

IBTEX No. 244 of 2016

Dec 05, 2016

USD 68.16 | EUR 71.97 | GBP 86.52 | JPY 0.60

Cotton Market Update		
Spot Price (Ex. Gin), 28.50-29 mm		
Rs./Bale	Rs./Candy	USD Cent/lb
18597	38900	72.60
Domestic Futures Price (Ex. Gin), December		
Rs./Bale	Rs./Candy	USD Cent/lb
19170	40099	74.84
International Futures Price		
NY ICE USD Cents/lb (December 2016)		71.80
ZCE Yuan/MT (January 2017)		15,830
ZCE Cotton: USD Cents/lb		88.54
Cotlook A Index - Physical		80.05
<p>Cotton & currency guide: Two weeks past cotton price has been trading in a tight range of Rs. 18900 to Rs. 19500 per bale across physical market. In other terms the cotton price for S-6 variety has been moving around Rs. 39000 to Rs. 39500 per candy. Therefore at the futures front the most active December future ended the week at Rs. 19030 almost no change from the previous week's close.</p> <p>From the global front the most active March futures at ICE has been moving in a very narrow range and settled the week at 71.04 cents/lb. There are mixed factors running in the market.</p> <p>In fact this morning ICE cotton is seen trading at 71.25 up by 0.35% from the previous close.</p> <p>Overall we are expecting a mixed trend on cotton. We will be shortly release our weekly report during today and discuss in detail the market fundamentals and likely price trend.</p>		
<p>Compiled By Kotak Commodities Research Desk , contact us : research@kotakcommodities.com, Source: Reuters, MCX, Market source</p>		

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NEWS CLIPPINGS

INTERNATIONAL NEWS	
No	Topics
1	Pak-China disapprove of trade concessions in FTA II
2	Bangladesh jute spinning sector sees phenomenal growth
3	Brazilian cotton prices rise in late November
4	Rwanda govt exempts import duties and VAT on textile raw materials
5	Teijin to form a new Fibres and Products converting business group
6	Paris getting ready to showcase merits of textile world
7	Bangladesh: Garment exports to Italy, Japan remain unhurt
8	Pakistan: Rising demand for quality cotton pushes prices higher
NATIONAL NEWS	
1	Cash crunch affects cotton arrivals in new season
2	Rising demand for quality cotton pushes prices higher
3	Indian currency crisis impacts global cotton market
4	Govt mulls offering competitive energy rates to weavers
5	Demonetization digitizes Surat textile industry
6	Adoption of modern technology to accelerate Indian textile industry's growth
7	Jute industry in North Andhra seek financial package from govt
8	Trade regime with India unchanged, says Pakistan
9	Textiles ministry sets up camps to open bank accounts

INTERNATIONAL NEWS

Pak-China disapprove of trade concessions in FTA II

In the seventh round of meeting held by Pakistan and China on trade concessions, after the stalemate of one year over reaching an agreement on the revival of preferential tariff on exportable products for each other, both the nations are reluctant to give specific concessions to each other in the Free Trade Agreement II.

Pakistan's major exports to China remained rice, cotton yarn, woven fabric, grey fabric while import were electronics, stainless steel items, polyester, yarn, fabric and tires in 2015. The FTA covers more than 6700 tariff lines at 8-digit tariff code under Harmonised System (HS).

Pakistan and China signed an FTA in November 2006. Pakistan offered tariff concession and elimination on 6711 products while China did the same in 6418 products over a period of five year. Phase 1 of the FTA ended in December 2012, phase 11 negotiating started in July 2013 aiming to eliminate tariffs on at least 90 percent of all products Since then, both sides had held six meetings but failed to develop an understanding on preferential concessions to each other. The last meeting on the second phase negotiations was held in October 2015 in Beijing.

During the meeting, Pakistan shared its concerns regarding insufficient utilisation of concession given by China to Pakistan and competition faced by the local industries due to cheap imports from China.

The Pakistan Business Council (PBC) in its report showed huge discrepancies in both countries trade volume. The report shows that Pakistan has a trade deficit of over \$9 billion with China whereas Chinese data shows a trade deficit of over \$14 billion indicating that in 2015 there is nearly \$5 billion in trade that is unaccounted for that mean severe revenue losses and tax evasion are taking place.

A Pakistani official said that Pakistan has been demanding to revive the preferential tariff on exportable products under the second FTA II as it wants zero rated on 80 to 90 percent of products but China is unwilling to accept Islamabad's demands. On the other hand, China also wants Islamabad to reduce zero percent on 80 to 90 percent products under the revised FTA.

The official also said that China has showed its willingness to address this concern. Electronic Data Interchange (EDI) centre will be formed in FBR and it will begin functioning in 2017 .After that the discrepancy will be minimized to lowest level.

Currently, Pakistan has reduced duty to zero percent on 35pc products, while China reciprocate it by reducing duties to zero per cent on 40pc products of Pakistan's exports.

Source: yarnsandfibers.com– Dec 02, 2016

[HOME](#)

Bangladesh jute spinning sector sees phenomenal growth

Bangladesh' s jute spinning industry due to rising global demand for yarn despite having a sluggish business trend in other jute goods has witnessed a phenomenal growth over the last one decade. At least 20 countries have been added in the list of export destinations of Bangladeshi jute yarn in the last one decade.

With the new ones, the product is currently exported to 89 countries. Of the total, 12 countries import a maximum volume of jute yarn, according to Bangladesh Jute Spinners Association (BJSA).

Turkey imports the highest quantity of jute yarn from Bangladesh, followed by India and China. In the fiscal year 2015-16, Turkey imported 0.17 million tonnes, India 0.1 million tonnes and China 78,000 tonnes of jute yarn from Bangladesh.

The sector saw a significant growth during the last several years, said Abul Hossain, vice-chairman of the BJSA.

Although the sector was hit hard by political turmoil in the Middle East and US-sanction against Iran, the present situation is normal and a good quantity of jute yarn is being exported to the Middle East countries.

Iran is now importing a large volume of yarn from Bangladesh which helps increase export earnings. As local supply and prices of raw jute are reasonable, jute yarn producers are doing well, he said.

The demand for jute yarn in the export market remained almost static in the last couple of years. As a result, global buyers are offering better prices of exportable jute yarn.

In the last two/three years, the demand for jute yarn did not increase, but supply increased significantly.

Other than the jute spinning mills, entrepreneurs should invest in the jute diversified products for having a growing demand in the globe. However, policy support from the government is required to help set up units for diversified jute products.

According to business insiders, nearly 60 percent of jute goods are exported from the jute spinning sector while the rest of the volume from Bangladesh Jute Mills Association (BJMA) and Bangladesh Jute Mills Corporation (BJMC) Maximum mills came five years back when there was a boom in the jute yarn market across the globe. Many new entrepreneurs including cotton spinning millers switched to the jute spinning mills. Considering that the sector is profitable ones, banks provided loan to new entrepreneurs then. But many of newcomers are not running their business well. Some of them closed their units.

There were a total of 97 jute spinning mills, off the total mills, 50 are performing well, 37 are under-performing while some 10 remain closed. There is a need to go for diversification of jute goods for further growth in overall jute sector.

Source: yarnsandfibers.com– Dec 03, 2016

[HOME](#)

Brazilian cotton prices rise in late November

Cotton prices in the Brazilian market resumed increasing trend in later part of November. In the first fortnight of the month, cotton prices increased slightly but stabilised in mid-month, only to again see rising trend in end of November, Center for Advanced Studies on Applied Economics (Cepea-Brazil) said in its latest fortnightly report.

The scenario prior to the end of the month was linked to the gap between bidding and asking prices, which, in turn, was related to the quality of the cotton available in the market. When quality was high, agents disagreed about the available volume. While some agents believed cotton supply was already low, others claimed that there were still batches to be traded in the off-season period. In that scenario, liquidity was low in the Brazilian market.

However, later in the month, Brazilian cotton prices resumed increasing. Trading companies and cotton growers that were active in the market were firm in asking prices, keeping an eye on the fluctuations of international and dollar quotes and on the low supply of high-cotton-quality from the 2015-16 season. Besides, Brazilian sellers expect higher prices in the first semester of 2017.

During the second fortnight of November, few processors were seen interested in new cotton purchases in the spot market. On the other hand, trades involving cotton for delivery in 2017 were at a good pace. Dealers were more active in the spot market, buying and selling cotton batches.

In November, the CEPEA/ESALQ Index, with payment in 8 days, for cotton type 41-4, delivered in São Paulo, increased 4 per cent, closing at 2.6077 BRL (\$0.77) per pound on November 30.

According to data from Brazilian Stock Exchange of Goods (BBM) tabulated by Cepea, 67.9 per cent of the 2015-16 Brazilian crop, estimated at 1.28 million tons, had been traded until late November. Of that total, 49.2 per cent was allocated to the Brazilian market and 50.8 per cent to the international market. Regarding the 2016-17 crop, estimated at 1.4 million tons, 23.1 per cent has been traded. Of that volume, 24.5 per cent was allocated to the domestic market and 75.5 per cent to the international market.

For the international market, even with the current dollar fluctuations, trades were at a good pace in November, involving cotton from the 2015-16 season (to export still in 2016) and from the 2016-17 crop

Source: yarnsandfibers.com– Dec 03, 2016

[HOME](#)

Rwanda govt exempts import duties and VAT on textile raw materials

Rwanda government to boost Made in Rwanda campaign has announced tax exemption for importation of textile raw materials and leather, it applies to both import duties and Value Added Tax (VAT) which is effective from Friday, December 2, 2016. Although this move will see government lose billions of francs in taxes that it was getting from leather and textile imports, in the long run the government hopeful that it will boost the Made in Rwanda campaign.

This is a good news for the textile manufacturing and leather industry which has for long been relying on imported and highly taxed raw material. Local investors have been paying between 10 and 25 percent on textile and leather raw materials imported. The high taxes pushed up the cost of production and consequently the consumers paid more for the finished products like clothes and shoes.

After the waiver, local manufacturers will be able to import more raw materials in large quantities to be able to manufacture enough textile and leather products to meet the local market demand. It is also a feasible project in line with government's policy to ban second-hand clothes and footwear products.

With the ban on second-hand clothes set to be effected in the next three years, local manufacturers should move fast to ensure that within the next 2 years, there is enough supply on the market.

The industry players to effectively benefit from this waiver should collaborate. Small scale manufacturers and big scale manufacturers must combine efforts to leverage on this tax waiver.

Now, the ball is in the court of manufacturers. They should produce both quality and quantity to satisfy the local market and eventually tap into the export market. Increase in production will lead to creating more jobs within the sector.

The exemption is also likely to attract more investors in the textile and leather industry

Source: fibre2fashion.com- Dec 03, 2016

[HOME](#)

Teijin to form a new Fibres and Products converting business group

Teijin, Textile and fibre company to strengthen and expand its competitiveness under a new structure has announced to merge its polyester fibres and products converting businesses in a move designed. Teijin would integrate its industrial-application polyester fibres business and the Products Converting Business Group to form the new Fibers & Products Converting Business Group next April.

The new group will develop an integrated system—from production to sales—and leverage the expertise of the existing Products Converting Business Group by complementing business functions in polyester fibers for industrial applications.

Industrial-application polyester fibres are currently part of the High Performance Fibers Business Unit, which is in the Advanced Fibers & Composites Business Group. The unit will specialise in aramid fibres business after the reorganisation.

Masaya Endo, General Manager of Advanced Fibers & Composites Business Group of Teijin Group said that the High Performance Fibers Business Unit has earned the confidence of customers as a material manufacturer and provider of polyester fibres for a broad range of industrial applications, including automobiles, bedding and infrastructure.

This reorganisation will strengthen their capability to provide advanced solutions for polyester fibres, and it will enable them to strengthen their commitment to meeting diverse global needs for aramid fibres.

The reorganisation will establish a structure for providing maximum customer value with existing polyester and aramid-fibre products and services for industrial applications, the company reports. It is also expected to facilitate new development activities.

The Fibers & Products Converting Business Group will strengthen the competitiveness of Teijin's polyester fibres businesses and develop solutions based on Teijin's highly competitive materials. For apparel applications, it will strengthen development through the establishment of an extra-reliable supply chain that newly integrates R&D and raw material and fibre productions with existing textile-processing and sewn-products supply functions.

For industrial applications, the group will provide trusted high-end solutions for automobiles and other segments by reinforcing supply capabilities through the integration of functions ranging from materials development and processing to final production.

The company's decision to form the Fibers & Products Converting Business Group is based on Teijin's recognition of synergies between its development and production functions for polyester fibres and processing technologies and marketing functions for textiles. The integration has great potential to enhance Teijin Group's capability to offer new solutions. In terms of aramid fibres, the High Performance Fibers Business Unit will continuously realize accelerated marketing functions needed to serve growing demand for products that offer properties such as high tensile strength, tensile modulus and impact resistance.

Source: yarnsandfibers.com - Dec 03, 2016

[HOME](#)

Paris getting ready to showcase merits of textile world

As a group of four related trade fairs will be held simultaneously at Le Bourget in Paris during early February next year. Paris the capital of France is once again gearing up to showcase the merits of the textile world to the professionals from across the whole industry that will converge in Paris.

The four textile trade fairs to take place in Paris next year are Avanprint, Avantex, Texworld and Apparel Sourcing. All of which have attracted a healthy increase in registrations, according to event organisers Messe Frankfurt.

Avanprint: The trade show dedicated to digital printing, which offers

solutions for textile procurement and clothing industry research. The digital textile printing is fundamental to the future of the industry. The performance of the cutting-edge solutions presented at Avanprint constitutes an essential element in cutting consumption of water and energy, in optimising required workspace and in reducing the amount of waste that conventional printing methods entail.

Apparel Sourcing: A trade show where the latest innovations for clothing production and accessories will be demonstrated. In view of the current economic situation, Apparel Sourcing Paris has made it a point to take a rigorous approach in selecting the expertise presented here, aware of the promotional value and the need to secure growth markets. Its goal is to provide buyers a platform that presents a wealth of expert techniques and specialised and rare skills, offering high quality and flexibility.

Avantex: The show for sourcing innovative products to help create and design collections that blend fashion with the latest technological developments. Since Avantex paris was launched in September 2015, they have taken steps so that heads of collections and designers are offered solutions that are at the forefront of innovation for clothing and fashion accessories. The February 2017 show will give rise to a series of new features to enhance sourcing for innovative fashion products and services and to intensify the interaction that is a vital factor in developing new products.

Texworld: A trade show which aims to introduce its visitors and exhibitors to the latest trends from across the industry. Messe Frankfurt France reports an 80 per cent increase in registrations for the next edition.

The four textile trade shows will take place from 6 to 9 February 2017 at Le Bourget, Paris.

Source: cottonyarnmarket.net- Dec 03, 2016

[HOME](#)

Garment exports to Italy, Japan remain unhurt

Bangladesh's garment shipments to Italy and Japan, the nationals of which were killed in a terrorist attack in Dhaka in July, remained unscathed in July-October -- a development that will bring a heavy sigh of relief among exporters.

In fact, apparel exports to the two nations increased during the period, according to data from the Export Promotion Bureau.

In a brazen attack in the heart of Dhaka's diplomatic zone on July 1, nine Italians, seven Japanese, three Bangladeshis and an Indian were killed.

All Italians killed in the attack were garment retailers, who had been doing business with Bangladesh for many years.

For example, Nadia Benedetti owned a buying house, Studiotex, which sourced more than \$50 million worth of garment items from Bangladesh in a year.

Some others like Cristian Rossi and Claudia Maria D'Antona used to source few hundred million dollars worth of garment items in a year from the country.

During the July-October period, apparel items worth \$378.30 million were exported to Italy -- the sixth largest garment export destination for Bangladesh -- up 6.43 percent year-on-year.

Similarly, garment shipments to Japan increased 7 percent year-on-year during the period. Some \$230.58 million worth of apparel products were shipped to Japan, the largest importer of Bangladeshi garments in Asia.

“Retailers not only from Italy and Japan but from all over the world have started coming back,” said Mahmud Hasan Khan Babu, vice-president of Bangladesh Garment Manufacturers and Exporters Association.

The reason is -- the restoration of confidence in safety of foreigners' lives in Bangladesh, he said.

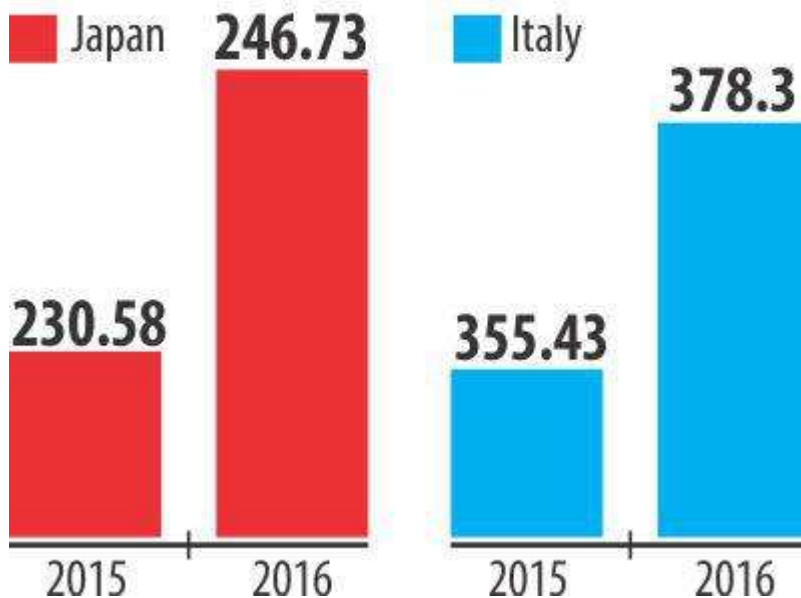
“If the current security scenario continues, we will not face any dearth of retailers -- Bangladesh is their first choice for sourcing garment items.”

He, however, said the impact of the Gulshan attack on exports to Italy and Japan, if there is any, can be known in the months of November, December and January.

EXPORTS TO JAPAN AND ITALY (JUL-OCT)

In millions of \$

SOURCE: EPB



“But the situation right now is very normal,” Babu added.

In fiscal 2015-16, garment exports to Italy, where duty-waiver is applied under the European Union's Everything but Arms scheme, grew 3.22 percent year-on-year to \$1.39 billion.

Garment exports to Japan stood at \$774.47 million last fiscal year,

up 18.68 percent from a year earlier.

Source: thedailystar.net - Dec 05, 2016

[HOME](#)

Pakistan: Rising demand for quality cotton pushes prices higher

Trading activity at Pakistan cotton market witnessed rising demand for quality cotton pushing prices higher on Thursday where leading spinners and some exporters remained in the front of buying spree.

The Karachi Cotton Association’s spot rates saw rise by Rs50, to Rs6,300 per maund (around 37 kilograms).

Buyer remain under panic due to confusion over cotton imports from India and indirect ban based on reports that Indian cotton shipments failed to

fulfil phyto-sanitary certification, threatening the \$822 million-a-year trade.

Spinners on their part are perturbed over the issue because they fear that this will trigger higher imports of cotton yarn from the neighbouring country and work against their interest.

Meanwhile, the textile industry in Punjab has been agitating over higher gas prices and lower pressure and claimed that over half of different industrial units have closed down.

The parent body of the textile sector, the Pakistan Textile Exporters Association, has decided to observe black day on Dec 6 to mark their protest against shortage and high prices of gas in Punjab.

Following major deals on the ready counter were seen changing hands: 1,000 bales from Sanghar done at Rs5,900, 1,200 bales Khair-pur (Rs6,150 to Rs6,200), 2,000 bales Saleh Pat (Rs6,250 to Rs6,300), 2,000 bales Rohri (Rs6,250 to Rs6,300) and 1,000 bales Ghotki (Rs6,500 to Rs6,575).

Source: yarnsandfibers.com - Dec 04, 2016

[HOME](#)

NATIONAL NEWS

Cash crunch affects cotton arrivals in new season

COIMBATORE: The ban on high value notes has affected cotton arrivals in the market due to widespread prevalence of cash payments to farmers, industry officials said. Demonetisation would hit retailers of winter-wear clothing and manufacturers focused on the domestic market, who witness 60%-70% of their annual sales during October-February.

"Farmers are not bringing cotton to the mandis. There has been a 30% drop in arrivals," said Atul P Asher, secretary, Indian Cotton Federation (ICF). "Business has come down and only 10% of the ginning factories are operating," he said. "Cotton arrivals in Gujarat has been affected by the demonetisation," said Ashok Damji Daga, director, ICF.

Prices of the popular Shankar-6 cotton have gone up by about 1,000 per candy (a candy is about 355 kgs) in the last three weeks, Asher said. "Prices continue to remain firm," he said. "Farmers are holding on to inventories resulting in a fall in daily cotton arrivals in November," analysts at ratings agency ICRA said.

This has resulted in artificial supply shortage and bottoming of cotton prices, they said. While the situation is bad in Gujarat, the largest producer of cotton in the country, it is much better in Maharashtra, which is also a leading cotton growing state.

"The adverse impact of the demonetisation on disposable incomes and consumer spending has resulted in a slowdown in domestic demand for apparels and other end-products of textile industry in the immediate term," ICRA said.

The impact is expected to be pronounced on the unorganised segment, which forms a large part of the domestic textile sector where cash transactions are more prevalent, as reduction in currency circulation would temporarily affect their routine business transactions, observers said.

"The resulting inventory accumulation with the retailers will, in turn, cause deferment of purchases from apparel/home-textile manufacturers focused

on domestic market in the near term, besides resulting in stretched payments," ICRA said.

"This, in turn, will affect the cash flow of the textile industry and is likely to drive a constraint in the demand for the entire textile value-chain," the agency said. The harvest season for cotton begins in October, with major cotton arrivals happening till March.

New cotton arrivals are typically accompanied by softening of cotton prices from the levels during April-September. "The slowdown in cotton arrivals is a short-term phenomenon, which has already started to correct, as farmers have gradually started accepting alternate modes of payments," ICRA said.

Source: timesofindia.com- Dec 03 2016

[HOME](#)

Rising demand for quality cotton pushes prices higher

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Source: cottonyarnmarket.net- Dec 03, 2016

[HOME](#)

Indian currency crisis impacts global cotton market

The currency crisis in India, marked by insufficient supply of new currency notes post demonetisation of Rs 500 and Rs 1,000 notes, is resulting in reduced supply of cotton to the global market. Since much of Indian economy operates on cash basis, including payments to farmers, the present situation has led to delays in sales and shipments of cotton. India is the world's largest producer of cotton and also the second largest exporter. The present cash crunch is leading to delays in sales of cotton and is creating shortages in the domestic market as well as reducing supplies to the global market, the International Cotton Advisory Committee (ICAC) said in its latest report.

Analysing the situation, ICAC said other countries may benefit from increased exports in the short term due to the delay in Indian cotton reaching the global market. It predicts Indian cotton exports to fall by 34 per cent to 825,000 tons in 2016-17. However, it adds that the effect of the currency crisis will be limited as it is likely to be resolved in the near future.

"Despite weak global demand for cotton and higher production in 2016-17, international cotton prices have remained elevated, with the Cotlook A Index averaging 79 cents/lb during the first four months of the season. The unanticipated shortfall in production in 2015-16 led to a 14 per cent decline in both world stocks and in stocks outside of China, which pushed prices up at the end of last season," ICAC said.

Prices have remained high as the bulk of the 2016-17 crop is only just now reaching the international market. In addition, the currency crisis in India is temporarily exacerbating the situation.

Exports from the US are projected to increase by 29 per cent to 2.6 million tons, remaining the world's largest exporter. The sizeable crop anticipated in Australia is likely to cause its exports to increase by 21 per cent to 750,000 tons. Exports from Burkina Faso and Mali, the sixth and seventh largest exporters, are expected to increase by 13 per cent to 295,000 tons and by 17 per cent to 255,000 tons, respectively, as a result of larger crops. According to ICAC, cotton from these origins may replace some of India's exports if their crops reach the global market sooner.

Meanwhile, Bangladesh is expected to be the largest importer of cotton in 2016-17 for the second consecutive season as its mill use continues to grow, with imports expanding by 1 per cent to 1.4 million tons. Bangladesh, which imports from India, may use cotton from other countries for its immediate needs. (RKS)

Source: cottonyarnmarket.net- Dec 03, 2016

[HOME](#)

Govt mulls offering competitive energy rates to weavers

The union power ministry is mulling offering electricity at competitive rates to the weavers in the powerloom industry in order to provide a level playing field to the sector. This assurance was offered to union textiles minister Smriti Irani by union power minister Piyush Goyal in a meeting, in which issues faced by the powerloom industry were discussed.

A news agency quoted an official source as saying that Piyush Goyal will discuss the issue of offering competitive electricity rates to the powerloom industry with various states, and subject to these states agreeing, the decision will be implemented at the earliest.

The meeting which was also attended by representatives from the Indian textile industry also decided that various Indian textile sector trade bodies will draft a report in consultation with the government on technology upgradation for the weaving industry.

Source: fibre2fashion.com– Dec 03, 2016

[HOME](#)

Demonetization digitizes Surat textile industry

Post demonetization, the textile industry has launched a drive to digitize the industry in the pretext of the closure of many textile units after the Government's financial move. Due to the cash crunch and also recession in the textile industry, both the textile traders association and textile procession association had started working on a plan to deal with the situation.

The textile industry has planned to install swipe machines at thousands of textile trading shops, while owners of textile processing units have started opening bank accounts for their workers to beat the cash crunch.

According to the data from the trading body, there are over 55,000 textile trading shops in Surat city and over one lakh people work as packing and sales personnel in the shops on the ring road. Apart from these there are over 5 lakh people who work in the 350 textile processing houses (Dyeing and Printing units) in the city. Due to cash crunch, the textile processing houses used to close down their units for three days in a week.

The textile processing houses also called meeting with the owners y and they discussed about the present situation. The apex body has decided that the worker's banks accounts should be opened first. At the meeting, Sutex bank officials were also present. If the workers do not have any identity proof, the apex body will also make arrangements for Aadhaar cards.

Federation of South Gujarat Textile Processing Association president Jitu Vakhakria said that they have taken help from the Sutex bank and they have allotted staff at our association office. Even Aadhaar card people have been contacted and staff has been deployed. The bank accounts of workers along with Aadhaar cards will be done at the office.

The processing houses owners have given full cooperation in their decision and on a daily basis the bank accounts of workers are being opened. With this salaries to the workers will be given through cheques. There will be no issue of cash transactions and they can withdraw it from the banks or directly from the ATM.

The Federation of Surat Textile Traders Association (FOSTTA) held a meeting the next day itself and requested them to go for cash less trading

activity by installing swipe machines in their shops and do cashless business transactions.

FOSTTA president Manoj Agrawal said that in the meeting they got good support from the traders. After installation of swipe machines, the traders would have to pay monthly rent of Rs 500 and all amount swiped will directly go to the firms account registered with the bank. The problems of local retailers would be mostly solved by this attempt, and the traders will also accept cash payments from the customers.

With the swipe machines the traders will not have to send their accountants to the bank with cash, and even the incidents of cash loot will be overcome. They hope that this tactic move might work out. The traders are free to use facilities of other banks also. Even the payment to the employees of the shop will be done through cheques.

He further added that the traders sending finished fabric outside Surat will do business as per their old routine, through cheques.

Over thousands of traders of textile trading body attended the meeting and agreed to the decision taken by the apex body to deal with present situation. In the meeting, officials of a private bank also remained present and explained the terms and conditions as well as the benefit of the swipe machines.

Source: cottonyarnmarket.net – Dec 03, 2016

[HOME](#)

Adoption of modern technology to accelerate Indian textile industry's growth

As the industry aims to double its exports and turnover in next five years, it will give a big fillip to textile machinery sector, says India ITME Society 01 December, 2016

With Indian textile industry aiming to double its exports and turnover in next five years, the textile machinery industry is expected to witness a robust demand. For textile industry to achieve this growth, it has to rely on modern technology and engineering.

Thus, we anticipate a strong demand for textile machinery and accessories, especially with foreign textile brands expanding their presence in the country, said Sanjiv Lathia, chairman, India International Textile Machinery Exhibitions (ITME) Society, which is organising India ITME 2016 expo in Mumbai from December 3-8, 2016.

The textile sector is one of the largest contributions to Indias exports with approximately 11 percent of total exports. The countrys overall textile exports during FY 2015-2016 stood at \$ 40 billion and the industry is expected to reach \$ 223 billion by 2021.

The textile industry is the second largest employer in India after agriculture it is utmost necessary that Indian textile machine manufacturing industry has to strengthen its base for quality output and efficiency through innovation and best technologies available anywhere in the world to be accepted globally. India is now developing in manifold in most of the sectors especially in the spinning machinery manufacturing segments, Lathia added.

At present, Indian textile machinery is estimated at \$ 3.5-4 billion with imports accounting for about 30-35 percent, which mostly caters to high-end segment of textile and garment manufacturing.

India ITME 2016 will host over 1050 exhibitors from 38 countries and expects 150,000 visitors (domestic as well as from abroad). The once-in-four-years exhibition will also witness launch of 24 products over 6 days besides discussions, knowledge sharing, profiling of artisans, photography exhibition, etc.

India is not only a strong market but also is explored as a hub for training and skill development by many countries in the field of textile & textile engineering, stated India ITME Society.

Source: business-standard.com – Dec 03, 2016

[HOME](#)

Jute industry in North Andhra seek financial package from govt

A delegation of management representatives planned to meet Chief Minister N. Chandrababu Naidu for seeking financial package for the jute industry in North Andhra region as it is facing deep crisis due to stiff competition from products from Bangladesh which exports raw and finished products to India at cheaper price. Apart of which illegal import of yarn and twine from Bangladesh is another challenge.

Owing to this, the local industries are unable able to sell their products at competitive rate. It has cascading affect on the workers who lost wages and other benefits in the last two years. Also as many as 20 industries which reported losses have cut down their production and some of them closed their operations.

Sunil Kumar Bhararia, Executive Director of AS Jute Product Private Limited of Vizianagaram said that the managements would face financial difficulties if they continue the production. Workers would agitate if they stop operation.

Jyothi Jute Mills Private Limited Managing Director Purushottam Kr. Bajaj has urged the government to extend its support since jute industry was able to stop migration of people from Vizianagaram and Srikakulam district. The managements argued that they can clear the statutory payments only when the government would come out with a bailout package.

The jute industry sought incentives in power bills, deferment of taxes of commercial taxes department and others.

Source: yarnsandfibers.com– Dec 03, 2016

[HOME](#)

Trade regime with India intact: Pakistan Minister

No notification issued to stop huge quantity of Indian raw cotton at Karachi Port, says Khurram Dastgir.

Pakistan has said that trade regime with India remains unchanged despite tensions in the bilateral relationship.

Commerce Minister Khurram Dastgir made the remarks at the Senate Standing Committee on Textile Industry in response to a point raised by Committee Chairman Senator Mohsin Aziz, who said a huge quantity of Indian raw cotton had been stopped at Karachi Port, state-run Associated Press of Pakistan reported.

Responding to the question, Mr. Dastgir said on Friday that the government has not issued any notification in this regard.

Import of cotton bales

However, the Minister said the government had put restrictions of importing 5,00,000 cotton bales in a year through Wagah border while there was not any such restriction on Karachi port.

Mr. Aziz said the government should instead ban value-added products from the neighbouring country in a bid to protect the local textile industry.

Textile woes

The meeting was informed that the local textile industry was in a dilapidated condition and its exports were on the decline due to a number of issues including high prices of gas and electricity, high tariffs on import of input materials for industries, lack of progress on restructuring of bank loans and failure to revive sick units.

Mr. Dastgir said the government was committed to resolve all the genuine issues of the textile industrialists and it had already met a number of their demands including provision of uninterrupted electricity and gas to the industry.

It was decided that a meeting would be held in Karachi to resolve the issue of banking sector with the textile industry in which representatives from the textile industry, the State Bank of Pakistan, National Bank of Pakistan and private banks would be invited.

Source: thehindu.com– Dec 03, 2016

[HOME](#)

Textiles ministry sets up camps to open bank accounts

Regional office of the textile commissioner in Ahmedabad, Ministry of Textiles, has organised camps for opening bank accounts of workers in the sector to facilitate cashless payment following demonetisation. The camps are being set up with the help of industry association and banks in major locations where the textile industry is essentially concentrated.

Workers in the textile and apparel industry have always been paid wages in cash. The liquidity crunch in the country following the demonetisation of high currency has compelled the industry to consider cashless payment of wages.

The regional office of the textile commissioner has also urged workers to approach banks or visit the camps to open their accounts to make the transition to cashless transaction mode.

The labour and employment ministry has announced that 9,15,431 bank accounts were opened by organising 33,145 camps across the country. The ministry launched the campaign for opening bank accounts especially for workers in the unorganised sectors.

“The objective of the campaign is to ensure that all workers come into banking fold and their wages are paid directly into their account. This will not only prevent exploitation of workers and payment of wages without cut but will also inculcate the habit of using cashless transactions,” said the labour and employment ministry in an official statement.

Source: fibre2fashion.com– Dec 03, 2016

[HOME](#)
