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IBTEX No. 255 of 2016 Dec 19, 2016

USD 67.73 | EUR 70.89 | GBP 84.53 | JPY 0.58

Cotton Market Update

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

Rs./Bale	Rs./Candy	USD Cent/lb
18453	38600	**72.64**

Domestic Futures Price (Ex. Gin), December

Rs./Bale	Rs./Candy	USD Cent/lb
19270	40308	**75.85**

International Futures Price

NY ICE USD Cents/lb (March 2017)	71.32
ZCE Yuan/MT (January 2017)	15,570
ZCE Cotton: USD Cents/lb	**86.43**
Cotlook A Index – Physical	**80.45**

Cotton & currency guide: Sugar in the last week traded positive. The March 17 contract at NCDEX ended the week at Rs. 3631 per quintal up by Rs. 44 from the previous week's close. Since December is about to expire the most active contract at NCDEX is now March 17 and believe price have rebounded from the low of Rs. 3470 to Rs. 3650 in last three week amid lower level buying and steady to higher supply. We believe the recent rally in price is expected to halt and possibly turn bearish. With the good production and higher crushing the counter is set to turn bearish.

As per latest data, sugar production is reported at 27.41 lakh tonnes until November 30, 2016 in the current sugar season 2016 -17 compared to 23.35 lakh tonnes of sugar during the same period previous year. In the meanwhile as on 30, November 2015, 340 sugar mills were crushing sugarcane in India while 365 sugar mills were crushing sugarcane as on November 30, 2016.

Further from the demand front Indian sugar exports rose by 66% as the country exported 0.99 lakh tonnes of sugar in November, 2016 compared to 0.60 lakh tonnes of exports made in October, 2016. On the other hand, the country imported 2.90 lakh tonnes of sugar (mainly raw) in November compared to 3.76 lakh tonnes of imports in October, 2016.

From the global front the ICE raw sugar has ended the week lower at 18.22 cents/lb. We believe with the supply increasing from Brazil and expectation of lesser global deficit is keeping the counter under stress.

Overall we expect sugar market to remain sideways and selling could be emerged from higher levels. The trading range for sugar in India is expected to be in the range of Rs. 3650 to Rs. 3600 per quintal for March 2017 contract at NCDEX

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

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INTERNATIONAL NEWS

Xinjiang sees robust textile, garment exports

Textile and garment exports in northwest China's Xinjiang saw robust growth in the first 10 months this year, boosted by the Belt and Road Initiative, local customs authorities have said.

Exports of textiles and garments from Xinjiang reached 43 billion yuan (6.2 billion US dollars) during the Jan.-Oct. period, up 49 percent from the same period last year, according to the customs of Urumqi, capital of Xinjiang Uygur Autonomous Region.

Kazakhstan and Kyrgyzstan are two major markets for Xinjiang's textile products, and exports to Russia also saw rapid growth.

Xinjiang, as a major cotton producer, accounted for more than 60 percent of the country's total cotton output last year. The region has made it a priority to develop the industry with preferential policies. It has attracted investment from eastern coastal regions to set up factories in Xinjiang.

Source: globaltimes.cn– Dec 17, 2016

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Egyptian garment and textile exports may take time to see surge in sales

Egypt's biggest manufactured exports are garments and textiles. The industry suffered badly since the central bank began pegging the pound against the dollar after Egypt's uprising in 2011, pricing its products out of the international market.

The problem became more acute as currency controls tightened over the past couple years, with exports of garments plummeting by 14.7 percent in the year to end of June and those of cotton textiles by 7.2 percent, according to central bank figures.

The coming months will be a test to see if last month's sharp devaluation of Egypt's currency will boost demand for its garment and textile products at home and abroad.

From 2003 to 2011, textile exports shot up by an average annual 17 per cent and garment exports by 19 per cent, only to begin slackening thereafter. Textile exports surged from US$120.1 million in 2002-03 to $782.6m in 2012-13 before falling back to $682m in 2015-16. Garment exports similarly rose, from $218.3m in 2002-03 to $810.3m in 2014-15 before dropping back to $690.8m last year.

Mohamed Kassem, the chairman of the Readymade Garments Export Council of Egypt said that already there has been an uptick in orders since the Egyptian pound was floated on November 3 but it will take time before any exports surge might occur. The devaluation, which has made imported products more expensive, should increase local demand for garments and textiles as well.

They will see two waves of textile and garment production growth: first with the use of idle capacity, then with new investment.

The fact the pound's price has fallen by more than half means Egypt is back on the radar with foreign textile buyers. But because many components and materials are imported, the price of Egyptian textiles will not fall by half. Domestic inflation should also be factored in. Imports account for 30 to 60 percent of the inputs of domestically produced garments.

Spinners using Egyptian cotton, however, can expect an especially big benefit from the currency -flotation. They have seen an uptick in orders but it will take three to four months before exports actually start to increase. It is premature to call it a surge in orders. Producers are concentrating on reversing the decline.

Many buyers came to a textile exhibition and conference in Cairo on November 11 and 12, held fortuitously just one week after the flotation. Since then, Egyptian exporters have been travelling abroad trying to make sales before Christmas. Egypt will struggle to regain markets after a slowdown in the international economy. Growth in China has weakened, Europe is not in good shape and the recovery in America has not gathered pace.

Mr Kassem has been a driving force behind a plan to build a new city dedicated to textiles manufacturing near Minya, 200 kilometres south of Cairo. The government has allocated 1.3 million square metres for the project, which will be a joint venture with the China National Textile and Apparel Council.

A memorandum of understanding with China was signed early this year and a delegation of Egyptian garment and textile makers will visit China in March for a roadshow. Hopefully they will see results by the third quarter of 2017.

The Minya project will be a pilot scheme for up to 10 similar textile cities the government hopes to encourage, mainly in Upper Egypt. It is to be a completely private investment, Chinese and Egyptian. The city would be a hub with a focus on spinning and weaving as well as on dyeing and finishing to supply yarns and fabric to garment makers across Africa.

The advantage of Minya is that it is close to the Red Sea for exports to Sub-Saharan Africa and to the Mediterranean for exports to North Africa and Europe. The project would take two to three years before new production capacity can come on stream.

According to Mr. Kassem, the situation has greatly improved after the pound was allowed to weaken. But he would like to see more efficiency in government, such as in customs, licensing and taxation too.

A realistic estimate is that exports will be 10 percent higher in 2017 than in 2016, Mr Kassem said. The second part of the equation, an increase in foreign investment in Egypt's cotton industry, is not likely until late next year.

Source: yarnsandfibers.com– Dec 17, 2016

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China Sets 2025 Goal for Intelligent Manufacturing

In China's continuing effort to protect its position as the go-to production capital of the world, it has outlined a 5-year plan to digitize its manufacturing by 2020.

This new plan falls under the country's Made in China 2025 initiative, which was announced last year. The goal of which is to stave off competition from emerging markets and to boost the country's slowing economy by upgrading its manufacturing capabilities. The initiative is focused on innovation and quality across 10 sectors, including robotics, aerospace, renewable energy and medicine.

Thursday the Ministry of Industry and Information Technology and the Ministry of Finance announced the plan to use intelligent manufacturing to improve efficiency, lower costs and decrease energy consumption.

Over the next five years, China pledges to develop equipment, make technological breakthroughs and set standards for intelligent manufacturing, the support system for which will be established by 2025.

Source: sourcingjournalonline.com– Dec 17, 2016

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Make in India Business Forum held in China attracted 100 Chinese firms

The Make in India Business Forum focused on the investment opportunities available in India for Chinese entrepreneurs was organized by the Indian Consulate of Shanghai yesterday at Gaoyou a country level industrial hub to attract investments where about 100 Chinese firms took part.

Local companies from Gaoyou from sectors like textile, garment, textile machinery, photovoltaic cells, electrical appliances, renewable energy, real estate and construction participated at the seminar.

During the investment forum, Consul General Prakash Gupta made presentations about the policy incentives available to foreign investors in each of the above sectors and assured Gaoyou companies of necessary facilitation in their investment plans for India.

Ruling Communist Party of Chinas Gou Feng Cheng, who is Secretary of Gaoyou, also interacted with the Consul General and it was decided that Gaoyou leaders would be heading a high level investors delegation on a visit to India next year. The Make in India seminar was a follow-up to deepening engagement with Yangzhou city, which continues to be a key focus partner for the Indian Consulate in Shanghai for 2016.

Yangzhou city, under which Gaoyou is located, had hosted a large scale business forum and an India Week in September.

Source: yarnsandfibers.com– Dec 17, 2016

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US retailer to use Applied's SigNature T DNA platform

Provider of DNA based supply chain, anti counterfeiting and anti theft technology; Applied DNA Sciences has signed a multi year agreement to provide its SigNature T DNA products and services to one of the largest US based retailers. While the main launch will take place later, early tagged products will be on the shelves of the retailer in this year.

Applied DNA's flagship SigNature T DNA platform is used for tagging cotton fibres at the source gin followed by forensic authentication of the textiles product itself from fibre to finished goods. According to the company, SigNature T provides forensic proof of identity and purity using genotyping of species, and authentication of the SigNature T tag at every step for full end-to-end traceability.

“The retailer that selected SigNature T over and above any other system in the world did so because, they learned first-hand what it means to truly know your supply chain,” James Hayward, president at Applied DNA Sciences said. “Assuring quality in complex global supply chains is no small task and is too often under-estimated.”

“It requires commitment not only in time and resources, but a genuine belief that if you start with the purest fibre, your trusted network will keep it in your product to perform as nature intended," Hayward stated.

Source: fibre2fashion.com– Dec 19, 2016

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Pakistan: PRGMEA doing best to enhance garment exports

Pakistan Readymade Garments Manufacturers and Exporters Association (PRGMEA) Central Chairman Ijaz A Khokhar on Sunday said setting up of ‘Sialkot Development Forum’ (SDF) was actively under consideration of the business community.

Talking to APP here, he said the forum would be set-up with consensus of the business community. The objectives of the SDF was to find out ways and means for resolving problems confronting by the business community of this export hub and to identify other problems, he added.

Ijaz said the exporter community of the city was making strenuous efforts for enhancing the export volume. He said: “We are making adequate efforts for boosting exports of garments to 1 billion dollars by 2020”, adding that the PRGMEA was making hectic efforts for achieving the target.

Ijaz Khokhar underscored the need of setting up “Business Promotional Board” in Sialkot for finding out ways and means for the growth of different industrial sectors, including sports goods, surgical instruments, hand-made badges, leather garments, musical instruments, gloves and sports wears sectors.

The establishment of business promotional board would help resolve problems and open new vista of industrial development in the area, he said. The PRGMEA chairman also suggested that federal and provincial governments should focus attention on setting up industrial villages and special economic zones to facilitate the business community across the country.

Source: pakobserver.net – Dec 19, 2016

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NATIONAL NEWS

Garment exporters seek relaxed norms

To help exporting units tide over the impact of demonetisation, the Apparel Export Promotion Council has asked for increased withdrawal limits and relaxation in rules for payment of statutory dues like PF, ESI and service tax for some time.

The council has shared recommendations with the government to facilitate transition towards digital payments and less cash usage, the exporters body said on Sunday.

It suggested exporting units be allowed a higher threshold of cash withdrawal for making payments to artisans, loaders, purchases for developing new samples and for payment towards small freight amount.

Adequate cash should be made available at banks in key clusters. It also asked for opening bank accounts of workers in RMG export sector on basis of unique identity.

The account should be maintained in Employees Provident Fund Organisation in lieu of initiating a fresh KYC (Know Your Customer) requirement by the bank.

Banks may be allowed to take PAN details of the employer.

Source: economictimes.com - Dec 18, 2016

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About 30 percent fall in demand post demonetization : Raymond

Textile and apparel major Raymond have seen nearly 30 per cent decline in demand since demonetization was announced last month but expects the situation to ease early next year.

“We have seen a nearly 30 percent decline in demand since demonetization was announced, and it has come at a time when the wedding season shopping is at its peak,” Raymond CEO Sanjay Behl told PTI here.

“The liquidity has also shrunk, and more than 80 per cent of this (textile) business is cash driven. However, I see the situation easing up in the beginning of next year,” he added.

Another major impact will be the Goods and Services Tax (GST) when it comes through, he said. “The textile sector is still largely unorganised and GST will help formalise the system,” Behl said.

Raymond, which is looking to expand its store count, however, reiterated that its expansion plans will not be affected by the current situation.

“Most of our store expansion is franchise based and less company capital based, so it will not drastically affect our retail expansion plans,” Behl said.

“We have 1,060 stores at present, and will continue to add about 150-200 stores every year for the next three years,” he added.

The company is targeting about 1,500 stores for its brands by 2020, he said. The brands include Raymond (Ready to Wear), Raymond Made to Measure, Color Plus, Park Avenue and Parx.

Raymond also recently tied up with Khadi Village and Industries Commission to launch a new line of clothing under the brand ‘Khadi by Raymond’.

Source: financialexpress.com- Dec 18, 2016

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Punjab's famed textile industry finds itself on pins and needles

Nearly 30 processing units have shut down since Centre's demonetisation move

Demonetisation could not have come at a worse time for Punjab's textile industry, which relies on the winter season to boost their profits.

In Amritsar, nearly 30 textile processing units have shut down in the past month-and-a-half owing to the cash crunch, an industry body told *The Hindu.*

These units, which prepare dye and print fabrics, are considered the backbone of nearly 700-800 textile factories that are involved in warp-knitting, embroidery, spinning and weaving.

The closure of these processing units is apparently having a cascading affect on the textile business.

"At least 30 textile processing units in Amritsar have already shut down due to the cash crunch, and the rest of the units are running 25-30 per cent below capacity," Krishan Kumar Sharma, president of the Amritsar Textile Processor Association, said.

There are about 60 units associated with them.

"If the situation doesn't improve by December-end, we will approach Prime Minister Narendra Modi and hand over the keys of our factories and ask him to run the business. It has become almost impossible for us to manage our work in the absence of cash," he said.

Industry players have although appreciated the government's move of demonetisation of high-value notes, they believe that the poor planning of its implementation has hit the textile industry.

"Production at the processing units has taken a severe blow in this past month. My unit is working 30-40 below capacity, resulting in loss of production by around 35 per cent since demonetisation," said Kamal Dalmia of Amritsar-based Natraj Wooltex, a leading processor of yarn.

"We need liquidity to run efficiently, but we don't have enough cash. This has forced many of us to stop our units completely or partially. Not just me, most of the processing units here are working for only four days a week," he added.

Retrenchment on

Textile industry is a labour-intensive industry and since demonetisation, the industry has been witnessing lay-off because of the reduced business and cash crunch.

"Weaving industry has seen over 50 per cent retrenchment since demonetisation. Most of our daily wage workers have gone back to their native places — mostly in Bihar and Uttar Pradesh," said I.P. Mahajan, general secretary, Punjab Textile Manufactures Association. He said most of the factory owners are finding it difficult to pay wages to employees as cash withdrawals were restricted.

Also, many manufacturers have reduced the workforce owing to drop in business orders.

Ludhiana-based Vipin Mittal of Kudu Knit Process Pvt. Ltd., who runs a knitted fabric factory, has the same story to share.

"Demand from wholesalers and retailers for the fabric has dipped to an all-time low as most of them are cancelling their orders. In winters, usually we see a rise in sales. But this year, due to cash shortage, retail sales of woollen-based fabric have been hit the most."

"Supply side has also seen a drop because the processing industries are facing same hardships. If processors won't supply thread how will we manufacture fabric..It's a cycle, the impact is cascading," he added.

Warns govt.

The ATPA has, meanwhile, cautioned that if immediate steps to improve the cash-crunch situation were not taken they will stage demonstrations outside administrative government offices.

The association is demanding to ensure adequate cash supply in the banks and easing the restrictions imposed for withdrawal of money from savings and current bank accounts of industrialists.

Besides, interest on bank loans to be waived off for the next six months.

Source: thehindu.com - Dec 19, 2016

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700 looms have closed down in Sircilla's Textile Park

The cashless economy envisaged by the Central government is doing nothing much to help the public. Yet another example of the negative impact of demonetisation is that on the weaver community in Rajanna Sircilla district.

The decision to scrap big notes has taken a toll on the textile units in Sircilla Textile Park, with over 50 per cent of the units situated in the park being shut down due to non availability of raw materials.

There are about 116 textile units, which produce cloth with the help of about 1,600 power looms.

However, post demonetisation nearly 700 looms have closed down due to non-availability of raw materials.

Until recently, 3.20 lakh metres of cloth was produced at these looms per day, which has now fallen to 1.80 lakh metres, bringing down the production drastically.

Textile managements are not able to purchase raw materials due to shortage of cash affecting the production.

With production falling down, textile unit managements have told workers to look for alternative sources of income.

Source: newindianexpress.com - Dec 19, 2016

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Buyer-seller textile mela begins in Mysuru

Deputy Commissioner D. Randeep on Friday said the textile and apparel sectors in Tamil Nadu is thriving despite several hurdles even as textile entrepreneurs in Karnataka, particularly Mysuru region, are struggling. He called upon the officials concerned to conduct a comparative study of the two States with regard to the textile sector and find out where entrepreneurs of the region are lagging behind.

Officials should find out the best practices being followed by entrepreneurs in Tamil Nadu and guide the entrepreneurs here, he said. He was inaugurating the three-day buyer-seller meet-cum-power loom products mela organised by the Ministry of Textiles here on Friday.

The DC said the textiles sector is one of the oldest in the country and among the largest contributors (about 11 per cent) to India's exports. The textile industry is also labour intensive and provides jobs to a large number of people, he said.

GST boost

He added that the Goods and Services Tax, which will be implemented soon, will held the textile industry in a big way. It will replace 17 indirect tax levies and thus, compliance costs will fall, the DC said.

Mr. Randeep said the Union government is giving marketing support to the development of the power loom sector, and the onus is on officials to inform entrepreneurs about the different government schemes.

K. Satish Kumar, assistant director, regional office of the Textile Commissioner, welcomed the gathering.

The buyer-seller meet is expected to create marketing opportunities for power loom product manufacturers even as it allows buyers to purchase products at the factory rate.

Source: thehindu.com- Dec 17, 2016

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Bizarre garment rules tie down textiles companies

Did you know that your shirt may be among several products that mandatorily need a date of manufacturing? And till a few years ago, some shirts also had to mention the date of expiry to avoid "visits" by "inspectors".

The country's archaic and often bizarre rules for garment manufacturers and retailers meant that the last vestiges of 'Inspector Raj' continued for this crucial sector. Most of them, including some of the biggest names in the industry, have been grappling with laws that treat clothes in the same way that inspectors deal with packaged atta or sugar.

There are several examples to show how bizarre the rules are. In a metropolitan city, inspectors from the state's weight and measures department issued a notice to the directors of a leading garment brand as the tag did not mention the measurement in metres.

In the same city, another notice was served as the price tag on 10 out of 6,000 garments in a store did not carry the "proper retail sales price" since the law requires pricing in two decimal points. There was another alleged violation as the customer care number should have been a landline phone and not a mobile number, which was mentioned on the price tag.

In another metro, the price instead of being "inclusive of all taxes" was "inclusive of all taxe" — reason enough for the state machinery to serve a notice for violation of the Legal Metrology (Package & Commodities) Rules, 2011.

As a result of the outdated rules, even for a shirt or a pair of socks, the manufacturing date is required — something that most buyers hardly notice when buying garments.

Similarly, just writing Small, Medium or Large will not suffice since the rules require garment makers to provide the measurement in centimetres. And, writing "cm" instead of "cms" allows the government to hold the director of a company liable with possible imprisonment and fine.

That gives inspectors enough reason to land at outlets and start serving notices. "Basically, many of them want a monthly deal," said a leading textiles player who did not wish to be identified, fearing harassment in several states where he has outlets.

Industry players have petitioned the government that just putting shirts in a plastic cover does not turn them into a "packaged commodity" as the idea is to protect the fabric from dust. Similarly, clothes are not sold by weight and, therefore, it should have a different set of rules instead of applying same principles as other commodities covered by the Standards of Weights & Measures Act.

While industry has been petitioning the government for several years, things seem to be finally falling in place. Textiles minister Smriti Irani has flagged the issue to consumer affairs minister Ram Vilas Paswan, whose ministry is likely to significantly ease the Legal Metrology (Packaged & Commodities) Rules for a majority of the garment sector.

"Nearly 95% of the industry will be unburdened as the rules will apply to packs of two-three shirts, undergarments or handkerchiefs," said a source. The government is keen to ensure that the key textiles sector, seen as a massive generator of jobs, does not remain in the vice-like grip of this 'Inspector Raj'. The urgency to scrap regulations is also seen as a step to improve the ease of doing business in the country. Industry players said that since Irani's intervention in August, states have also been a little more "sensitive".

"Since garments are sold in an open condition and the customer has the option to touch, feel, and try it on, application of the Packaged Commodities Act on garments not only lacks logic, but also exposes retailers and brands to harassment at the local level. We are grateful to the two ministers, who immediately realised and accepted our view point, and have assured us to remove this obvious anomaly," said Rahul Mehta, president of the Clothing Manufacturers' Association of India.

Source: timesofindia.com– Dec 19, 2016

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Mail Today's Make in India Fashion Summit: All you need to know

With handloom and textile being the buzzword, Mail Today is set to host its first 'Make In India Fashion Summit' at Taj Palace hotel on Wednesday, December 21.

Fashion enthusiasts can expect a day of exciting discussions and stay abreast with the latest in policy making with the star-studded panelists of leading politicians and designers.

The day will begin with a special address by Smriti Irani, Union Minister of Textiles, who will share her insights on Indian textile on the global stage. Next, three influential designers in the handloom space - Suket Dhir, Sanjay Garg of Raw Mango and Aneeth Arora of Pero will be in conversation with Sunil Sethi, FDCI President.

The sessions will also include a look at the future of desi fashion through the eyes of trailblazers like Rahul Mishra, Amit Aggarwal and Gaurav Jai Gupta of Akaaro. Other designers include David Abraham, Anju Modi, Shantanu & Nikhil and Ritu Kumar who will share their opinion on styling, jewellery and fashion in India's wedding space.

Meanwhile, the show would be incomplete without taking a look at khadi. A session on the same will be attended by Vinay Kumar Saxena, chairman of KVIC and designer Ritu Beri. MSME minister Kalraj Mishra will give a talk on the growth of small scale industries and impact on khadi.

Source: indiatoday.in– Dec 19, 2016

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India waiting for dates from EU to negotiate FTA: Nirmala

India is waiting for dates from European Union to negotiate the long pending Free Trade Agreement as well as a fresh Bilateral Investment Treaty, Commerce and Industry Minister Nirmala Sitharaman said today.

"I am waiting for dates to talk about both (FTA and BIT)," she said at a function here organised by industry body Ficci.

The proposed Broadbased Trade and Investment Agreement (BTIA) or FTA has been pending for long.

"We have repeatedly asked for dates for negotiations with the EU... This FTA has gone through several stages," the minister said.

She indicated that the delay in resuming talks could be because EU is now looking more at getting the investment treaty "quickly done".

The European Commission (EC) had raised concerns over negotiations for a fresh Bilateral Investment Treaty (BIT).

Sitharaman said the government has come out with the revised model text for BIT and all existing investment protection agreements will be null and void from March 31, "so we want countries to do that".

Launched in June 2007, BITA negotiations have seen many hurdles with both sides having major differences on crucial issues like intellectual property rights, duty cuts in automobile as well as spirits and a liberal visa regime.

On other FTAs which India is negotiating, Sitharaman sought feedback from industry chambers on those and ways to increase share of India in the global trade to 3.5 per cent by 2020 from about 2 per cent currently.

She also expressed concerns about the increasing protectionism in the world. "There is very high degree of protectionism across the globe," she said adding India is opening up but in a calibrated manner.

Talking about quality and standards of products, she said Indian industry needs to increase standards and its compliance to boost its competitiveness in the world market.

Sitharaman further said that the Commerce Ministry will soon call the meeting of Board of Trade to discuss issues related to exports.

Exports rose for the third straight month in November, recording a growth of 2.29 per cent, though the trade deficit shot up to about two-year high of USD 13 billion mainly due to increase in gold imports.

Source: economictimes.com – Dec 17, 2016

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Dream handlooms

Contrary to perception, its future is bright

Unknown to many, one of the biggest differentiators of India is its handloom industry. Among the largest in the world (90 per cent of the world's handlooms come from India), this industry employs close to 10 million artisans in India and is considered the second largest income generating activity after agriculture in rural India.

India has close to 2.3 million handlooms with major centres in Andhra Pradesh, West Bengal and Madhya Pradesh.

What is positive about this sector is its global business potential, social and climatic impact, quality and uniqueness. Contrary to what people say, handloom is not a dying industry; it is, in fact, one of the most promising industries and is going through a lot of transformation right now.

What are the advantages?

The six biggest benefits of handlooms are:

Large premium design choices: Handloom enables more varieties of design to be spun out. This enables a consumer to literally own an apparel that is unique in the world and made only for him or her.

For example, you can get your own hand-woven custom-made Paithani saree from Yeola, Maharashtra. This is something no powerloom can give. Handloom is a designer's paradise. It just needs the right design interventions.

High ROI: The return on investment (ROI) on handloom is handsome. The cost of handloom can vary and a weaver can produce at least ₹30,000-50,000 worth fabric in a month.

The cost of material is usually 10-15 per cent; this gives a handsome ROI in only about two to three months. Very few asset investments give that kind of ROI.

Employment generator: In a country like India where young people are looking for employment with high income, the handloom sector provides a golden opportunity to earn handsomely. It can enable reverse migration possibilities, from urban to rural, and reduce stress on urban infrastructure. It employs 10 million artisans already and can employ more. It is possible that sometime in the future, a degree from IIHT (Indian Institute of Handloom Technology) may be more valuable than a degree from IIT!

GreenTech: Handloom is well suited to rural India where there are power problems as it does not depend on electricity. It is a fine example of GreenTech.

Ripe for tech disruption: There are multiple tech disruption possibilities here. Remember, we are looking at disaggregated supply (2.3 million handlooms scattered across India) and disaggregated demand (rural, urban and international) here. Handloom has the opportunity to create a cab aggregator type of business model which enables matching of this disaggregated demand and supply.

Women's empowerment: This is an industry which employs 83 per cent women. There are not many industry or corporate or government institutions that have such an inclination towards employing women.

Source: thehindubusinessline.com– Dec 18, 2016

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