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USD 64.11 | EUR 75.25 | GBP 84.22 | JPY 0.58

Cotton Market		
Spot Price (Ex. Gin), 28.50-29 mm		
Rs./Bale	Rs./Candy	USD Cent/lb
19792	41400	82.08
Domestic Futures Price (Ex. Gin), July		
Rs./Bale	Rs./Candy	USD Cent/lb
20640	43174	85.59
International Futures Price		
NY ICE USD Cents/lb (Dec 2017)		68.97
ZCE Cotton: Yuan/MT (Sept 2017)		15,625
ZCE Cotton: USD Cents/lb		84.03
Cotlook A Index - Physical		83.7
<p>Cotton & currency guide: Cotton futures at ICE traded marginally lower on Wednesday to settle the December future at 68.40 cents/lb. This week so far cotton has been quite at the International market however, in the domestic market the scenario is bit dicey.</p> <p>The spot cotton in India continued to trade steady while lot of volatility and instability in the domestic cotton futures.</p> <p>The near month July future advanced in last two days ahead of expiry as short covering with steady spot market while stocks to be delivered for the said contract is around 30+K bales.</p> <p>In the meanwhile, October future has also moved up with heavy trading volume and managed to close the session on a positive note.</p>		

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The October ended the session at Rs. 18340 up by Rs. 80 from the previous close while had made an intraday high of Rs. 18740 per bale.

Currency Guide:

Indian rupee appreciated by 0.3% to trade near 64.15 levels against the US dollar. The US dollar has weakened against major currencies post FOMC decision.

The US central bank kept interest rate unchanged but expressed concerns about inflation causing uncertainty about future move. Rupee has also benefitted from gains in global equity market.

Rupee may trade in a range of 63.95-64.3 and firmness may continue.

**Compiled By Kotak Commodities Research Desk , contact us :
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INTERNATIONAL NEWS

Intertextile Shanghai to see buyers from 100 countries

Suppliers from over 25 countries and trade buyers from around 100 countries will attend the Intertextile Shanghai Apparel Fabrics, a grand show of global apparel fabrics and accessories, to be held in October 2017 in Shanghai. Occurring towards the end of the autumn/winter sourcing period, buyers will come to the fair well informed of next season's trends.

Therefore, buyers will be in a unique position to be able to make their purchasing decisions from the around 4,500 exhibitors that will be present.

With all the changes going on both in national economies and the apparel fabrics and accessories industry, the number of trade buyers sourcing at the fair – around 70,000 – and their diversity – some 100 countries – present an unrivalled opportunity for exhibitors to find new markets, or double-down on existing ones.

This diversity is further shown in buyers' product sourcing preferences at the fair. Last year, buyers' main area of sourcing interest for all of the eight main fabric product categories was between 11 per cent and 38 per cent, reflecting a relatively even spread across all types of fabrics.

While Intertextile Shanghai is well-known for its exhibitor and product breadth, buyers in the know also use it as a sourcing platform for the latest functional apparel fabric innovations.

The fair's Functional Lab – which will feature around 50 exhibitors this edition – is the centre of innovation at Intertextile, featuring a wide selection of innovative yarns and fibres, fabrics, accessories, finishes and coatings, membranes and more, particularly for athleisure, sports and outdoor wear, as well as lingerie. Buyers looking for eco-friendly options can find plenty to choose from in this zone as well.

Aquafil, an Italian firm, will showcase its Dryarn fibre at the fair, which they claim is the lightest fibre in the natural world. According to the company, a garment made of Dryarn will weigh 32 per cent less than an equivalent garment made of wool, and 34 per cent less than one of polyester.

Moreover, it offers high levels of thermal comfort and breathability which makes it ideal for a wide range of uses including fashion, and sports and outdoor wear.

Belgium's Vetex, specialists in coatings and laminations for various textiles, won an award at the recent Techtexsil fair in Frankfurt for their ecologically-friendly solution to replace dimethyl formamide (DMF) as a solvent in PU coatings.

At Intertextile Shanghai, they will present their seam seal tapes which are fixed to shoes, garments and outdoor products through a unique hot air process (seam sealing), an innovative technology that ensures they retain their specific properties during the manufacturing process.

The Chemours Company will showcase their Teflon EcoElite durable water repellent (DWR) at the fair which is a highly sustainable, renewably sourced, non-fluorinated treatment for fabrics. It contains 63 per cent renewably sourced content, is up to three times more durable than existing non-fluorinated repellents, and has high water repellency for at least 30 washes.

Unifi Textile, showcasing their Repreve brand of fibres made from 100 per cent recycled materials, including post-consumer water bottles and pre-consumer waste, will also release an updated version of its Sorbtek moisture-wicking and thermal-regulation fibre at the fair.

As one of the industry's powerhouses when it comes to innovation, the Taiwan exhibitors will be out in force in the Functional Lab. Singtex has products ideal for garment producers with customers who are eco-conscious coffee drinkers. Evermore Chemical Industry's Kirintex polyurethane film has enhanced elasticity and ventilation, while also having zero ozone depletion potential and lower greenhouse effect potential.

In ASTM testing, the foam has recovery exceeding 90 per cent, higher than high-stretch knitted fabric and woven cloth, and air permeability far exceeding that of TPE foam and neoprene.

Kong You Industrial will feature a new technology at the fair: a waterproof, microporous PU membrane with enhanced breathability due a special four-way stretch technology employed during the melt extrusion process of the knitted fabric and PU membrane.

Sheng Ye will showcase their new generation, eco-friendly, lightweight composite fabric. This fabric also contains a special high-tech film with pores that are extremely small and have an irregular curved arrangement, giving it a high permeability and resistance to water pressure. PFC-free, it is also biodegradable. This fabric is suited to outdoor wear and outdoor supplies.

Intertextile Shanghai Apparel Fabrics – Autumn Edition 2017 is co-organised by Messe Frankfurt (HK), the Sub-Council of Textile Industry, and the China Textile Information Centre.

Source: fibre2fashion.com- July 27, 2017

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Global yarn production improved 30% q-o-q in Q1: ITMF

In the first quarter of 2017, global yarn production rose by almost 30 per cent quarter-on-quarter mainly due to the 31.8 per cent increase in Asia. In North and South America yarn production increased by 13 per cent and 3.5 per cent, respectively, the International Textile Manufacturers Federation said in its July report on global yarn and fabric output.

In Europe, however, there was a slight decline by 1.2 per cent quarter-on-quarter in yarn production.

On a year-on-year basis, global yarn output increased by 1.9 per cent in first quarter of 2017. In Asia yarn output improved 2.1 per cent year-on-year while in South America it declined by 4 per cent and rose by 0.6 per cent in North America. In Europe yarn output increased by 1.6 per cent year-on-year, the ITMF report said.

Meanwhile, global fabric production fell by almost 15 per cent in January-March 2017 against the previous quarter, with the most significant decrease by almost 17 per cent in Asia.

Year-on-year, global fabric output improved by 1.9 per cent during the three-month period. Thereby, Asian production increased by 2.6 per cent and South America's output improved by 2.2 percent. Europe's fabric output fell by 8.7 per cent year-on-year.

Global yarn inventories decreased in Q1 2017 by 6.6 per cent quarter-on-quarter with decrease of 6.3 per cent in Asia. In South America inventories fell by 10 per cent.

During the quarter, production of global yarn inventories continued to decrease with the annual percentage change of 1.9 per cent. Thereby, Asian yarn stocks increased by 2.8 per cent year-on-year, while European yarn stocks fell by 9.5 per cent annually and South American stocks diminished by over 41 per cent.

Worldwide fabric stocks fell by 7.8 per cent quarter-on-quarter in the first quarter of this year. The decline was mainly due to a sharp 34.7 per cent drop in South American stocks. In Asia, fabric stocks increased by 0.6 per cent while in North America they fell by 0.8 per cent.

On a yearly basis, global fabric inventories during the three-month period decreased by 12 per cent. Asia's fabric stocks increased by 0.9 per cent annually while South America's inventories fell by 45 per cent.

In Europe fabric inventories rose by 4.7 per cent and in North America stocks remained unchanged year-on-year.

Source: fibre2fashion.com- July 27, 2017

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Pakistan: Bleak year ahead for textile sector as exports remain flat at \$12.5b in FY17

KARACHI: Overall textile exports from Pakistan during the outgoing fiscal year 2016-17 (FY17) remained flat to \$12.5 billion as compared to \$12.4 billion in FY16.

"Exports of basic textiles declined due to lower exportable surplus and weak demand from China. Silver-lining for the sector has been higher value-added sector exports which rose in FY17 helped partially by the textile package,' We see FY18 to be another tough year for the sector (particularly for spinning and weaving) as general global economic uncertainty may dampen the demand of cotton textile industry. However, we some respite to come from US Dollar -Pakistani Rupee depreciation", said Foundation Securities' analyst Zeeshan Azhar.

Silver-lining for the sector has been the increased exports of readymade garments that remained largely immune from the commodity prices slump. In FY17, exports of readymade garments increased by 6 percent year-on-year (YoY) as quantity exported increased by 6 percent YoY (prices declined 1percent YoY). Bed wear exports increased by 6 percent (quantity up by 7 percent YoY) despite a 2 percent YoY decline in prices, whereas knit wear exports remained flat YoY (quantity up by 1 percent YoY) due to a 1 percent YoY decline in prices.

During FY17, exports of cotton yarn declined by 2 percent YoY and cotton cloth by 4 percent YoY. This is primarily due to reduced demand from China, and lower cotton yarn export prices (down 9 percent YoY). Whereas export prices of cotton cloth increased by 5 percent YoY. Quantity exported of cotton yarn increased by 7 percent YoY whereas cotton cloth decreased by 9 percent YoY.

However, in June 2017, exports surprisingly rose substantially by 29.7 percent on monthly basis and 23.5 percent on yearly basis, partially due to effect of the textile package kicking in and partially due to low base effect.

FY18 budget was a net negative for the textile sector as the government increased the turnover tax from 1 percent to 1.25 percent and sales tax on retail sales from 5 percent to 6 percent.

The government also raised the minimum wage by Rs1000 to Rs15000. The textile industry had proposed a number of measures for the FY18 budget to support the sector, but the government did not implement any of them.

It is important to mention here that the Rs180bn package which was announced in January 2017 could go some way in making the textile sector competitive internationally. As per news sources, the government expects to disburse Rs40 billion for FY17 under the Textile package.

"In the medium-term, we expect textile exports to pick up due to the recently announced exporter's package. However, the government is yet to disburse the claimed amounts so the impact is yet to be felt.

Our long-term prognosis of the sector remains weak given the main weaknesses of high electricity/gas prices, poor power supply, undiversified product base, out-dated technology and low cotton quality", added Azhar.

Source: dailytimes.com.pk- July 26, 2017

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Canada: ATSC to provide glimpse into global fashion trends

The Apparel Textile Sourcing Canada (ATSC) show to be held in Toronto, Ontario from August 21-23, will provide a glimpse into the global design and fashion trends for 2018 and beyond. Keynote speaker and fashion trend forecaster Emily Miller Palmquist will reveal at the show why casual, comfortable clothing that transcends seasons is on the rise.

"Clothing brands are no longer thinking in terms of spring, summer, fall and winter lines, but are creating pieces that last in our wardrobe much longer than a single season," said Palmquist, founder of EMP Creative. "It is a direct reaction to climate change and we are experiencing it all over the world."

The biggest trend is the emergence of athleisure: casual, comfortable clothing designed for both everyday wear and exercise. The concept is permeating all levels of fashion, from children's clothing through to women's and men's wear, as consumers are becoming more sensitive about

how clothing feels and are gravitating towards performance-based textiles, she said.

“Because we spend so much time in the digital world – in front of computer screens and on our mobile phones – we are drawn to things in our physical world that have more tactility,” Palmquist explained, adding that designers are putting as much emphasis on the fabric used for the interior lining of a garment as the exterior.

At ATSC 2017, Palmquist will uncover trending silhouettes, colours and textiles, including which fabrics, finishes, washes and patterns will dominate the apparel market. In general, the colour palette is ‘going to be lit up with warmer hues,’ she divulged, and textures are going to reflect handmade craftsmanship.

Debuting last year as Canada’s premier international apparel and textile sourcing event, ATSC 2017 returns on a larger scale, with 300 local and international exhibits, three full days of seminars, panels and sessions, and a fashion runway event showcasing Canadian student and international exhibitor designs, said organiser JP Communications in a press release.

Additional ATSC 2017 sessions include insight from the newest source in the international apparel production market. Deng Yunhua, vice chairman of Changshu Garments Town Management Committee and vice general manager of Changshu Garments Town Ltd. Co., will explain how the city is embracing its new role.

Global apparel industry leader Jeff Streader and a panel of Canadian Apparel Executives will discuss the modern supply chain best practices and respond to the ever-changing consumer trends and shifts that today’s e-commerce world demands.

Canada Border Services Agency (CBSA) representative Germain LeBlanc will outline how CBSA continues to audit the Least Developed Countries programme, used by apparel importers to import duty-free from countries such as Bangladesh and Cambodia.

A summary of key issues and developments in Canada’s trade policy – including the important topic of NAFTA re-negotiation and new

agreements (CETA) set to come into force – will be presented by Canadian Apparel Federation executive director Bob Kirke.

Tech Meets Textile, a panel discussion will showcase members of the Canadian Smart Textile movement and faculty from Toronto’s George Brown College and OCAD University as they look at how technology is changing the face of the textile industry and what it means for both businesses and consumers.

Avedis Seferian, president and CEO of Worldwide Responsible Accredited Production (WRAP), will examine why social compliance is more important than ever in today’s world of instant communication and what companies need to do in order to ensure business continuity and competitive success.

“Pre-registration is up exponentially for the show’s second year,” said Jason Prescott, CEO of JP Communications, ATSC producer. “Significant early registration numbers and strong exhibitor interest – both internationally and locally– indicate a renewed strength in the Canadian apparel and textile industry.”

Exhibits at ATSC 2017 include top apparel and textile manufacturers from more than 20 countries, including Canada, China, Bangladesh, India, Pakistan, the US, the UK, Turkey, Switzerland, Spain, Nepal, as well as a delegation of 30 artisanal companies from eight Least Developed Countries (LDC) sponsored by Ottawa-based TFO Canada.

ATSC is supported by many international governments and associations, headed by the China Chamber of Commerce for Import and Export of Textile and Apparel (CCCT) and the Bangladesh High Commission on behalf of the Export Promotion Bureau and the Bangladesh Garment and Manufacturers Export Association.

Source: fibre2fashion.com- July 26, 2017

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Ethiopia: Industry, Technology Nexus Expediting Industrialization

Efforts are underway to build the capacity of small and medium manufacturing industries at federal level by transferring technology either through training, or consulting, Federal Small and Medium Manufacturing Industries Development Agency said.

Engineer Getachew Tesgaye, Product and Technology Development Support Director with the Agency said: "We adopt, modify or transfer the initial technology or prototype of import substitute products. And then we transfer the modified/adopted prototype to Technical Vocational Education and Training (TVET) institutions, where they transfer the applied technology to the relevant small and medium enterprises through training."

The Agency provides technological support to small-scale manufacturing industries through its technological workshop that house prototype machines that ranges from easy to use small sugarcane cruncher to hand small textile weaving machine.

There are as many as 90 light manufacturing machineries in the Agency's premises where prospective industrialists, entrepreneurs and innovators can experiment, train and learn from. Such low-cost technology transfer - like the lights the agency is doing - has been very helpful for small manufacturers by making their production process consume less time and capital.

At ministerial level, the government has a national plan and policy to select and adopt appropriate and effective foreign technologies in order to build technological capability that enables the development of small, medium and large industries.

Although Ministry of Science & Technology (MoST) works mainly by focusing on medium and large scale industries, it also works to solve industrial problems small-scale industries face, says Mulugeta Wube, Director of Manufacturing Technology Transfer and Development with the Ministry.

"One way we support the small scale industries is identifying their technological gaps and assembling a product or prototype that aims to help solve those deficiencies, and then produce in bulk."

This goes parallel to the type of support the Agency provides. While the Ministry provides assembled prototypes that are designed based on assessed and identified technological gaps in these industries, the Agency transfers technology from a prototype machine it believes will help facilitate the industries' growth.

It mostly streamline areas/sectors that have been prioritized by the government to facilitate its industrialization plan.

"There are areas that need attention. We are working around textile. In addition to this, there are some machines in agro-processing that we have adopted. So, our focus hovers in these areas." He also adds that the Agency helps innovators turn their innovative ideas into reality with low cost. However, the Agency do this only if the ideas match with the priority areas.

According to the Agency people, they are looking to further elevate the technological support the Agency provide to the S&Ms. There is a plan to setup center of excellence within TVET institutions across the country so that there will be a real nexus between technological transfer and practicality.

Agency Director Asfaw Abebe says the centers are creativity and knowledge hubs where huge innovative and creative ideas are entertained; various knowledge, skill, innovative ideas converge; and where technology transfer take place. He adds that it is a nationwide program and the Agency plans to duplicate lessons that are taken from these centers to the others.

The other peculiar feature of this program is that the centers take into account the specialties of the institution - like if it is in garment, leather and so on. So far 21 training facilities have been selected with works getting underway, and it is also believed that the programme will help in scaling-up TVET institutions in the process since they will be upgraded to fit the medium scale industries.

For instance, in Addis Ababa one TVET institution in Gulele and another one in Nefasilk are selected for this same purpose.

There are also other governmental efforts to boost the technological capacity of small scale industries that are being undertaken - the University-Industry Linkage and Technology Transfer programme is one.

This scheme, which is expected to encourage technology transfer through both formal and informal channels, is structured under national, district and sub-district level all around the country.

Source: allafrica.com- July 25, 2017

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Korea Seeks to Slow Talks on Modifications to FTA with U.S.

Following a request from the U.S. to quickly launch talks on possible changes to their bilateral free trade agreement, Korea has made clear it wants to take a more measured approach.

In a July 12 letter, U.S. Trade Representative Robert Lighthizer requested the first-ever special session of the joint committee provided for under KORUS to consider “possible amendments and modifications” to the agreement. Lighthizer said this session and follow-on negotiations would provide an opportunity to review progress on the implementation of the FTA and resolve “several problems regarding market access in Korea for U.S. exports.” He highlighted the fact that the U.S. trade deficit with Korea has worsened under the FTA and said the U.S. would be looking for “a truly fair and level playing field and a more balanced trade relationship.”

In a July 24 response, new Minister of Trade, Industry, and Energy Ungyu Paik said the Korean government is “willing to engage in constructive discussions on ways to foster an expanded and balanced bilateral economic and trade relationship.”

However, he also indicated that Seoul does not see a need for substantial revisions, pointing out that the FTA reflects a balance of interests and has generated mutually beneficial outcomes in terms of trade, investment, and employment.

Paik therefore recommended that before discussing possible changes to the FTA the joint committee should first address “how best to work together to objectively examine, analyze, and assess the effects” of the agreement since its entry into force.

Although the joint committee meeting is supposed to take place within 30 days of the U.S. request, Paik asked for a delay until the Korean government completes a restructuring that includes the establishment of a Trade Office within the Ministry of Trade, Industry, and Energy and the appointment of a new trade minister. He also proposed that the meeting be held in Seoul and that government officials consult on other details, including the date and agenda of the meeting.

Source: strtrade.com - July 26, 2017

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7th Bangladesh Denim Expo to be held on Nov 8th in Dhaka

The international denim exhibition in Dhaka keeps growing in numbers and quality of exhibitors, providing a unique insight on Bangladesh denim, each edition. The 7th edition is slated to open doors on November 8th and 9th 2017 in Dhaka.

In Japanese ‘Kaizen’ is the word for ‘continuous improvement’ process, a word that has often been associated with business companies to describe activities that continuously improve in all their functions. A concept deeply rooted in the organisational strategy of Bangladesh Denim Expo.

Improvements planned for the next edition are in three main directions: a new up-to-date main theme, an expanded roster of exhibitors with specific focus on Bangladesh industry, and a wider international outreach reinforcing strategic partnerships.

Bangladesh Denim Expo Founder and CEO, Md Mostafiz Uddin explains, “The vision of Bangladesh Denim Expo is to make Bangladesh a sourcing hub by creating a multinational gathering, exposing new business horizons and greater corporate opportunities for the entire denim value chain as well as enhancing the country’s image in the world.”

For the upcoming event, a new forward-thinking main theme has been put forth around the concept of ‘Transparency’. Exploring in detail its meaning and how this issue is perceived and treated in the fashion industry, will be at the heart of the new edition with events that will delve into it in an unprecedented way on an expo level.

Moreover, the 7th edition is expected to be the most successful ever with around 58 exhibitors from all over the world already confirming their participation. Around 40 of them are from outside the country and 18 are Bangladesh-based denim companies.

A larger number of Bangladesh exhibitors will be featured to provide a genuine insight into the capabilities of Bangladesh denim industry. Among them are the four biggest denim garments manufacturers of Bangladesh in terms of export volume: Pacific Jeans, Ananta, Bitopi and Dekko.

Leading companies participating

These four brands are among the frontrunners in Bangladesh’s denim market in innovation and adoption of sustainable practices. Pacific Jeans Group is regarded a pioneering company to upload Bangladesh as a premium apparel manufacturer in the global marketplace and awarded as top exporter of Bangladesh for five consecutive years. It is one of the leading premium jeans manufacturers, employing 26,000 people, producing 36 million jeans every year & exporting to over 25 countries.

Ananta Group manufactures diversified products acts as a strategic vendor for key customers. Bitopi Group’s two factories are LEED Platinum certified. The group produces trousers, denim, outerwear for H&M, Benetton, Decathlon etc. Dekko Group comprises 17 operating companies in five business sectors – export-oriented readymade garments, garments accessories, paints, and food. Dekko’s brands are available in nearly 40 countries.

Plethora of innovative offerings

The upcoming exhibition will see companies exhibiting their top products and best practices centred around the main theme of the Expo, representing the full denim supply chain, with 42 denim mills, along with a

selection of garment manufacturers, fibre and yarns suppliers, chemicals suppliers, machinery producers and washing & laundry companies.

The international reach of the show is reinforced, due to partnership with world renowned Italian laundry and dyeing company Tonello Garment Finishing Technologies, which will attend the show with a special Denim Gallery, displaying a range of products specifically finished for the show.

Source: fashionatingworld.com- July 26, 2017

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EVFTA to give a big boost to Vietnam's exports to the EU

If everything goes well, Vietnam and the EU are set to agree to and ratify a wide-ranging free trade pact, known as the EU-Vietnam Free Trade Agreement, or EVFTA, by early 2018. The agreement was first envisaged in 2012 and once enacted, it is expected to accelerate trade between Vietnam and individual EU states.

According to recent developments, the timeframe could be delayed, due to a ruling that each EU member state must individually agree to the deal. Vietnamese Prime Minister Nguyen Xuan Phuc's recent visit to Germany was aimed to expedite the deal's enactment.

For Vietnam EVFTA could work well

Germany is Vietnam's largest European trading partner; the Netherlands is its second. It is estimated that Germany receives more than 20 per cent of all Vietnamese exports to Europe, with bilateral trade worth almost \$9 billion last year. The Netherlands, meanwhile, is the largest European investor in Vietnam with \$7.7 billion in total committed capital. Trade between the two nations was worth \$6.7 billion in 2016.

For Vietnam, EVFTA is the next best thing after Trans-Pacific Partnership (TPP), a monumental free-trade agreement between 12 Pacific Rim nations, including Vietnam, that US President Donald Trump withdrew from on his first day in office, effectively killing the deal.

Vietnam was set to be one of the pact's biggest beneficiaries. After America, Europe is Vietnam's largest export market, which readily purchases Vietnamese-made electrical equipment, footwear and garments. In 2006, trade between the EU and Vietnam was worth a paltry \$10 billion. A decade later, it has grown to \$48 billion.

Experts say, uniformity of goods and stability in supply chains will need to be maintained. Agricultural firms, for example, will have to adapt to the EU's strict 'rules on origins' requirements. Electrical manufacturers, meanwhile, will have to deal with the stringent copyright laws that the EVFTA enforces.

With the hope that EVFTA will boost foreign investment from Europe, the Vietnamese government is set to make the business climate friendlier for foreign companies. Vietnam jumped nine places in the World Bank's latest ease of doing business ranking. In Europe, Phuc repeatedly spoke about the Paris climate accord, a major anti-climate change initiative signed last year, and asked European partners to help in Vietnam's push for renewable energy.

Vietnam believes European investors can use the country as a springboard for expanding into the rest of the region. Speaking in the Netherlands, Phuc said EVFTA will allow the EU and the Association of Southeast Asian Nations (Asean) to 'forge a deep and comprehensive economic connection'.

The EU does not currently have a free trade agreement with any Southeast Asian country. While the EU-Singapore Free Trade Agreement (ESFTA) was agreed in 2014, analysts believe it will be ratified later than EVFTA. For the EU, EVFTA is a first step towards a possible free trade agreement with Asean.

Unlike TPP, the EVFTA does not come with any requirements for more political liberalism. Under the TPP, the Vietnamese government would need to allow independent trade unions to operate, an opening that no doubt made the authoritarian regime nervous.

EVFTA mandates that EU companies must be able to bid for public procurement tenders under the 'same conditions' as Vietnamese companies.

Some hope this will force the government to curb rampant corruption in state contracts, as well as speed the privatisation of Vietnam's many cash-hemorrhaging state-owned enterprises.

Source: fashionatingworld.com - July 26, 2017

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Sri Lanka needs to up its game to be preferred EU supplier

The EU, which is Sri Lanka's biggest export destination, absorbing 36 per cent of total shipments, reinstated the country into the GSP Plus program in mid-May, removing import tariffs on more than 6,000 products, including clothing.

Sri Lanka was dropped from GSP Plus in 2010 for human rights violations but remained in the less-favourable GSP program, under which its exports were taxed at 9.6 per cent. That had had an impact.

Total apparel exports fell from \$4.7 billion in 2014 to \$4.6 billion in 2015 and 2016, according to the Joint Apparel Association Forum, an industry body. Exports to the EU in 2014 stood at \$2.1 billion, but dropped to \$1.9 billion in 2015 and 2016.

The slump has continued in 2017, with apparel exports falling another 5.8 per cent in the first five months, compared with the same period in 2016. But JAAF adviser KJ Weerasinghe says they can now receive at least an additional \$400 million worth of orders from the EU initially, which will increase further, after regaining GSP Plus.

Retailers, says it would not be possible to meet the government's target of doubling exports by 2020, although 2022 could be a possibility.

Analysts say that Sri Lanka needs to do more to catch up with countries like Bangladesh, which is now the world's second-largest clothing exporter after China.

Bangladesh accounts for 6.4 per cent of global clothing exports, compared with Sri Lanka's 1.2 per cent.

Upgradation is the key

Sri Lanka has fallen behind in terms of value chain creation. Bangladesh, for example, has set up spinning mills and knitting mills, which allow manufacturers to cut production costs and improve efficiency. This also puts Bangladesh in a good position to sell large volumes of cheaper apparel such as knitwear, woven shirts, sweaters and sweatshirts.

Amit Gugnani, analyst, Technopak Advisors, points out Sri Lanka must adopt a similar approach to developing value chain capabilities. In complete integration, it becomes relatively easier to look at cost engineering across the value chain. The government should set up textile industrial clusters in the country's north and east by providing investment incentives, as part of the value chain creation.

Another aspect of making production cheaper is to concentrate on remote and backward regions. Wages in Sri Lanka are typically higher than in Bangladesh and Vietnam, making the country better suited to producing high-end garments such as swimwear, trousers and underwear, including lingerie for top brands such as Victoria's Secret.

As per World Bank's 'Stitches to Riches' report, the minimum monthly wage in Sri Lanka is \$120, compared with \$70 in Bangladesh. Sri Lankan labour laws also limit factory workers to 57.5 hours per week, with fixed weekly holidays. This compares with Bangladesh's working limit of 60 hours and Vietnam's 64 hours.

Controlling costs

It's important for Sri Lanka to look at providing lower minimum wages in backward and remote regions where the cost of living is comparatively lower. The industrial clusters in these regions can focus on basic products with minimal value addition and large volumes, Gugnani says.

To cut production costs further, JAAF has requested exemptions from Sri Lanka's 2 per cent nation-building tax and a 7.5 per cent port and airport development tax on the importation of machinery for the sector.

As per Anushka Wijesinha, Chief Economist, Ceylon Chamber of Commerce the country must also focus on becoming an easier place to do business. For a more sustainable and sustained increase it needs to focus on competitiveness and factors that hold exporters back – like standards, bureaucratic and procedural delays.

The government must help exporters test products to meet international standards. He urged the government to remove archaic laws such as the need to obtain permits for each shipment. Sri Lanka is ranked 110th among 190 economies in terms of the ease of doing business in 2016, slipping one place, according to the latest World Bank annual ratings.

Experts say Sri Lanka should explore the idea of exporting more and must look at consolidating its position, and not only focus on higher-end and value-added garments.

Source: fashionatingworld.com - July 26, 2017

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Polyester edges out cotton in the US

Manmade fibers are increasingly edging cotton out of the fashion arena. And fast fashion is doing its bit. Today, with fast fashion based on polyester, there are many changes in a year.

Polyester is cheap and doesn't last as long as cotton, so brands can keep producing new things as quickly and as cheaply as possible. This has really eaten into cotton's share.

The advantage of polyester is that it is durable, resists wrinkles and shrinkage, is inexpensive, has almost negligible color fastness and is easy to maintain. Cotton by contrast wrinkles, is expensive, has issues with color fastness and is expensive to maintain (washing, drying and ironing).

Polyester is an efficient and utilitarian fiber, so it will often be added to fabric where affordability, durability, washability, and function are a priority. So it is being used extensively in mass-market apparel, active wear, and work wear.

Even cotton importers in the US are bringing in more polyester than cotton. Another competitor in the US fiber market is hemp. Growing hemp is illegal in the US because of its similarity in appearance to marijuana.

But once growing and processing hemp in the US is legalized, it will be more competitive for cotton than polyester.

Source: fashionatingworld.com - July 26, 2017

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Sweaters among highest contributor to Bangladesh exports

Shirts, trousers, jackets, T-shirts and sweaters contribute 75 per cent to Bangladesh's apparel exports. But during the last fiscal only the sweater segment maintained an upward trend in earnings. Earnings grew by 5.62 per cent. Earnings from shirts declined nine per cent, trousers fell by 4.62 per cent, jackets fell by 6.02 per cent and T-shirts fell by 4.19 per cent.

Among the reasons for the fall in exports are rising production costs, currency fluctuation and a decline in global demand. But a critical factor is sweater units are automated. Prices of sweaters dropped and customers placed more orders in the jacquard category. An automated jacquard machine is not only able to produce diversified and fashionable products, but can also fabricate critical designs.

As for other categories like shirts and T-shirts, they were already competitive and therefore there was no further margin to compromise on. Bangladesh has more than 500 sweater factories in operation and nearly 60 per cent of these have switched over to automation to ramp up productivity. A manual machine with one operator can produce a maximum of five pieces a day. An automatic machine with one operator can produce about 30 pieces a day. Many owners have opted for automatic machines to remain cost competitive in the long run.

Source: fashionatingworld.com - July 26, 2017

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BCI releases 2016 BCI annual report

The Better Cotton Initiative (BCI), a not-for-profit organisation stewarding the global standards for Better Cotton, and bringing together cotton's complex supply chain, from farmers to retailers, has unveiled the BCI 2016 annual report. BCI farmers produced Better Cotton in 23 countries, across 5 continents, up to 12 per cent of global cotton production.

The BCI growth and innovation fund directly invested €4.2 million in field-level programmes and mobilised an additional €4.7 million in co-funding from partners, a total portfolio value of €8.9 million. BCI membership grew to 986 members, representing a 40 per cent increase from the previous year, according to the report.

Included in the 2016 annual report are final global and country-level reach figures. In the 2015-16 cotton harvest season, there were 1.5 million farmers, who produced 2.5 million metric tonnes of Better Cotton lint on 3.5 million hectares of land.

In the 2016 annual report, BCI has published stories from the field, that show the diversity of issues that characterise sustainable development in cotton production—from vital decent work training in Turkey, to a woman in rural Pakistan who has rose above cultural barriers to become a successful and respected farmer.

According to the report, BCI accompanies an agricultural advisor in the cotton fields of Tajikistan, and uncovers cross-country collaboration as Australian farmers gearing up to share their world-class knowledge with farmers in Pakistan. These stories represent just a small selection from the various geographies and contexts where Better Cotton is grown, but they constitute a representative illustration of the work taking place in the field.

BCI brings together thousands of organisations, large and small, committed to playing a role in making cotton production more sustainable.

In the 2016 annual report, BCI converses with a selection of these organisations like the Civil Society Member WWF (World Wildlife Foundation), and brand member M&S about what instigated their partnership.

BCI retailer and brand members Cotton On (Australia), C&A (China), and Woolworths (South Africa), speak about the different ways in which they communicate about their commitment to more sustainable cotton.

speaks with farmers in Australia, who explain how being a BCI farmer fits into their overall sustainability strategy.

In Turkey, BCI speaks with BCI supplier and manufacturer member, Bossa, who aim to make Better Cotton 90 per cent of their total cotton consumption by 2018.

Source: fibre2fashion.com - July 26, 2017

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Bangladesh: Rising apparel exports to China a sign of new opportunities

Riding on a duty-free trade privilege, Bangladesh's garment export to China increased 14.77 percent year-on-year to \$391.59 million in fiscal 2016-17, something exporters are seeing as a sign that new opportunities are awaiting.

GARMENT EXPORTS TO CHINA

In millions of \$
SOURCE: EPB



China, the global leader in apparel business, has turned into a major export destination for Bangladesh because of its huge population with a growing section of middle-income households.

Moreover, China is shifting production from basic to high-end garment products and has a shortage of skilled labour.

Garment manufacturers are also giving more preference to Chinese markets for a shorter lead-time and better prices from retailers and brands. Exporters are upbeat about Chinese markets as this potential can be a very good substitute for continued apparel export growth at a time when shipments to other traditional destinations like the US, EU and Canada is falling.

During the 2008-2009 global recession, global trade experienced a significant slump but Bangladesh's export got a boost for increased shipments to China.

“Garment export from my group has been maintaining 10 percent growth every year to China. China is a new destination for us,” said Asif Zahir, director of Ananta Group, a leading garment exporter.

Zahir exported garment products, mainly of denim and trousers, worth US \$15 million last year. Retailers like H&M, GAP and Zara are his main buyers from Chinese markets.

Moreover, China has its own retailers and brands which buy a lot of garment items from Bangladesh, he said. Export of trousers, denim, non-denim and t-shirts, is high from Bangladesh to China, he said.

“We need a strong marketing for the Chinese markets. We have a very strong potential in the Chinese market,” Zahir said.

China itself is very strong in jackets and lingerie, for which export of such products from Bangladesh is not yet high. The growing Chinese middle class are the main customers of Bangladeshi apparel, exporters said.

Chinese manufacturers produce high-end garment products which middle class consumers can hardly afford. As a result, demand for Bangladeshi garment items is high. Since Chinese manufacturers have already shifted their focus to high-end products, the Chinese government started exploring an alternative market for middle class consumers.

As a measure, the Chinese government in April 2011 allowed duty-free access to 4,721 products, of which a majority are garment items. Since then, garment export to China from Bangladesh is on the rise.

Recently, a study by Switzerland-based International Textile Manufacturers Federation (ITMF) said by the end of 2020, China would produce US \$750 billion worth garments from the current US \$300 billion, half for export and the remaining for domestic use. Currently, about 80 percent of China's garment products are produced for local consumption. So Bangladesh should focus on this Asian economic giant for its future export growth.

The remaining export-focused 20 percent make up about 40 percent of global apparel trade, worth nearly US \$200 billion. China has 1.35 billion people, for which many Chinese manufacturers do not bother with exports, the study said.

Anwar-ul-Alam Chowdhury Parvez, a former president of Bangladesh Garment Manufacturers and Exporters Association, said the Chinese market would grow automatically as they have already shifted from producing basic items. “We should maintain a warm relationship with China for higher export,” Parvez said.

Local garment exporters enjoy a three percent cash incentive on export to China under a new market stimulus package introduced in 2009 to minimise fallouts of global financial recession.

China's state-owned companies and private sector entrepreneurs are also very much interested in Bangladesh for a new initiative of the Chinese government's flagship Belt and Road Initiative, which includes Bangladesh.

In the fiscal 2016-17, overall export also increased by 17.49 percent to US \$949.41 million from US \$808.14 million in the 2015-16 fiscal, according to data from Bangladesh Export Promotion Bureau. Very soon China would become the second Asian market after Japan for Bangladeshi exports to cross the US \$1 billion mark.

Source: thedailystar.net - July 26, 2017

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NATIONAL NEWS

India becomes US' 9th largest trading partner in 2016

In 2016, India became the United States' 9th-largest single-country trading partner (based on two-way merchandise trade), rising from 10th-largest in 2015.

US two-way merchandise trade with India increased 2.2 per cent to \$67.7 billion in 2016, the United States International Trade Commission (USITC) said in its 'The Year in Trade 2016' report.

Last year, India's share of total US merchandise trade with the world rose to 1.9 per cent, up from 1.8 per cent in 2015, continuing a slow but steady increase in India's share of US merchandise trade with the world over recent years, the report said.

Although US exports to India went up slightly in 2016, the US merchandise trade deficit with India rose 4.2 per cent to \$24.3 billion in 2016 as imports grew even more than exports.

US merchandise exports to India increased 1.1 per cent from \$21.5 billion in 2015 to \$21.7 billion in 2016. Leading US exports to India in 2016 were non-industrial diamonds; non-monetary gold; civilian aircraft, engines, and parts; almonds; and petroleum coke.

US merchandise imports from India increased 2.7 per cent in 2016 to \$46.0 billion. Leading US imports from India in 2016 were non-industrial diamonds, medicaments, gold jewellery, light oils, and frozen shrimp.

Source: fibre2fashion.com- July 26, 2017

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Exhibition 'Textiles and Decoration in Culture of Serbs in 19th and First Half of 20th Centuries' Begins in National Museum

New Delhi, July 26: Smt. Rashmi Verma, Secretary, Ministry of Culture and Tourism inaugurated an exhibition, entitled "Textiles and Decoration in the Culture of the Serbs in the 19th and the First Half of the 20th Centuries" organized by the National Museum under M/o Culture in collaboration with the Ethnographic Museum, Belgrade in National Museum, New Delhi today.

The exhibition will be open from 26th July-31st August, 2017 at the Special Exhibition Hall of National Museum, Delhi. The exhibition has been curated by Dr Mirjana MenkoviÄ±, Director and Ms Marina Cvetkovic, Curator, Ethnographic Museum, Belgrade and Ms Anju Sachdeva, Curator and Ms Abira Bhattacharya, Co- Curator of National Museum, New Delhi.

This exhibition represents the ethnographic cultural heritage of Serbia and the Balkans and their multi-layered cultural-identities by showcasing the different style of expression through textiles, ornaments and colour schemes. The exhibition also emphasizes the diversity and complexity of meanings inherent in the items on display and to draw attention to the pictorial dimension evident in folklore artifacts.

In this exhibition, only a small portion of the culture of Serbia is manifested by showcasing a select range of objects, approximately 95 objects from the wide range of collection of Ethnographic Museum, Belgrade, which houses over 50,000 ethnographic items, the majority of which were produced in the nineteenth and twentieth centuries. These objects indicate the wealth of the Serbian ethnographic cultural heritage and would aim to reach out to the public of New Delhi and India.

The items on display are products of the knowledge and skill of anonymous individuals and craftsmen. However, they are also products of the multi-layered cultural heritage ranging from the ancient Balkan peoples, to Antiquity and Slavic culture, to tumultuous historical entanglements of the modern period. They have accumulated multiple cultural meanings and testify to both private lives of individuals and families and the life of the communities within which they were produced.

The diverse symbols featuring on the displayed artifacts are indicative of a broader narrative about the Serbian culture.

The exhibition theme focuses on the tradition of Serbian textile production and the significance of ornamentation in the traditional bridal outfit, both providing a glimpse of the Serbian material culture. Based on which the display is thematically sub divided into three sections: (1) carpet-making; (2) Pirot Kilim-making and (3) the role of jewellery in the traditional bridal outfit. These objects, both visually and technically, are diverse and represent a variety of materials and techniques used the indigenous people of this region.

Weaving is the basis of textile-making skills and artistic expression. In the textile section, the items include objects used indoors: woollen covers (blankets, rugs, kilims, etc.), towels, curtains, straw mats, cradle covers, wall hangings, and bedclothes. Also, the folk costumes and garments, either casual or ceremonial, woven by the womenfolk of the community are produced by specialized devices, methods and tools, which are rather complex and time-consuming. The predominant traditional weaving device in Serbia is the horizontal loom, whereas the warp-weighted, or vertical, loom is used to a much lesser extent, mostly by craftsmen.

The variety and visual appearance of items were effected through the use of ornaments, colour schemes, yarns and fabrics, and various textile-making techniques, of which weaving was the most common. Embroidery represents the highest achievement of folk art and the most important form of artistic expression on textiles, which is achieved using different combinations of diverse yarns and base materials. Similarly, knitting is represented in the production of socks, foot warmers, woollen slippers and mittens, whereas the production of other items began at a more recent time.

In addition to clothing, the items produced for household furnishings are identified with the tradition of Pirotkilims, which are multipurpose covers that were used as furnishings of urban interiors. Pirotkilims is based on various, mostly vegetable and, to a lesser extent, zoomorphic, anthropomorphic and figurative motifs. Pirotkilims stand out as the most sophisticated legacy of Serbian carpet-making.

The role of jewellery in folk life is not reduced to merely embellishing the wearer. Analyses of the function of jewellery in the traditional bridal outfit indicate that it serves three purposes: to mark marital status, to denote economic power, and to serve as protection.

The exhibition showcases a diverse range of head dresses, neck and chest ornaments, which formed an important part of the bridal trousseau and also indicate the tradition of family heirloom in the Serbian culture.

Source: newkerala.com- July 27, 2017

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There Is No Shortage Of Cotton In Country: Ajay Tamta

The Minister of State for Textiles, Ajay Tamta, stated in a written reply to a Lok Sabha question on July 20, that there is no shortage of either cotton or yarn in the country, while delivering information on the availability of cotton for the textile industry.

There are various policy initiatives and schemes introduced by the government for the domestic manufacturers and exporters. Technology Upgradation Fund Scheme (TUFS), schemes for the development of the Power-loom Sector and Technical Textiles, scheme for Integrated Textile Parks (SITP) and Textile Processing Development (IPDS) are some of the programmes to enable the textile industry to upgrade and make it more competitive.

The Government has also launched Rs. 6000 crore Scheme for Production and Employment Linked Support for Garmenting Units (SPELSGU) under ATUFS, to incentivize production and employment generation in the garmenting Sector.

“These initiatives and schemes will help in the development of the downstream value added segments which in turn will create increased demand for yarn and thereby lead to increased production of yarn,” said Tamta.

Government also introduced special packages for apparel and made-ups sector in June 2016 and December 2016 respectively, which include schemes such as Amended Technology Upgradation Fund Scheme (ATUFS), Pradhan Mantri Paridhan Rojgar Protsahan Yojna (PMPRPY) and Scheme of Rebate of State Levies (RoSL) on export of garments.

Besides, with a view to modernize textile industry and increase production, schemes such as Scheme for Technical textiles, Scheme for Integrated Textile Parks (SITP) and Integrated Skill Development Scheme are also being run by the Government.

Source: businessworld.in- July 26, 2017

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Indian raw cotton exports to rise 12 per cent

India's cotton production may rise 12 per cent during 2017-18. Export of raw cotton from India has witnessed a significant increase in recent years along with decreased cotton imports into the nation.

The country is now the second largest textile and clothing exporter in the world, contributing around five per cent to the global textile and clothing trade.

As Chinese cotton auction started at a 25 per cent premium over prevailing fiber rate in India, Indian exporters are hoping for a revival in cotton yarn exports. The Indian textile industry is estimating cotton production at 380 million bales against 340 million bales produced last year.

India is emerging a favorable destination for Latin American countries as they want to reduce their dependence on Chinese markets for imports and are looking towards diversifying their markets. During April-December 2016, India's cotton yarn exports slumped by 12 per cent.

During the last 16 years, the area under cotton production has doubled with about 10 million farmers producing cotton in India. However, though the country produces good quality cotton, it is sold at a discounted price because of unwanted constituents and contaminants. The textile industry will use biotech and better irrigation and mechanization.

Source: fashionatingworld.com- July 26, 2017

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India pressed to open up procurement

More RCEP nations seek commitments on market access, equal treatment of foreign and local firms

Pressure is mounting on India to open up its more than \$300 billion-worth public procurement market under the proposed mega Free Trade Agreement (FTA) called the Regional Comprehensive Economic Partnership (RCEP).

Public/government procurement broadly refers to the process by which government (at the Central, State and local levels), its agencies/departments and State-owned enterprises procure goods and/or services only for their own use, and not for sale/resale commercially.

Official sources told *The Hindu* that an increasing number of countries including China, Japan, South Korea, Australia and New Zealand as well as a few from the 10-member ASEAN bloc including Singapore and Malaysia, were pushing for binding commitments to mutually liberalise government procurement markets in the 16 Asia Pacific nations, including themselves and India involved in the mega-FTA talks.

Incidentally, during the ongoing 19th round of the RCEP Trade Negotiating Committee meeting at the technical level being held at the Hyderabad International Convention Centre, the 16 countries agreed to constitute a Working Group on government procurement to take forward negotiations on the topic and include it as a separate chapter in the final agreement, sources said.

They, however, said India would not give in to the demands from these countries for “market access and national treatment (equal treatment of foreign and local firms)” pertaining to government procurement in the RCEP agreement, and not even undertake any commitment on a “best endeavour basis.” Even in India’s separate FTAs with Japan, South Korea and Singapore (that are already in force), “market access and national treatment” have been kept out of the government procurement chapter.

‘Wont’ budge’

The maximum extent that India could go to, is to agree to ensure transparency and cooperation in government procurement matters (including information exchange and sharing of knowledge) as part of the RCEP agreement, they said.

Sources said though RCEP member countries including Japan, South Korea, Australia, New Zealand and Singapore may not have a “PSU [Public Sector Unit] culture” as such, they had norms that indirectly made it difficult for foreign firms, including from India, to take part in their public procurement process.

Countries like China, Japan and South Korea, may outwardly have an open procurement market, but make it difficult for foreign firms to participate by phrasing requirements in local language, sources said.

However, to indirectly favour domestic firms, they put out all the tender requirements in the local language and then do not give much time for the bidders to comply with all the requirements including submission of documents.

This ensures that domestic firms with a grasp over the local language get to submit the documents on time, unlike foreign firms who get hit by the language barrier, the sources said.

India is not a signatory to the Government Procurement Agreement within the WTO framework because it wants to retain its policy space to meet its development needs through public procurement process.

In May, the Indian government had brought out a policy providing preference in government procurement to local goods and services suppliers. This was to push the ‘Make In India’ initiative, ensure greater flow of capital and technology into domestic services and manufacturing, and in turn, boost job creation locally as well as promote small enterprises.

Then in June, it came up with an order restricting or excluding from public procurement tenders in India, the firms from those nations where Indian suppliers are not allowed to participate and/or compete in government procurement process.

Source: thehindu.com- July 27, 2017

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Cross subsidy surcharge waiver must for textile units'

As the ongoing incentive scheme for textile units is coming to an end on July 31, entrepreneurs have been anxiously waiting for the new scheme hoping it to boost and pump fresh blood into the sector.

While giving recommendations to the Government, the Vidarbha Industries Association (VIA) members recently urged the policy makers to incentivize power and provide other facilities to the textile units that offers huge employment opportunities especially in the rural part of Vidarbha.

“The Government has been giving about 45 per cent capital incentive to textile units under the existing scheme which is a big relief to the entrepreneurs. But we want the authorities to carry forward the scheme by adding more incentives,” said Prashant Mohota, Core Committee Member of VIA.

Further, Mohota observed that subsidized power rates that to for a significant period would help the textile units to sustain. “As of now, the Government is offering subsidy on power but is for a specific period. We want the subsidy to continue for a considerable period,” he said adding that the textile units to be made cross subsidy free.

Mohota said that entrepreneurs want modifications in Minimum Wages Act for women and unskilled employees deployed in textile units based in the region. “Government should bear some portion of the wages so that the employers could be relieved of the heavy burden of wages,” he said.

He also urged the policy makers to come out with innovative schemes to create common effluent treatment plants (CETPs) for textile units. Raising voice against the heavy operational and maintenance cost of zero liquid discharge (ZLD), the VIA members asked the Government to subsidize it and ensure long-term sustainability.

Nizamuddin Ansari, President of Maharashtra Powerloom Bunkar Action Committee and VIA core committee members stressed on special scheme to support over 3,500 powerloom units in Nagpur that are facing hardship.

“The prevailing scheme of the Government are not meeting the requirements of these small weavers. They need special schemes designed for small weavers. There is also a need to help weavers belonging to backward classes who are bearing the brunt of tough competition from big and established players,” he said.

“A dedicated textile park in Nagpur is the need of the hour that will address various issues of the small weavers and give them access to new technology. We are also demanding the policy makers to create an effective marketing platform for products made by small weavers,” he said.

Ansari further demanded the policy makers to provide health care facilities for all the small weavers.

Source: thehitavada.com - July 26, 2017

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