting much work with inception of power looms. "Perception is changing slowly.

People are opting for skin-friendly materials like khadi or cotton. Over the years, the demand for handloom materials has increased.

We expect the sales to go up this year as Patna is celebrating centenary of Champaran satyagrah which will have sentimental attachment towards khadi," she added.

Source: timesofindia.com- Mar 31, 2017

HOME

****

As cotton yield dips, textile sector seeks TMC 2.0

Says Technology Mission on Cotton in new format will bring sheen back to fibre

Has cotton lost its importance?

Though many may argue otherwise, the domestic textile industry has begged to differ. Industry sources perceive that after the closure of the Technology Mission on Cotton (TMC), the golden fibre has lost its sheen.

Despite being acknowledged as the largest producer and net exporter of cotton, Indian productivity dropped below 500 kg of lint/hectare in 2015-16, largely due to pink boll worm infestation, from a high of 566 kg/hec in 2013-14.

The productivity during 2016-17 appears to have bounced back to touch a record level of 568 kg/hec and sources attribute this to good monsoon this season as compared to the last. But the production, which stood at 398 lakh bales in 2013-14, has slipped to 342-346 lakh bales in 2016-17.

On the other hand, the national average yield in Australia, Brazil, China, Turkey Mexico and Israel is more than 1,500 kg/hec. India's poor productivity is attributed to obsolete technology and insufficient fund support for cotton research.

"Production might slide below 300 lakh bales in the absence of immediate policy intervention by the government," said M Senthilkumar, Chairman of the Southern India Mills' Association (SIMA).

The association has drawn the attention of Union Textile Minister Smriti Irani to the present situation, besides advocating bringing back the TMC in a revised format.

A few States have already started advising farmers to avoid cultivation of cotton due to uncertainty in production.

Industry sources further contend that the Union Agriculture Ministry and the agricultural departments of various State governments do not give adequate importance to cotton.

"A declining trend in production, productivity and quality is an offshoot of this development," Senthilkumar said, pointing out how countries such as Australia, the US, Brazil, Turkey and China ramped up their yield to more than 1,500 kg/hectare.

"The existing Bt technology that helped India increase its cotton yield potential expired a few years back. Farmers are suffering due to technology obsolescence," said J Thulasidharan, President, Indian Cotton Federation.

"The Central Institute of Cotton Research (CICR) has developed 21 varieties of desi cotton that yielded excellent results. Farmers who meticulously followed the institute's (cultivation) practices managed to increase their income two-fold. But the scientists could not make further progress due to paucity in fund allocation," he said, reiterating the need for a TMC in a revised format.

"We will need to focus on short duration (140-160 days) varieties and follow best practices that primarily would depend on the local climate, varietal adaptability, soil type and nutrient status, major insects and pests and, of course, market demand.

The critical reproductive phase has been compressed in many countries, but India continues to have a long critical window. This should therefore be our first consideration," Thulasidharan said, referring to crop duration.

Meanwhile, it is reliably learnt that a committee has already been constituted and report preparation work is under way on TMC II with the help of CICR, the industry, and other stakeholders.

Industry sources said such a mission would help double the income of the cotton farmer and fuel the growth of the textile industry.

Source: thehindubusinessline.com- Mar 30, 2017

HOME

****

Levi, Pepe leave Benetton standing still in race to dress up India

Although fashion player Benetton entered the Indian market 25 years ago, way ahead of many of its competitors, the Italian brand has not been able to cash in on the early mover advantage.

Brands like Gap and Levi have grown much faster. Benetton India's profits fell a sharp 79% to R2.3 crore in FY16 with sales rising by just 2.2% to R735.3 crore, data from the registrar of companies shows. In contrast, Levi Strauss reported net profit of R79.4 crore in 2015-16 up 64% over the previous year with sales growing at 18.5% to R752.7 crore.

Moreover, Pepe Jean's net profits were up 83% in FY16 to R65.78 crore on the back of a rise in net sales of 29.3% to R348.43 crore. Apparel brand US Polo crossed the R1,000-crore sales mark in India in 2015-16, less than five years after it entered India. Zara now clocks over R1,000 crore in retail sales. Compared with brands such as Louis Phillipe and Van Heusen, Benetton has grown at a slower pace.

Benetton attributed the drop to stiff competition and adverse weather conditions which had resulted in slow sales growth. In 2015-16 Benetton shut 98 stores. The company said FY16 had been a tough year due to poor market sentiment and the launch of several new fashion brands which had led to keen competition.

Retail experts pointed out Benetton had relatively less visibility than peers since it did not advertise too often.

The lack of adequate effort to build the brand was probably impacting business, they said. Rajat Wahi, head, consumer retail, KMPG, said Benetton's slower growth was probably due to their focussed on strengthening the current operations and improving profitability, rather than expanding.

"Till 2015, they were growing steadily. Bentton's focus on tier 2 and tier 3 cities and apparel for men, women and children would help the company grow," Wahi said. US-based Levi Strauss entered India 15 years back while London-based Pepe Jeans entered India 28 years back.

According to a Technopak report, the Indian apparel market has seen growing inclination of consumer towards western wear and casual wear.

Source: financialexpress.com- Mar 30, 2017

HOME

****

GST fallout: Exporters fear liquidity issues as refunds could take time

Despite the government's assurance that refund of Goods and Services Tax (GST) to exporters will happen smoothly and on time, exporters are apprehensive that their liquidity will get hit and costs would go up once the regime is in place in three months' time.

The main problem stems from the fact that there is no exemption under GST for exporters or a clear cut time-line on its refund.

"We know how long it takes to get refunds, especially from State governments. The Value Added Tax paid by exporters in Delhi was stuck for the last six-seven years. There is no reason for us to expect things to change under GST," said Tilakraj Manaktala, an exporter of home furnishings and a member of the Delhi Exporters Association.

Smooth flow of goods

The GST regime, that promises to smoothen flow of goods and services across the country by replacing multiple indirect taxes with a single tax (five slabs including zero duty) at the Central (Central GST), State (State GST) and inter-State (integrated GST) levels, is likely to be implemented from July 1.

Manaktala said that since many input taxes will get subsumed in GST, the duty drawback that exporters claim in lieu of input taxes paid on exported goods will shrink.

Once GST is in place, the drawback rate will include just the basic customs duty and the Central GST portion of the total GST. "The drawback money is an assured source of duty refund for exporters.

This unfortunately will reduce while there is no certainty on when and how much will get refunded under GST," Manaktala said, adding that the DEA has been pushing the government for exemption.

While at present exporters are exempt from payment of additional customs duty and excise on imports of inputs used in exports, both will get subsumed in GST and will be no longer eligible for exemption. "As per a study that we had done, costs for exporters could go up by up to 1.25 per cent (FOB value) once the GST is implemented," said Ajay Sahai from the Federation of Indian Export Organisations.

While the Centre has promised that 90 per cent of the GST value will be refunded to exporters within a specified time-frame from the date of completion of application, there is no clarity on what 'date of completion' is, Sahai added.

Source: thehindubusinessline.com - Mar 31, 2017

HOME

****

GST: Logistics players hope for smooth inter-State movement

Logistics players hope that Goods & Services Tax (GST) regime will ease inter-State movement, and ensure more online processes. Container train operators have sought a five per cent rate under the GST for all rail-related containerised movement services, an issue that has been agreed upon by the Railway Ministry, and suggested to the GST Council.

"With an aim to increase the share of rail services, a move that will also be environment friendly, ACTO has sought a five per cent slab for container movement and all allied services —large chunk of loading, unloading, packing, repacking, use of reach-stackers, among others," Kamlesh Gupta, President, Association of Container Train Operators, told *BusinessLine*.

Shashi Kiran Shetty, CEO and Chairman, Allcargo Logistics, wondered about the number of registrations and number of return filings that the logistics companies have to do in the Centre and States. He also hoped that most of the interactions between industry and government will be online with minimal human interventions.

In the road transportation space, firms see reduction in inter-State movement. The Road Transport Ministry, which had made a strong case for removal of check posts in the GST Council meeting, is in the process of forming a committee to ensure the same, as advised by the GST Council.

Raghav Himatsingka, CEO and Founder, Truckola, said, “Currently every State has its own taxation system.

Every time a truck passes through a State border it involves heavy taxation and paper work. Warehouse location is kept in accordance with the State taxation and amount of business from a particular area.”

He added that GST will be one without any tax boundaries. While the logistics industry is going to have an instant boost, the advent of the GST Bill will also work in favour of manufacturers as they no longer would have to worry about the cumbersome processes and overheads related to cargo and transportation.

Re-location business is always pan-India or global. Multiple States mean multiple tax structure which has been a great pain for the transportation industry, said Interem Relocations’ CEO Rahul Pillai.

“Our sector is eagerly waiting for GST to become a reality. GST will not only bring a transparent method of doing business, but will also help in the overall growth of the sector,” he said.

Meanwhile, SP Singh, Senior Fellow, IFTRT, felt that many stakeholders are nervous about the date of implementation and have started making louder noises about implementation from October 1.

He also added that many firms have started increasing prices in advance.

Source: thehindubusinessline.com - Mar 31, 2017

HOME

****

Handlooms are back

India should scale up to ride the new wave

Handloom is witnessing one of its biggest revivals in its history thanks to three factors: preference for unique designs and fabrics by consumers, e-commerce and proactive government support. Further, handloom making is eco-friendly and, mostly, organic.

For the sector to see a boom, a few areas need to be upgraded to industrial-scale levels.

Looms: Imagine thousands of looms in a factory somewhere outside Mangalgiri in Andhra Pradesh, employing lakhs of weavers and allied resources. Such an industrial scale loom setup is needed to produce for global supply. Although there is a lot of cluster level loom activity across India, there is very little synergy between clusters with respect to product design, loom design, yarn procurement and market linkages.

There is need for industrial scale handloom to ensure there is synergy around all these functions— so that we get consistent quality fabric, high quality consistent dyeing, bulk buying discounts, mass scale handloom fabric and more concentrated market linkages for uniform demand across the year.

Dyeing: The biggest issue in handloom is consistent fast dyeing, which does not bleed and is natural, but does not cost a lot. Unless we set up industrial-scale dyeing centres across India for natural dyeing, it would be difficult to provide consistent quality fabric at scale to global customers.

Sericulture: Sericulture or silk farming is very important in the cocoon to saree journey. Silk is a major fibre used in almost all the handloom clusters. But for cotton, there are only clusters such as Tant or Polavaram.

Although India is the largest consumer of silk and second largest producer of silk globally, high quality bivoltine silk production is very low in India and consumption far exceeds the production, leading to imports from China.

India contributes to just 10 per cent of global exports, in spite of being the second largest producer of silk. Chinese silk production is five times more than India's because of bivoltine silk, which has a high productivity of cocoon per acre, better twisting machines and usage of dried cocoon reeling method.

Design centres: One of the biggest advantages of handloom is that each finished product can be unique. We can leverage that advantage by creating a model where we have a large pool of designers who know the power of handloom weaving. These designers can churn out unique designs for each handloom weaving type and therefore create a rapid supply of fashions in handloom. Unique fast fashion supply on a mass scale is unheard of globally. Handloom has that capacity.

Skill enhancement centres: With an increase in number of handlooms across India, there will also be a need for weaving talent in locations where the industrial scale handloom parks are set up. Handloom can be a great way for reverse migration from urban to rural India. Handloom can be one of the biggest levers for government to solve unemployment issues. It can be a revenue based employment lever rather than cost based employment lever such as MGNREGA.

There is no doubt that handloom is going to play pivotal role in global fashion. How big is the impact we can create as a nation in handloom would depend how deep we reform the sector.

Source: thehindubusinessline.com - Mar 31, 2017

HOME

****