

IBTEX No. 21 of 2016

January 30, 2016

USD 65.22 | EUR 72.45 | GBP 100.02 | JPY 0.53

Spot Prices of Overseas Ring Spun Yarn in Chinese Market		
Date: 27-Jan-2015		FOB Price
(Pre-Tax)		
Country	Prices (USD/Kg.)	
	20S Carded	30S Carded
India	2.10	2.40
Indonesia	2.81	3.28
Pakistan	2.22	2.60
Turkey	2.60	2.80
Source	CCF Group	

Indicative Prices of Cotton Grey Fabrics in China	
Date: 27-Jan-2015	Price (Post-Tax)
Description	Prices
(Domestic Production)	(Yuan/Meter)
C32Sx32S 130x70 63" 2/1 fine twill	7.20
C40Sx40S 133X72 63" 1/1 poplin	6.50
C40Sx40S 128X68 67" 2/1 twill	6.00-6.10
24Sx24S 72x60 54" 1/1 batik dyeing	4.60
20Sx20S 60x60 63" 1/1 plain cloth	6.20

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NEWS CLIPPINGS

INTERNATIONAL NEWS	
No	Topics
1	Tariff free: last line of defense for Vietnamese cotton yarn
2	Malaysia: Minister explains benefits of joining TPP agreement
3	USA: Textile Exchange releases Material Snapshots
4	EU wants Pakistan to do more for GSP Plus
5	Low local production: Pakistan left with higher import of cotton
6	FTAs to boost SME sector growth in Vietnam
NATIONAL NEWS	
1	India, EU need to trash out remaining issues of FTA: Sweden
2	Technical textiles can play important role: Gangwar
3	BCI Adds Garment Manufacturers to Better Cotton Tracer
4	5th edition of Technotex in Mumbai from April 21 23, 2016
5	Hinganghat gets Vid's 1st Centre-aided textile park
6	Cotton rules flat
7	Global apparel brands to help Bengaluru workers

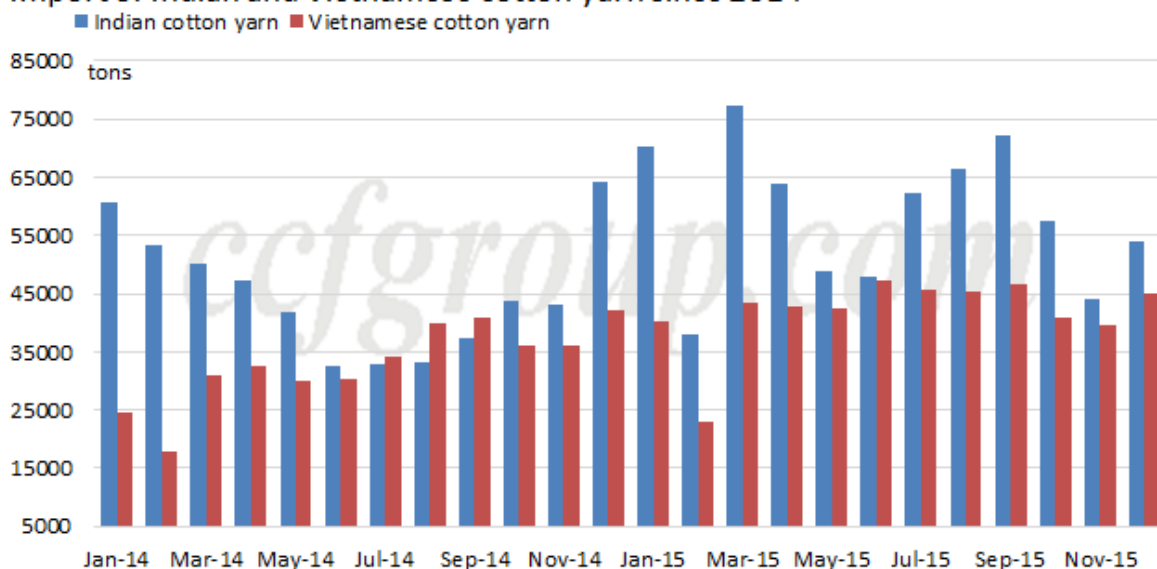
INTERNATIONAL NEWS

Tariff free: last line of defense for Vietnamese cotton yarn

Import of cotton yarn shrunk substantially in the fourth quarter of 2015, but import of Vietnamese cotton yarn did not reduce obviously and witnessed y-o-y and m-o-m increase in Dec 2015. Falling cotton yarn import was mainly due to the reduction of Indian and Pakistani cotton yarn.

Currently, spinners in Vietnam witness sound orders and many spinners run at full capacity. Monthly import of Vietnamese cotton yarn may be flat in short run. How about the long-term trend? Tariff-free is the last line of defense for Vietnamese cotton yarn, and is this line reliable?

Import of Indian and Vietnamese cotton yarn since 2014



India is the biggest rival for Vietnam in competing Chinese cotton yarn market. Market share of Indian cotton yarn is eroded by Vietnamese cotton yarn in recent years. Given current forward cotton yarn price, Indian cotton yarn has become uncompetitive, which can be reflected in import volume in the fourth quarter of 2015.

Price of Indian and Vietnamese cotton yarn 32S is almost flat in terms of price under USD basis, mainly staying around \$2.40-2.42/kg for 32S for air-jet. But once calculated import duty, advantage of Vietnamese cotton yarn becomes obvious.

Just as the above chart shows, price spread between Vietnamese 32S for rapier and Indian 32S for air-jet is around 1200yuan/mt. Besides, price gap of Vietnamese 32S for air-jet and Indian 32S for air-jet is around 800yuan/mt.

Price disparity between RMB price of Vietnamese forward 32S and Chinese cotton yarn 32S is narrowing.

Once cotton is auctioned at low price in China in 2016, import of Indian cotton yarn is likely to reduce greatly. Benefiting from tariff free edge, Vietnamese cotton yarn may struggle for a short time, but the advantage may weaken when low cotton price becomes a normal status in China.

All in all, low-priced cotton auction will be a double-edged sword for Vietnamese cotton yarn. Vietnamese cotton yarn needs to find a balanced position between Indian and Chinese cotton yarns.

However, the time and price of cotton auction is still uncertain, so it is hard to predict whether import of Vietnamese cotton yarn can keep rising or not in long run.

Source: cottonyarnmarket.net– Jan 30, 2016

[HOME](#)

Malaysia: Minister explains benefits of joining TPP agreement

This is TPPDebate.org's response to International Trade and Industry Minister Datuk Seri Mustapa Mohamed's speech on the Trans-Pacific Partnership (TPP) deal at Parliament on Monday.

MUSTAPA said Malaysia decided to join TPP as the nation did not have any free trade agreement (FTA) with the United States, Canada, Mexico and Peru, adding that TPP would pave the way for local companies to penetrate the huge US market. However, how much of the tariffs from the US, Canada, Mexico and Peru will be reduced by signing into TPP?

This must be compared against the baseline today; the 12 TPP countries are in the World Trade Organisation (WTO).

When doing trade with Malaysia, WTO members are not allowed to raise their tariffs above the level that they are bound at the WTO, even on Malaysian products, even if Malaysia doesn't sign the TPP.

They are locked in. Legal adviser Sanya Reid Smith from Third World Network said the average locked tariff rate is just three per cent for the US and six per cent for Canada. They are low already, so there is not much difference going to zero per cent in TPP.

That leaves just Mexico and Peru. If it is really such an important thing to get Malaysian exports into Mexico and Peru, then why not just have a free trade agreement with Mexico and Peru? MUSTAPA said that the import tax on textile products would be reduced by 70 per cent and it will give a 30 per cent boost to exports of Malaysian textiles.

The textile industry in Malaysia will not benefit. In fact, quite the opposite will happen, because of the Yarn Forward Rule. This rule forces the textile industries in TPP countries to buy yarn from within TPP.

The only country in TPP with an economy of scale big enough as to provide the yarn is the US. However, US yarn is more expensive than Chinese yarn. Therefore, the end price in the US of the zero-tariff Malaysian product is likely to be higher than the taxed products from competing non-TPP countries, such as China, making Malaysia lose market in textiles exports to the US.

The Vietnamese Chamber of Commerce and Industry has acknowledged that, with this rule, Vietnam gets no benefits from TPP. If Vietnam, with its lower costs in producing textiles than Malaysia, will not benefit, then how will Malaysia? MUSTAPA said the obligation on labour under TPP is to increase the standard of the labour force, like having the freedom to form workers' unions, collective agreements, minimum wage, safety and health aspects, as well as abolishing forced and child labour.

These labour obligations are enforceable between only Malaysia and the US, by having each country sue each other.

The Australian government cannot sue Malaysia because of Malaysia's violation of labour rights. Only the US Government can sue.

This is because these provisions are not in the labour chapter itself, but in the side letter, the Labour Consistency Plan, signed between Malaysia and the US. Why is this a problem? Smith said the US government doesn't sue over these labour rights. It has sued only once, Guatemala, after intense pressure from their trade unions.

There is a US-Colombia free trade agreement. Trade unionists get murdered in Colombia, yet the US hasn't sued Colombia. Only their government can sue; their trade unions, citizens, human rights activists cannot sue. If the US government chooses not to sue, there is nothing we can do to enforce it. MUSTAPA said Malaysia could leave TPP without having to pay any penalty as stipulated in Chapter 30 of the proposed agreement.

What is interesting about this statement is the contradiction of his statement on why Malaysia must sign in first place. Mustapa had said that by staying in TPP, Malaysia would send the right signal that the country is open, business-friendly, worker-friendly and environment-friendly.

"If we stay out, we are sending the opposite signal," he said. Politically, it might look a bit unfriendly. No country has withdrawn from a free trade agreement with the US once the agreement has taken effect. We believe this is not by chance. MUSTAPA said:

"There are pros and cons. Compared with the time when the 12-page Pangkor Treaty was signed in 1874 where the nation was sold out (to British imperialism), we are smarter now." This comparison is pointless. We are living in different times. Indeed, Mustapa had said the nation's sovereignty would not be harmed with TPP, as people were getting smarter and knowledgeable.

This looks like dumbing down the issue on how Malaysia could potentially lose its sovereignty to safeguard the interests of the country.

The statement is not a proper response to this serious issue. The irony of it is that one day after his statement, TransCanada Corp launched a US\$15-billion (RM63 billion) suit against the US government for rejecting the Keystone XL pipeline.

You can't get much "smarter and knowledgeable" than the US government. Yet, they were sued.

Source: www.nst.com.my – Jan 29, 2016

[HOME](#)

USA: Textile Exchange releases Material Snapshots

Textile Exchange has released the first half of its new series of Material Snapshots produced in 2015 with financial support from VF Corporation and in collaboration with Brown Wilmanns Environmental LLC.

"The new snapshots offer a deep dive into 29 different fibres and materials, covering both preferred and conventional options," a Textile Exchange press release revealed.

Designed with the more technical user in mind, the snapshots combine available LCA data and information with detailed literature reviews, to provide comprehensive, but concise analysis. "Users looking for a more summary view of a fibre or material should refer to the original set of Material Summaries produced in 2014," Textile Exchange informed.

The original Material Summaries and the new Material Snapshots are designed to be used alongside each other within an organisation to help educate and enable informed, intelligent fiber and material choices.

"We hope the new snapshots will add to the value of our resources and allow for broader usage among our membership," the agency observed.

Textile Exchange is a global nonprofit organisation that works to make the textile industry more sustainable and works with everyone involved in making textiles, including clothing, sheets and towels.

Incorporated in 2002, Textile Exchange works closely with its members and textile industry stakeholders along the entire \$1.7 trillion value cycle and is headquartered in the US.

Source: fibre2fashion.com – Jan 29, 2016

[HOME](#)

EU wants Pakistan to do more for GSP Plus

Noting that the human rights violations remain widespread in Pakistan, the European Commission's first assessment report on the impact of GSP Plus scheme calls upon to show concrete improvements on implementing the 27th international conventions relating to human rights, labour rights, environment and good governance.

The EU report impacts the special incentive arrangements for sustainable development and good governance (GSP Plus) covering the period 2014-15. The report will form the basis for continuation of GSP Plus scheme till 2023. The GSP Plus scheme became operational from January 01, 2014.

The report notes with concern that human rights violations remain widespread despite some of the government's initiatives.

The grave human rights violations including extra-judicial killings, enforced disappearances and failure to protect minorities continue to occur. The Pakistani authorities should make significant efforts to comply with their international obligations, it noted.

The fight against terrorism has created new human rights challenges that need to be urgently addressed. Respecting, protecting and promoting human rights can be an effective tool, in the medium term, to address root causes of militant extremism.

The selective transfer of civilian cases to military courts without clear criteria, without information about the procedures, and with non-transparent court hearings, is another serious source of concern, notably with respect to the obligation to provide fair trial to the accused.

The over 300 executions carried out since the lifting of the moratorium, raise questions concerning likely violations of the international conventions with respect to executions of juvenile defenders, denial of fair trial, and the systematic use of torture.

However, it says that for the first time Pakistan has made commendable efforts to submit all due reports to the monitoring bodies of UN human rights conventions.

A cross-cutting issue, not restricted to human rights, is the poor implementation and enforcement of legal safeguards provided for in the constitution and in domestic legislation. Some progress has been made in strengthening the institutional framework.

Pakistan has announced that a national action plan on human rights has been drafted and is awaiting approval by the prime minister. The National Commission for Human Rights was established in May 2015.

A commission on the status of women was established in 2000, but it is still seriously under-funded. A proposal for the establishment of a commission on the rights of the child is still under discussion. The EU remains willing to offer technical assistance to support such institutions.

Pakistan ranks third in the world on the 2014 Modern Slavery Index. Bonded labour is common in various sectors of the economy, most notably agriculture and brick kilns besides carpet weaving, fisheries, mining and some other sectors.

Geographically speaking, the most widespread problems are found in the southern Sindh and Punjab, but anecdotal evidence suggests that bonded labour exists in all four provinces. There are currently no reliable statistics on the number of bonded labourers.

Pakistani provinces are working to adopt provincial legislation to abolish child labour which remains considerable across the country.

Khyber Pakhtunkhwa has adopted a law on elimination of child labour and allocated funds to improve labour inspections. Legislative action is still pending in Punjab, Sindh and Balochistan.

Similarly, the provinces have made progress on tackling bonded labour which remains widespread. Khyber Pakhtunkhwa has passed an act prohibiting slavery and debt bondage.

The report says that the EU imports from Pakistan amounted to Euro 5.5 billion in 2014, an increase of 22 per cent compared to 2013. Over 70 per cent of EU imports from Pakistan are textiles and clothing.

The EU preferential imports of textiles and clothing from Pakistan increased substantially in 2014, 82 per cent compared to 2013 up from Euro 2 billion in 2013 to Euro 3.7 billion in 2014. The EU preferential imports of footwear also increased by 121 per cent.

Source: pakistantoday.com.pk– Jan 30, 2016

[HOME](#)

Low local production: Pakistan left with higher import of cotton

Import of cotton has shown a sharp increase during the first half of the current fiscal year 2015-16, against the corresponding period of last year after a slump in domestic production.

According to latest figures, Pakistan's cotton import jumped to 194,465 tons amounting to \$310 million during July-December 2015 compared to 48,480 metric tons of cotton worth \$113 million in the corresponding period last year.

Similarly, textile and clothing exports declined by 8.93% to \$6.269 billion during the first half of FY16 from \$6.884 billion in the same period of last year.

The fall was witnessed despite duty-free access to the European markets under the GSP Plus scheme.

Cotton production in the country declined 33% with a decrease of 44% in the largest cotton producing province Punjab alone.

According to officials, climate change; including heavy rains, pest attacks and harsh weather across the cotton growing areas are to blame for the slump in production, due to which the crop in most areas of southern Punjab was badly damaged.

“Most of the cotton imports by Pakistani traders are being sourced from India, which is facilitating its cotton farmers by offering duty drawback facility, interest rate concessions and infrastructure schemes,” said sources in the Ministry of Commerce.

Showing his concern, Council of Loom Owners Association Chairman Wahid Khaliq Ramay said that yarn prices had increased significantly due to shortfall of cotton. “This has led to an increase in prices of cotton fabrics and garments.

“This will also affect the country’s value added textile exports,” he noted. He further said that the costly raw material of textile products was a key hurdle in competing with the international market. “Such is not the case in India, Bangladesh and Thailand and this is why these countries are capturing Pakistani markets in the region and globally.

“Almost 20-25% of looms have been closed down, the ratio of unemployment has also risen,” he added.

Furthermore, Pakistan Cotton Ginners Association (PCGA) has expressed concerns over the situation and has opposed any proposal pertaining to the waiving off duty and tax on import of cotton from India.

“The cotton economy is passing through its worst crisis in history. We must support both the growers and small loom owners and avoid benefiting big cartels at the cost of the national economy,” said the association chairman Nawab Shehzad.

He said that regulatory duty, sales tax and customs duty on the import of cotton should not be withdrawn and it must continue for the survival of local farmers as well as ginners.

He said India has been a major beneficiary of duty-free import of cotton yarn by Pakistan for about four years. This has badly hit the domestic industry and agricultural sector of the country under a well-planned conspiracy.

He said that farmers are now switching to other crops due to the injustice meted out to them, which would have long term implications on the national economy.

Source: tribune.com.pk – Jan 30, 2016

[HOME](#)

FTAs to boost SME sector growth in Vietnam

The two major Free Trade Agreements (FTAs) – Trans Pacific Partnership (TPP) pact and EU-Vietnam Free Trade Agreement (EVFTA) – will give a boost to the small and medium enterprises (SME) sector in Vietnam owing to the advantages associated with it, according to economist Pham Chi Lan, according to Vietnamese media reports.

The two FTAs will lead to a diversified supply and lower import costs for the SME sector by eliminating international trade barriers, Lan said at a conference on TPP and EVFTA, organised in Ha Noi.

The FTAs will boost investments in the country, increase the market share of Vietnamese companies globally and enhance the overall quality of Vietnamese textile products.

Vietnamese small and medium companies saw a decrease in market demand in 2015, and some SMEs had to shut down as a result, according to a leading Vietnamese portal. Some SMEs had to reduce their prices in the international market owing to competition from other textile producing countries.

EVFTA is likely to increase Vietnam's export turnover by 3-6 per cent, as it will eliminate export duties on several items in the next 8-10 years.

On the other hand, the implementation of the TPP is likely to increase the country's export by around 30 per cent and improve the country's GDP by around 10 per cent.

Source: fibre2fashion.com- Jan 29, 2016

[HOME](#)

NATIONAL NEWS

India, EU need to trash out remaining issues of FTA: Sweden

Terming the proposed free trade agreement between India and EU as a "classical win win" for the two sides, Sweden today said negotiators need to sit down and "trash out" remaining issues of the trade pact.

Ambassador of Sweden to India Harald Sandberg said although there are few outstanding issues which needs to be addressed, both India and the European Union (EU) have covered lot of areas of the agreement.

"I know both the sides are willing to talk to each other and this is a very important issue between the EU and India. We as a EU member are very supportive of this process finally creating a positive result which will be mutually beneficial. This is a classical win win," he told reporters here.

"Negotiators have to sit down and trash out the remaining issues," he added.

India and the EU started talks on free trade agreement in 2007 and till 2013, 16 rounds of negotiations were held. But talks were stalled after that as the two regions failed to bridge substantial gaps on crucial issues, including data security status for the IT sector.

On his expectation about the conclusion of the negotiations, he said: "It is a billion dollar question" but Sweden wants to see the conclusion "as soon as possible".

He said both the sides should work on the outstanding issues and "crunch" those out and reach a result on those.

On the demand of India for a liberalised visa regime in the EU, Sandberg said as far as Sweden is concerned, it has the most liberal migration policy for professionals.

"I know this is an issue," he added.

Chief negotiators of India and EU met on January 18 here and took stock of contentious issues, including duty cut on automobiles and movement of professionals, that have held up talks on the proposed free trade agreement.

The purpose of the meeting was to assess where both sides stand and how India and the EU should go forward with the proposed pact, officially dubbed as Bilateral Trade and Investment Agreement.

Negotiators were expected to meet in August last year, but talks were deferred by India, expressing disappointment and concern over the EU banning sale of around 700 pharma products, clinically tested by GVK Biosciences.

In May 2013, India and the 28-nation bloc failed to bridge substantial gaps on crucial issues, including data security status for the IT sector.

The other issues include easy movement of professionals and data security status demand from India. Besides demanding significant duty cuts in automobiles, EU wants tax reduction in wines and spirits and dairy products and a strong intellectual property regime.

The free trade pact is aimed at reducing or significantly eliminating tariffs on goods, facilitating trade in services and boosting investments between the two sides.

The two-way commerce in goods between India and the EU was USD 98.5 billion in 2014-15.

Source: economictimes.com– Jan 29, 2016

[HOME](#)

Technical textiles can play important role: Gangwar

Technical textiles can play an important role in the nation's social and economic arena, Textiles Minister Santosh Kumar Gangwar said here on Friday.

He was speaking at the curtain raiser event of Technotex 2016 organised by the government, in association with Federation of Indian Chambers of Commerce & Industry (FICCI).

One of the main objectives of Technotex 2016 to make the country a manufacturing hub in the area of technical textiles, under the "Make in India" initiative of the government.

Talking about the launch of the Rs.427 crore government scheme to promote usage of geotechnical textiles in the northeastern India in March 2015, the minister said this scheme would provide support for use of geotextiles in road construction, slope stabilization and water reservoirs.

He expressed satisfaction at the completion of the construction of the airport access road at Imphal, using geotextiles. He said that approval has been given for 13 water reservoir projects in Manipur and Tripura, and for two projects in road construction and slope stabilization in the two states, all employing geotextiles.

Gangwar said 44 demonstration centers at a total cost of Rs.8.17 crore have been approved, in order to promote agro-textiles in the northeast region and out of this, 23 demonstration centres have started functioning. In addition, 263 agro-textile kits have been distributed to farmers in Manipur and Mizoram.

The minister also said the Technology Mission on Technical Textiles (TMTT) has been extended for two years, for 2015-2016 and 2016-2017, and eight centres of excellence have come up under the scheme, where facilities for testing, research and development and skill development in technical textiles are being set up.

Source : business-standard.com– Jan 29, 2016

[HOME](#)

BCI Adds Garment Manufacturers to Better Cotton Tracer

Better Cotton Initiative (BCI) has closed the loop on traceability.

This month, the nonprofit furthered its efforts to promote responsible global standards for cotton production and establish end-to-end traceability by adding garment manufacturers to its Better Cotton Tracer system.

BCI said the move will allow it to verify the volumes of Better Cotton being sourced by its retailers and brands through products and suppliers from field to store.

When the traceability system first launched in 2013, it was only accessible to ginners, traders, spinners, retailers and brands. Since then it's been developed to include fabric mills, import-export companies and yarns and fabrics traders, as well as garment manufacturers.

This means that all actors in the supply chain can now record their transactions electronically by noting the number of Better Cotton Claim Units (BCCUs) they received with a product, such as yarn, and allocate these units to the product sold to the next actor, such as fabric, so that the amount "allocated" does not exceed the amount "received."

"The Better Cotton Tracer is the most widely-used and the only end-to-end traceability system of its kind in the cotton industry. Any ginner, merchant, supplier, agent or retailer can use our system no matter where they are located in the world for any Better Cotton-related raw material or finished product—from seed cotton to T-shirts," Kerem Saral, BCI supply chain manager, stated. "It is simple, lean and user-friendly, which are the keys for developing a system that could be used by a ginner in Africa, a supplier in Turkey or a retailer in San Francisco with equal ease."

While BCI acknowledged that its current system does not physically trace Better Cotton through the supply chain, it said that end-to-end traceability does strengthen the credibility of claims made by its retailer and brand members.

Source : sourcingjournalonline.com– Jan 28, 2016

[HOME](#)

5th edition of Technotex in Mumbai from April 21 23, 2016

Technotex 2016 aims to boost Make in India in Technical Textiles
Technical Textiles can play an important role in social and economic front: Minister

Amended TUFS gives special focus on Technical Textiles: Textiles Minister

Textiles Minister releases Baseline survey on Technical Textiles and BIS Standards

Curtain Raiser event of Technotex 2016 held at New Delhi
To make India a manufacturing hub in the area of Technical Textiles, under the "Make in India" initiative of Government of India. That is one of the objectives of Technotex 2016, India's premier show on technical textiles, organized by the Government of India, in association with Federation of Indian Chambers of Commerce & Industry (FICCI).

The 5th International Exhibition & Conference on Technical Textiles recognizes the immense potential of technical textiles and its increasingly diverse and innovative applications. Fittingly, the event has a smart theme: "Technical Textiles Towards a Smart Future". Technotex 2016 will be held at Bombay Exhibition Centre, Goregaon, Mumbai from April 21 23, 2016.

Speaking at the curtain raiser event of Technotex 2016, held at Shangri-La, Eros Hotel New Delhi today, Honble Minister of State for Textiles (Independent Charge), Shri Santosh Kumar Gangwar said that technical textiles can play an important role in the nation's social and economic fronts. As examples, he pointed out the applications of geotextiles in infrastructure and agrotextiles in improving agricultural productivity and quality of output.

The Minister recalled the launch of a 427 crore rupees Government of India scheme to promote usage of Geotechnical Textiles in the North Eastern Region of India, in March 2015. He said that this scheme would provide support for use of geotextiles in road construction, slope stabilization and water reservoirs.

He expressed satisfaction at the completion of the construction of the airport access road at Imphal, using geotextiles. He said that approval has been given for 13 water reservoir projects in Manipur and Tripura, and for two projects in road construction and slope stabilization in the two states, all employing geotextiles.

Shri Gangwar said that 44 demonstration centers at a total cost of Rs 8.17 crore have been approved, in order to promote agrotextiles in North East region; out of this, 23 demonstration centers have started functioning. In addition, 263 agrotextile kits have been distributed to farmers in Manipur and Mizoram.

Shri Gangwar said that a pilot scheme has been approved in order to promote agrotextiles in other parts of India. He said that two demonstration centres are being set up under the scheme in drought-affected areas in Amravati district of Maharashtra. Besides this, 60 farmers in Amravati have been identified for distribution of agrotextile kits, said the Minister.

The Minister said that the Ministry of Textiles has set up six focus incubation centres at a cost of Rs 17.4 crore. These centres would help budding entrepreneurs build innovative technical textile products in a "plug and play" model, and would help promote Make in India in textiles.

Shri Gangwar said that the Technology Mission on Technical Textiles (TMTT) has been extended for two years, i.e., for 2015 -2016 and 2016 2017.

The Minister said that, eight Centres of Excellence have been set up under the scheme, where facilities for testing, R&D and skill development in technical textiles are being set up. Shri Gangwar said that TMTT Mission II provides support in the areas such as export market development of technical textiles, new business start-ups, contract research and market development support for sale to institutional buyers, among others.

He noted that a special focus has been given to technical textiles, under Amended TUFS; a capital subsidy of 15% has been provided for technical textile machinery under the amended scheme, said the Minister.

On the occasion, the Textiles Minister released the Baseline survey on Technical Textiles and BIS Standards for the industry.

The release of the survey and standards is an important step forward in the Governments efforts for standardization of technical textile products in India. The Minister also released the event brochure for Technotex 2016.

Source: cottonyarnmarket.net– Jan 30, 2016

[HOME](#)

Hinganghat gets Vid's 1st Centre-aided textile park

The first-ever integrated textile park under the Central government scheme (SITP) will come up in Vidarbha at Hinganghat in Wardha district. The Rs 108 crore project with Prashantkumar Mohota as lead promoter is expected to generate at least 1000 jobs and provide much needed fillip to the cotton economy of the region.

Though the main cash crop of Vidarbha, cotton has been in news more for driving farmers to suicide. Uncertainty over prices and inability to process raw cotton up to textile and garment stages to spur demand have been the reasons for cotton belt's growing distress.

Inept political leadership of the region along with lackadaisical entrepreneurship saw to it that textile units did not come up in the region and cotton produced here was transported to far off south India or western Maharashtra where they made capital of the white gold while farmers growing it always got a raw deal.

SITP was launched by the Union textile ministry in 2005 but till date not a single textile park had come up under it in Vidarbha.

What makes SITP attractive is 40% (with cap of Rs 40 crore) funding provided by the Centre and the State government chipping in with 9% (or Rs 9 crore maximum) capital for the park. No wonder, of the 14 projects sanctioned under SITP, 13 are outside Vidarbha.

To be specific, eight of them are located in politically influential western Maharashtra where not a boll of cotton is grown, three in Marathwada and one each at Dhule and Bhiwandi.

Hinganghat Integrated Textile Park Pvt Ltd was incorporated on March 19, 2015, and has authorized share capital is Rs 180,000,000 with paid up capital of Rs 59,500,000. Mohotas are into textile business for a long time and will have local advantage as anchor.

The plan is to set up 11 units in the integrated park spread over 32.63 acres. Of them one each will be for ginning, twisting/doubling, knitting, processing, fibre-yarn dyeing, garmenting, technical textiles and two each for spinning and weaving.

The total cost of Rs 108 crore shall be funded through a mix of equity/grant from Union ministry of textiles, state government, State Industrial Development Corporation, Industry, project management consultant and loans from banks/ financial institutions. The Centre has already released first instalment of Rs 4 crore of the grant. A company spokesman said tenders for construction work would be floated next week.

Source: timesofindia.com– Jan 30, 2016

[HOME](#)

Cotton rules flat

Cotton traded unchanged as demand from domestic mills was limited. Traders said that at the end of the week, demand from domestic yarn mills decreased. On the other hand, supply improved marginally. Gujarat Sankar-6 traded at ₹33,800-34,100 per candy of 356 kg. About 40, 000 bales (of 170 kg each) of cotton arrived in Gujarat and 1.30 lakh bales arrived in India.

Kapas or raw cotton declined as ginning demand was down. *Kapas* was down by ₹5 to ₹875-960 per 20 kg and gin delivery *kapas* stood at ₹960-975. Cottonseed stood at ₹450-472.

Source: thehindubusinessline.com– Jan 30, 2016

[HOME](#)

Global apparel brands to help Bengaluru workers

After a damning report by the India Committee of the Netherlands (ICN), a Dutch non-governmental group, highlighting appalling living conditions, low wages and lack of freedom of movement of workers in garment factories in Bengaluru, clothing majors such as H&M, Inditex, C&A and PVH have committed to improving the lives of workers in the city.

American brand Gap Inc., which also sources apparel from Bengaluru, did not respond to the report by the ICN, according to a statement by the Dutch non-governmental group. A draft of the report, Unfree and Unfair, was presented to the companies in November 2015, Thomson Reuters said.

The condition of garment workers in South Asia have been under the spotlight following the 2013 Rana Plaza disaster in Bangladesh, in which over a thousand workers were killed, many of them employed by suppliers to Western retailers.

While the apparel and garment sector is a major employer in the Indian economy, the ICN report paints an unflattering picture.

According to the ICN report, hostels run by the Bengaluru factories lacked basic amenities such as beds and clean water, and that workers earned between 95 euros (Rs 7,000) and 115 euros (Rs 8,472) per month, just above the official minimum wage of 93 euros (Rs 6849) to 103 euros (Rs 7,588).

Bengaluru, a hub for apparel exporters as well as for information technology companies, draws migrants from different parts of the country seeking better economic prospects.

There are an estimated 1,200 garment factories in and around Bengaluru, making apparel for large global brands.

Many of the workers are women from poor backgrounds who do not know the local language and are unaware of their rights, making them more vulnerable to exploitation, according to the ICN report based on interviews with 110 migrant workers at four garment factories in the city.

"Global companies have a responsibility to ensure better conditions for the workers, as they are directly benefiting from their labour," Raphael Jose, vice president of supply-chain sustainability at the Centre for Responsible Business in Bengaluru, told the Thomson Reuters Foundation.

"This is an area where the brands can come together and collaborate with a local agency and pressurise the industry to improve conditions." Dutch clothing retailer C&A, Swedish retailer H&M and Spain's Inditex, which owns the Zara and Massimo Dutti brands, will work together and liaise with local trade unions to provide training and address workers' grievances, ICN said.

Inditex will evaluate the state of workers at its suppliers and factories across India, while PVH Corp., which owns brands including Tommy Hilfiger and Calvin Klein, is developing new guidelines for its suppliers, ICN said.

"If the brands commit to these issues and their plan of action, we expect that considerable progress can be made in addressing the working and living conditions of young migrant garment workers in Bangalore," ICN said in the statement.

Source: fibre2fashion.com– Jan 30, 2016

[HOME](#)
