

**IBTEX No. 136 of 2017**

**July 03, 2017**

USD 64.75 | EUR 73.85 | GBP 84.18 | JPY 0.58

<b>Cotton Market</b>		
<b>Spot Price ( Ex. Gin), 28.50-29 mm</b>		
<b>Rs./Bale</b>	<b>Rs./Candy</b>	<b>USD Cent/lb</b>
20103	42050	<b>83.07</b>
<b>Domestic Futures Price (Ex. Gin), July</b>		
<b>Rs./Bale</b>	<b>Rs./Candy</b>	<b>USD Cent/lb</b>
20010	41856	<b>82.68</b>
<b>International Futures Price</b>		
NY ICE USD Cents/lb ( Dec 2017)		68.97
ZCE Cotton: Yuan/MT ( Sept 2017)		15,625
ZCE Cotton: USD Cents/lb		<b>83.06</b>
<b>Cotlook A Index - Physical</b>		<b>83</b>
<b>Cotton &amp; currency guide:</b>		
<p>Friday saw a sharp pull back in cotton price as the most active December contract settled at 68.59 up by 135 points from the previous close.</p> <p>Lower USA cotton acreage number compared to the industry expectations led to the sharp surge. USDA cut domestic-planting estimate by 1.5% to 12.1m acres from March projection; analysts surveyed by Bloomberg expected increase at 12.3m acres. Lower acreage led to recovery in Cotton and soybean price on CBOT.</p> <p>We believed since the market is near oversold territory and was moving in an inside range the planting report by USDA shall surely have an effect on the price. The price band of 67.75 on higher side and 66.25 on lower side is broken. This makes us feel the above mentioned 67.75 range as support level</p>		

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and 69 as a near term support zone. Although market is near oversold phase with Fibonacci technical support holding market could quickly rebound the price from 67.75 to 69.50 zone.

The strategy for cotton as spread is to take short in near month contract July and Buy the October future with the spread of around 1600+. The target would be less than 800 in the near term. There should be a stop loss for the spread which should be above 2000 on a daily closed basis. Lastly trading range for the day would be 19950 to 20150 for July MCX future.

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

**NEWS CLIPPINGS**

<b>INTERNATIONAL NEWS</b>	
<b>No</b>	<b>Topics</b>
1	China greenlights launch of cotton yarn futures
2	IFC, NRDC promote sustainability in China's textile sector
3	Pakistan: Cotton spot rate fixed at Rs6,200
4	Bangladesh seeks to tie up with India
5	Textiles India 2017: Korean: Hyosung's Cutting-edge Textiles Attract Attention in India
<b>NATIONAL NEWS</b>	
1	Smriti Irani at Textiles India 2017: 'GST, a shining example of cooperative federalism'
2	Nine Union Ministers Dwelt on Strategies to Strengthen the Textiles Sector of the country, at Textiles India 2017 in Gandhinagar, Gujarat today
3	India can be a reliable sourcing partner for ASEAN: Smriti Irani
4	Textiles India 2017: Industry leaders raise concerns over impact of GST on exports
5	Natural fibres backbone of textile industry: Agri minister
6	65 MoUs signed at Textiles India 2017 in the presence of Union Textiles Minister
7	India faces problem of creating good jobs, says Panagariya
8	The Power Of Fabric
9	India can take Dragon's place in man-made fibre sector
10	2017-18 will be good year for cotton textile industry: SIMA
11	Textile traders to go on indefinite strike from July 5

## INTERNATIONAL NEWS

### China greenlights launch of cotton yarn futures

BEIJING, July 2 (Xinhua) -- China's securities regulator has recently approved the launch of cotton yarn futures on the Zhengzhou Commodity Exchange, according to an official statement.

The cotton yarn futures, together with the cotton futures that already traded, will help companies in the industry to hedge against and improve the management of risks, the China Securities Regulatory Commission (CSRC) said.

Futures contracts obligate investors to buy or sell the underlying assets at a predetermined price at a specified time, helping investors mitigate risks of price volatilities.

Large and frequent fluctuations in cotton yarn prices have had negative impacts on related industries in the past few years, and the launch of the cotton yarn futures will be an answer to market demand, the CSRC said.

The date for the commencement of trading will be announced later, it said. China has been developing its commodity derivatives market and plans to gradually open it up to foreign investors. Earlier in April, the country launched white sugar options, the second commodity options after soybean meal.

Source: xinhuanet.com- July 03, 2017

[HOME](#)

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### IFC, NRDC promote sustainability in China's textile sector

IFC, a member of the World Bank Group, and the Natural Resources Defense Council (NRDC) have released cumulative results of their joint 'Green Textile City Initiative'. Launched in partnership with leading global apparel retailers and fashion brands in 2013, it aimed to scale up sustainability efforts in large textile clusters in Shaoxing and Guangzhou. The sector-level initiative was expanded to Suzhou in 2015. The Initiative, under IFC's China Water Program, provided sector-level capacity building

and technical training for over 100 textile mills in the three textile cities. Half of the trained mills implemented resource efficiency projects on their own.

China produces more than half of the world's textile fabrics with \$267 billion in exports in 2016, but this water-and-energy intensive sector has a large environmental footprint.

In the Greater Suzhou Area alone, 23 textile mills implemented 138 factory projects last year, saving \$8.4 million in water, energy, and chemical operating costs. These projects had an average payback of 17 months and collectively saved 4 million cubic meters of water and 30,000 tons of coal (or its energy equivalent) per year.

“The latest results from the Suzhou programme further demonstrate that the ‘Clean by Design’ best practices can drive significant environmental improvement and cost savings for apparel and textile supply chains,” said Kurt Kipka, NRDC senior project manager.

“This joint initiative with NRDC is a good example of how we can leverage partnerships and expertise of multiple stakeholders to scale up resource efficiency in manufacturing supply chains,” said Navneet Chadha, IFC resource efficiency lead for East Asia and Pacific. “A sustainable textile industry will benefit the private sector while supporting a better environment in China.”

IFC's China Water Program has been implemented since 2012 to catalyse industrial water efficiency financing in partnership with the Hungarian Export-Import Bank, the Netherlands Ministry of Economic Affairs, and the Netherlands Enterprise Agency RVO.

“We are encouraged to see the strong developmental results this programme has achieved in a difficult market and Hungary is happy to have partnered with IFC to support sustainable development in China,” said Gábor Szőcs, director for Hungarian Export Import Bank and private sector liaison officer for Hungary.

Source: fibre2fashion.com- July 01, 2017

[HOME](#)

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## **Pakistan: Cotton spot rate fixed at Rs6,200**

KARACHI: The start of official trading in the new cotton crop (2017-18) was highlighted on Saturday where spinners rushed to book deals of large to medium lots to meet their demand.

The Karachi Cotton Association (KCA) has fixed spot rate for the new crop cotton at Rs6,200 a maund (equal to 37.324 kilograms). Most of the deals on the ready counter were also quoted in the same range.

However, the expected volume of demand at the debut of new crop was not evident because the yarn market continues to witness slow off-take which worries spinners.

Some brokers said the demand for the new crop would normalise by the next week as the country was still in the festive mood of Eidul Fitr.

The old cotton crop was being quoted at around Rs6,600 a maund but trading in new crop started at Rs6,200.

The Karachi Cotton Association has fixed new cotton crop price at Rs6,200 a maund as against Rs6,600 being quoted for the old crop.

Major deals on the ready counter were: 1,600 bales from Shahdadpur at Rs6,050 to Rs6,100 per maund, 1,200 bales from Tando Adam at Rs6,050 to Rs6,100, 400 bales from Sanghar at Rs6,050 to Rs6,100, 600 bales from Mirpur Khas at Rs6,100 to Rs6,200 and 400 bales from Kotri at Rs6,100 to Rs6,150.

The world's leading cotton markets slightly came under correction after staying under pressure. The New York cotton market partly recovered recent losses and Chinese and Indian cotton market also closed higher.

Source: *Dawn.com*- July 02, 2017

[HOME](#)

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## **Bangladesh seeks to tie up with India**

AHMEDABAD: World's second largest apparels exporter, Bangladesh, is keen to collaborate with India on various fronts such as creating supply chain, technology and textile education. Bangladesh government officials and textile industry stakeholders see a huge potential for synergies between the two countries.

"Bangladesh is among the largest exporters of apparels, and India is the second largest producer of man-made fibre and textiles fabrics. India and Bangladesh should work together for creating supply chain, where we can source raw material (cotton and man-made fibre), yarn and textile and convert them into fashion apparels," said Syed Mohammed Tanvir, director, Bangladesh Garment Manufacturers and Exporters Association (BGMEA), a leading trade body in the neighbouring country.

"There is a lot of scope for synergies between India and Bangladesh and huge potential to expand the relationship in textile sector," added Gopal Bhattacharyya, additional secretary of Bangladesh's textile ministry.

Source:timesofindia.indiatimes.com- July 02, 2017

[HOME](#)

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## **Textiles India 2017: Korea: Hyosung's Cutting-edge Textiles Attract Attention in India**

Hyosung announced on July 2 that it participated in the Textiles India 2017 at the request of India's Ministry of Textiles. The Textiles India is an international textile tradeshow held in India for the first time this year, hosted by India's Ministry of Textiles. Hyosung decided to join the event at the request of Rashmi Verma, vice minister of India's Ministry of Textiles who visited South Korea in May.

The Textiles India 2017 took place at Mahatma Mandir Convention Center in Gandhinagar of Gujarat Province, India, for three days from June 30 to July 2.

Hyosung had the largest booth for a single company at the event. It showcased a full lineup of its products such as spandex, nylon and polyester threads, automotive and commercial carpets, carbon fiber and aramid.

After Prime Minister Narendra Modi took office in 2014, India has been promoting its overall industries, including textile, through “Modinomix.” Prime Minister Modi gave the opening address at the Textiles India 2017.

Hyosung opened its office in New Delhi in 2007 and turned it into a regional subsidiary in 2011. The group had a turnover of US\$300 million (343.05 billion won) in various industries, such as textile, raw material and heavy industry, as of last year.

Source: businesskorea.co.k- July 03, 2017

[HOME](#)

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## NATIONAL NEWS

### **Smriti Irani at Textiles India 2017: ‘GST, a shining example of cooperative federalism’**

***Speaking on the GST rollout, Irani said “Everybody knows that journey was unanimously travelled by governments across the country — one of the shining examples of cooperative federalism.”***



Nearly 65 memoranda of understanding (MoUs) were inked on the second day of the three-day global textile and handicrafts events, Textiles India 2017, on Saturday.

Speaking with reporters at Helipad grounds, the venue of the event, Union Textiles Minister Smriti Irani termed implementation of the GST or Goods and Services Tax as “one of the shining examples of cooperative federalism”. The new tax regime started Friday midnight.

Textiles India 2017 showcased the value chain of the Indian textile industry and the handloom and handicrafts sector. Of the partnerships that were forged, three MoU’s were between governments, while the rest (62 MoU’s) were between businesses, informed Irani.

“Among the government partnerships, we have inked an MoU between India and Australia on handloom, handicraft and fashion sector, and just now a request has come from Australian firms to work on improving wool quality in India with Indian companies. India and the Chinese government have signed an MoU so that Chinese researchers and the National Silk Board can work in tandem in the field of silk research. Silk waste can be harnessed in pharmaceuticals and beauty products and this MoU will explore opportunities in diversification and also in sericulture. BGMEA University of Fashion and Technology or BUFT from Bangladesh and the National Institute of Fashion Technology (NIFT) will partner for exchange of fashion research. Close to 62 MoUs were inked between businesses and this is a proof that the Indian textile industry is looking to forge

international partnerships to grow their local businesses. We also want to closely link the textile industry with tourism, which is why Union Tourism and Culture Minister Mahesh Sharma will be present at the event.”

While Assam, Maharashtra and Andhra Pradesh were partner states for the mega trade show, Telengana, Karnataka, Jharkhand were focus states. There were special sessions for investment opportunities in Andhra Pradesh, Maharashtra, Assam and Gujarat.

Speaking on the GST rollout, Irani said, “Yesterday, the industry came together on one stage here, in one voice, supporting the Prime Minister on this national tax reform called GST. Everybody knows that this was step taken in convergence, conversation and cohesion with all the state governments. Everybody knows that journey was unanimously travelled by governments across the country — one of the shining examples of cooperative federalism. Everybody knows that those who have trade under Rs 20 lakh do not have to file returns and those who have trade up to Rs 75 lakh can avail of the composite scheme... I think that in some ways it gives a lot of security and support to small traders. State governments and finance ministry have given out facts that need to be put in the public domain. One needs to recognise that this is not an individual decision, but one taken by every state government, every political party in this country.”

Source: indianexpress.com- July 02, 2017

[HOME](#)

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## **Nine Union Ministers Dwelt on Strategies to Strengthen the Textiles Sector of the country, at Textiles India 2017 in Gandhinagar, Gujarat today**

Nine Union ministers shared their thoughts on strategies to transform the textile sector of the country, at Textiles India 2017 today. Detailed discussions were held on the concluding day of the three-day mega trade fair, being held at Gandhinagar, Gujarat.



In his valedictory address, the Minister for Information & Broadcasting, Urban Development, Housing and Urban Poverty Alleviation, Shri M. Venkaiah Naidu said that the Government is committed to make India a global textiles and apparel manufacturing hub; he said the Government will continue to work in close collaboration with industry and academia, to ensure that the textile sector flourishes. Shri Naidu said that the Government had brought in several enabling policies and schemes in the manufacturing sector, particularly in textiles, to make India the no. 1 manufacturing hub. He highlighted that considering the potential of the sector to create employment, attract investment and increase exports, the Government approved a special package for apparel sector in June 2016, and a special package for made-ups in December 2016. He said Textiles India 2017 has successfully managed to demonstrate India's strength as a sourcing and investment destination of the world.

The Minister said that as the younger generation wants a change in speed, various measures are being taken promptly. He pointed out all people of the country are happy with the introduction of GST.



In his address, Vice Chairman, NITI Aayog, Dr. Arvind Panagariya said that the textiles and clothing industry has a great potential for creating good jobs. He added that Textiles India 2017 has been a momentous occasion for giving a fillip in this direction.



In her address, the Textiles Minister Smt. Smriti Zubin Irani said that Textiles India 2017 has proved that textiles sector was the sleeping giant that is now roaring as the "Make In India" lion. She added that the outcomes of the event should lead from one milestone to another, in achieving the objectives of making India the leading textile manufacturing hub.

MoS, Textiles, Shri Ajay Tamta too addressed the valedictory session. The event proceedings at Mahatma Mandir came to a close with a vote of thanks by Secretary, Textiles, Shri Anant Kumar Singh. The Textiles exhibition at Helipad Ground, Gandhinagar will remain open till 10 PM today.

Seven conferences were held earlier in the day, consisting of one global conference of ASEAN countries and six national conferences, on various topics concerning the textiles sector.

## Productivity and Product Diversification Challenges for Natural Fibres



As chair of the national conference on Productivity and Product Diversification Challenges for Natural Fibres", Agriculture Minister Shri Radha Mohan Singh said that natural fibres are the backbone of Indian textile industry.

He noted that natural fibre production involves million of farmers and the industries using them create rural jobs. Shri Singh said that despite stiff competition from synthetic fibres, the demand for natural fibres is steadily increasing with a growing population. The Minister said that given the limitation in increasing area under cultivation, the only way to improve production is increasing productivity.

He said that introduction of high-yielding varieties, best agronomical practices, efficient fibre extractors and effective utilization for diversified products will improve productivity. He said that this is the right time for all stakeholders to discuss and formulate a suitable strategy to increase productivity of all natural fibres. The Textiles Minister added that steps will be taken for regular exchange of information, knowledge and best practices between the two ministries.

## Potential of Man-Made Fibres in India



Chairing a session on Potential of Man-Made Fibre in India", Union Minister for Chemicals and Fertilizers, Shri Ananth Kumar Singh said that man-made fibres are gaining wide applications in both conventional and technical textiles. He said that considering the global shift

towards man-made fibres, India is focusing to establish itself as a supplier of quality manmade textiles and apparel for the global market. The Minister highlighted the major opportunities for investment in MMF textiles to be in the following broad areas: import substitution, growing segments in international trade and domestic market opportunities. He added that a group will be formed for synergy between his Ministry and Ministry of Textiles, for addressing challenges and opportunities jointly.

### **Exploring Growth Potential of Technical Textiles in building India**



A session chaired by Union Minister for Road Transport, Highways and Shipping, Shri Nitin Gadkari was held on "Exploring Growth Potential of Technical Textiles in building India". Addressing the gathering, the Minister said that geosynthetic fibers have huge potential in the construction of roads and ports in the country, adding that it must be cost-effective and done without compromising on quality.

Shri Gadkari said that the problems of the country are different from region to region; he said that we should hence encourage innovation, research and entrepreneurship. The Minister said that converting knowledge into wealth is the most important need of the future. Minister of State for Textiles, Shri Ajay Tamta said that his ministry is committed to provide innovative textile technology to various sectors like agriculture, defence, health, sports construction and environment.

## India as a Sourcing Hub and Investment Destination



Sharing her thoughts as Chair of a session on making India a sourcing hub and investment destination for the world, Union Minister for Commerce & Industry, Smt. Nirmala Sitharaman recounted the historical fact that the Indian textile sector had attained global eminence long before many other sectors could establish

themselves. Noting that India itself is a very big market, the Minister said that the industry needs to tap opportunities in both domestic as well as international markets. She said that at every stage of the 5-F formula given by the Prime Minister, India is the best sourcing platform. She highlighted the importance of interest subvention in lowering the cost of capital for the industry. Smt. Sitharaman said that GST is going to be a big blessing for the sector. Noting that the strength of the sector lies in its niche areas, the Minister highlighted the need for greater creativity in the industry.

Addressing some questions from industry representatives, the Minister spoke of the need to convert challenges into opportunities, and reminded them that India has taken a principled position to have a duty-free and tariff quota restriction free relationship and trade with LDCs.

CEO, NITI Aayog, Shri Amitabh Kant highlighted the importance of size and scale, as well as agility and speed to market, innovation and digitization of the entire supply chain of the textiles sector.

## Skilling Requirements in High Value Chain in Textiles Sector



The session on skilling was chaired by the Union Minister for Skill Development and Entrepreneurship, Shri Rajiv Pratap Rudy. The Minister said that Skill India is an integral part of both Make in India and Textiles India.

Shri Rudy said that a key question facing the skill sector is that of creating a basic first-level skilling ecosystem in the country. Citing examples of various beneficiaries, the Minister highlighted the need for short-term skilling programmes, and formal interventions for skilled manpower. He said that work is being done in this direction by his Ministry, to address the questions of how, for whom, where, curriculum, content, examination, certification and employment as it relates to the skilling requirements of the country. Noting that the largest employment among the organized workforce is in the textiles sector, the Minister asserted his confidence in building a robust skilling ecosystem in the country, in line with the vision of the Prime Minister.

Minister of State, Textiles, Shri Ajay Tamta said that the 65 MoUs signed during Textiles India 2017 will contribute towards improving the skilling scenario in the textiles sector.

## Carving a Niche Market for Indian Handcrafted Goods



Chairing another parallel session, Union Minister for Culture and Tourism, Dr. Mahesh Sharma said that our rich heritage and culture is our identity & strength and that the motive of today's conference was to explore how we can take this rich heritage of the country to all corners of the world. Speaking about GST, Dr. Sharma said that the Government

of India has taken a historic step in the field of taxation, due to which no artisan or craftsman of our country will henceforth face any partiality regarding tax on their products. He also mentioned the initiatives his ministry has taken to give unique identity to each and every artisan, craftsman and artist of the country.

### **ASEAN Conference**

A global conference of ASEAN countries was also held today. Delegates from all ASEAN countries participated in the conference. The conference had two sessions, one on "Building value chains in Textile Sector" and another on institutional framework for promoting collaboration in textiles between India and ASEAN countries.

Renowned national and international speakers from different fields shared their thoughts during the above conferences. Mr. Gautam Nair, MD, Matrix Clothing; Mr. Christain Schindler, Director General, International Textile Manufacturers Federation (ITMF); Dr. Rohana Kuruppu, CEO, Brandix College of Clothing Technology; Mr. Richard McCallum, Managing Director, UKIBC; Mr. Philip Mc Goldrick, International Technical Director, Strata Geosystem; Prof. Ing Thomas Chairman, ITA; Ms Rosy Greenleese, President, World Craft Council; Prof. Abdul Jabbar Khan, Bangladesh University of Engineering. & Technology (BUET), Dhaka; Dr. Li Long, Professor in Sericulture Research Institute, Chinese Academy of Agricultural Sciences, China and Mr. Y. J Kim, Senior Consultant, Asia PTA DMT Polyesters are some amongst them.

The Prime Minister, Shri Narendra Modi had inaugurated Textiles India 2017, India's first ever international mega textiles trade fair, on Friday, 30th June, 2017. The Prime Minister expressed the hope that Textiles India 2017 would help global & Indian leaders in evolving an enabling policy environment for the textiles industry in the country.

Chief Minister of Gujarat, Shri Vijay Rupani, Chief Minister of Andhra Pradesh, Shri N. Chandrababu Naidu and Ministers representing Gujarat, Telangana, Maharashtra, Jharkhand, Assam and Karnataka attended the event.

Global citizens from 106 countries, 15,000 Indian buyers and sellers, 2,500 international buyers, international delegates and representatives and artisans and weavers had come under one roof, for Textiles India 2017, an event that brought together textiles, traditions and technology. The event is in line with the Prime Ministers desire to strengthen the entire Indian textile value chain, comprising the journey of Farm to Fibre, Fibre to Fabric, Fabric to Fashion and Fashion to Foreign.

Source: business-standard.com- July 02, 2017

[HOME](#)

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### **India can be a reliable sourcing partner for ASEAN: Smriti Irani**

***Union Minister for Road Transport and Highways Nitin Gadkari said that geosynthetic fibers have huge potential in the construction of roads and ports in the country, adding that it must be cost-effective and done without compromising on quality.***



India being the largest producer of cotton and jute and the second largest producer of man-made fibre has the potential to act as a reliable sourcing partner for ASEAN, Union Textiles Minister Smriti Irani said on Sunday. She said there are enormous opportunities for collaboration between India and ASEAN in

capacity building, sharing of knowledge and technology, and mutual assistance in education, research and development. Enhancing digital and infrastructure connectivity with ASEAN countries is a major priority for India, she added.

Irani was addressing the 'Conference on ASEAN India Cooperation' on the third day of the ongoing Textiles India 2017 Summit at Gandhinagar.

Elaborating on the existing trade relations with ASEAN, Irani said that in 2016 India's export in textiles and apparels to ASEAN was USD 1203 million.

Export of textiles and apparels to ASEAN comprises 3 per cent of India's total export to the world.

U Khin Maung Cho, Minister of Industry, Government of Myanmar, outlined the opportunities in textile and apparel sector in Myanmar, offering huge opportunities for Indian business.

Irani said Textiles India has proved that the sector was the sleeping giant that is now roaring as the Make In India lion.

Nine Union ministers shared their thoughts on strategies to transform the country's textile sector at Textiles India 2017.

Commerce and Industry Minister Nirmala Sitharaman said the industry needs to tap opportunities in both domestic as well as international markets.

She highlighted the importance of interest subvention in lowering the cost of capital for the industry. Sitharaman said that GST is going to be a big blessing for the sector.

Addressing some questions from industry representatives, the ,minister spoke of the need to convert challenges into opportunities, and reminded them that India has taken a principled position to have a duty-free and tariff quota restriction – free relationship and trade with LDCs.

Agriculture Minister Radha Mohan Singh said that natural fibres are the backbone of Indian textile industry. He noted that natural fibre production involves million of farmers and the industries using them create rural jobs. He said that this is the right time for all stakeholders to discuss and formulate a suitable strategy to increase productivity of all natural fibres.

Union Minister for Road Transport and Highways Nitin Gadkari said that geosynthetic fibers have huge potential in the construction of roads and ports in the country, adding that it must be cost-effective and done without compromising on quality.

NITI Aayog Vice Chairman Arvind Panagariya said that the textiles and clothing industry has a great potential for creating good jobs.

Source: indianexpress.com- July 02, 2017

[HOME](#)

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## **Textiles India 2017: Industry leaders raise concerns over impact of GST on exports**

A day after the goods and services tax (GST) roll-out, concerns regarding its implementation were shared by various industry leaders who took part in conferences and technical sessions at Mahatma Mandir in Gandhinagar, Gujarat, where the 3-day global mega trade show ‘Textiles India 2017’ concluded on Sunday.

At a conference on ‘India as a Global Sourcing Hub & Investment Destination’, convened to discuss challenges in the textile sector, Gautam Nair, chairman of Matrix Clothing, said: “The GST implementation has brought in serious uncertainty, particularly to exporters. Will we be refunded all the embedded taxes, what about those taxes not covered under GST?”

He added: “Whereas a bulk of the world market is in synthetics, India competes in cotton and related segments, while China straddles the whole market place. Labour laws are a huge constraint deterring large-scale corporate investment and the sector gets no duty advantages to EU and Canada unlike our competitors like Sri Lanka, Pakistan, Vietnam and Bangladesh.”

Rakesh Mohan Joshi, faculty at Indian Institute of Foreign Trade, said that GST implementation remained a concern for the industry at large. He said a study titled ‘Challenges & Strategies to Promote India as a Sourcing Destination for Textiles’ found that India’s textile exports have dropped since 2014 and were pegged at \$35.4 billion with 4.89 per cent of global market share.

He said that while India has bettered its textile exports, the gap between India and China has widened. Sunil Arora, managing director of Impulse

International, also cautioned over industry's concerns on GST implementation while giving the buyers' perspective at the session.

Source: indianexpress.com- July 03, 2017

[HOME](#)

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## **Natural fibres backbone of textile industry: Agri minister**

Union minister for agriculture Radha Mohan Singh today described natural fibres as the backbone of the Indian textiles industry. The minister noted that despite stiff competition from synthetic fibres, the demand for natural fibres was steadily increasing with a growing population. Natural fibre production involves millions of farmers and industries using them are creating rural jobs, he said.

Chairing a session on 'Productivity and Product Diversification Challenges for Natural Fibres' at Textiles India 2017, Singh said that given the bottlenecks in increasing the area under cultivation, the only way to improve production would be to increase productivity. Introduction of high-yielding varieties, best agronomical practices, efficient fibre extractors and effective utilisation for diversified products will improve productivity. This is the right time for all stakeholders to discuss and formulate a suitable strategy to increase productivity of all natural fibres.

Union minister for chemicals and fertilisers Ananth Kumar, who chaired a session on 'Potential of Man-Made Fibres in India', remarked that man-made fibres (MMF) were gaining wide applications in both conventional and technical textiles. Considering the global shift towards MMF, India is focusing to establish itself as a supplier of quality man-made textiles and apparel for the global market.

The minister highlighted the major opportunities for investment in MMF textiles in the following broad areas: import substitution, growing segments in international trade and domestic market opportunities. He added that a group would soon be formed for synergy between his ministry and the ministry of textiles, for jointly addressing challenges and opportunities.

Sharing her thoughts as the chair of a session on making India a sourcing hub and investment destination for the world, Union minister for

commerce and industry, Nirmala Sitharaman recounted the historical fact that the Indian textile sector had attained global eminence long before many other sectors could establish themselves. Noting that India itself was a very big market, the minister said that the industry needed to tap opportunities in both domestic as well as international markets.

The session on skilling was chaired by the Union minister for skill development and entrepreneurship, Rajiv Pratap Rudy. The minister said that Skill India was an integral part of both Make in India and Textiles India. Rudy said that a key question facing the skill sector was that of creating a basic first-level skilling ecosystem in the country.

Citing examples of various beneficiaries, he highlighted the need for short-term skilling programmes, and formal interventions for skilled manpower. He said that work was being done in this direction by his ministry, to address the questions of how, for whom, where, curriculum, content, examination, certification and employment as it related to skilling requirements of the country.

Source: fibre2fashion.com- July 02, 2017

[HOME](#)

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## **65 MoUs signed at Textiles India 2017 in the presence of Union Textiles Minister**

Union Textiles Minister Smt. Smriti Zubin Irani and Minister of State, Textiles, Shri Ajay Tamta witnessed the signing of 65 MoUs in the textiles sector today, on the 2nd day of the three-day mega textiles trade fair, Textiles India 2017. MoUs were signed between various domestic and international organizations from industry and government; three of the MoUs signed are G2G MoUs.

The MoUs signed relate to exchange of information and documentation, Research & Development, commercialization of handloom products and silk production, cooperation in Geo textiles, skill development, supply of cotton and trade promotion with overseas partners, etc.

Source: business-standard.com- July 03, 2017

[HOME](#)

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## India faces problem of creating good jobs, says Panagariya

Stating that India is facing a problem of generating “good jobs” for its population, NITI Aayog vice-chairman Arvind Panagariya on Sunday said that the textile sector has an important role in addressing the problem. He said that the clothing industry within the textile sector can provide good jobs at a relatively much lesser investment.

Panagariya was speaking at the valedictory function of Textiles India 2017, a trade fair, at Mahatma Mandir here, which was also attended by Union textile minister Smriti Irani information & broadcasting minister M Venkaiah Naidu.

Panagariya also said: “There is a big debate being going on for some time now. Claims that this (India’s economic growth) has been a jobless growth...is bogus. This cannot be logically correct...Nevertheless, we do have a different job problem; jobs in the formal sector are a bit in short supply... The textile and clothing industry is an industry where good jobs can be created with relatively limited investment...” he said.

Panagariya added: “India has a lot of successful industries starting from auto parts, to automobile, pharmaceuticals, software industries...but all of these industries are not huge job generators...they create jobs, but for the amount of investment that they do, not enough jobs...clothing industry in particular within textile is one industry which has a huge potential for good jobs...”

Panagariya said that he was speaking with some clothing exporters who had invested Rs 35 crore and was providing employment to 2200 workers. “I think for Rs 35 crore investment, jobs to 2200 workers that pay them around Rs 15,000 to 20,000 (monthly)...that is a huge job creator...This is what we need...this is where large volume of jobs can come...this is where the Textile 2017 fair is important” he added. Advocating the need to expand the textile industry, Panagariya said that India’s share in global clothing industry is not very large.

Source: indianexpress.com- July 03, 2017

[HOME](#)

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## The Power Of Fabric



Textile Conclave 2017 is one platform where trade meets textile. Several industry experts and exporters came together to find the way to take textile trade to next level. From cotton production, colours, trade to retail, many

aspects were discussed on 2nd day of the event in Gandhinagar.

“India is emerging as a favourable destination for Latin American countries as they want to reduce their dependence on Chinese markets for imports and are looking towards diversifying their markets,” said R Vishwanathan, Marketing Consultant, Former Indian Ambassador, at a panel discussion that held at Textile Conclave 2017 in Gandhinagar.

On the sidelines of the trade fair, several such discussion panels were held to find the opportunities to further promote the textile industry in the country.

During a roundtable conference, ‘Market Linkages with Retail Chains,’ Vishwanathan informed the visitors that with increasing opportunities, Indian producers have started exporting handcrafts garments to the European Union, USA and other nations through Amazon. Amazon has eliminated middlemen, which has led to the growth of Indian producers to a large extent.

Statistics indicate that the Indian textile export to Latin American countries in the last financial year were higher than India’s exports to a lot of other countries such as Canada, Russia and Central Asian countries. Indian exports to Mexico were \$3.5 bn last year, more than to Thailand (\$3.1 billion), Russia (\$1.9 billion) and Egypt (\$2 billion).

India is third largest supplier of textiles to Latin American nations and fourth largest for readymade garments. In the past year, there was an

import of textile worth \$30 billion of imported textile from India, he further added. Mark Jarvis, MD, WtiN; Toshinorie Haruna, AGM, Textile Division; Sumitomo Corporation, Japan and Rahul Mehta, President CMAI were also present at the discussion.

Talking about branding and quality assurance, Gaurav Mahajan, president (apparel), Raymond Group said that the brand holds the Guinness book of world records to create the finest fabric in the world (11.4 micron wool). Branding is nothing but quality assurance and that a brand is all about functionality.

Madhura Dutta, Executive Director, All India Artisan and Crafts Workers Welfare Association (AIACA) said that there is a mismatch of expectations between buyers and retailers regarding products and hence it is essential to educate buyers. Manish Kumar, Global Executive Vice President, Geo Chem Laboratories Group was also present at the panel discussion.

These round table discussions were held to understand the challenges and opportunities in diverse segments of the textile sector.

During a panel discussion on 'Trends in India Cotton,' it was gathered that despite producing the finest quality of cotton in the world, India has to sell cotton in discounted price because of certain contamination. Only about 2.5 per cent of cotton is tested as compared to the other countries.

The panel that included Andrew Macdonald, Consultant, AMCON Consulting; Sao Paulo, Brazil and representing Brazilian Cotton Growers Association; M.V. Venugopalan, Principal Scientist, Central Institute for Cotton Research ; Christian Schindler, Director General, International Textile Manufacturers Federation; P.R. Roy, Chairman - Diagonal Consulting (India). Siddhartha Rajagopal, ED, from TEXPROCIL discussed that Cotton industries should understand the requirements and pay attention towards the finishing levels.

In the last 16 years, the area of cotton production doubled. Gujarat has the highest production in India, following Andhra Pradesh and Haryana. Cotton is the most widespread profitable non-food crop in the world. India's export of raw cotton has increased in significant years, while the import has decreased.

The other panel discussion was ‘King Cotton – Regaining the edge in Global Market’. Pointing out the importance of using biotech, better irrigation and mechanisation in textile industry, the panelists discussed that Cotton consumption in India has increased from 26- 41 per cent and total world consumption is 24.57 per cent. India is the largest cotton-producing country and the second largest consuming country. Cotton and cotton textile account for one third foreign exchange revenue for India. Already there is a robust cotton value Chain providing employment to many. It was also noted that by adopting the Bt. Cotton in 2002 the yield level has significantly improved but has stagnated in the last 5 years.

Apart from this, during several roundtable conferences experts discussed on various issues like, ‘Trends in colours and Designs’, ‘Exploring New Markets and Technology for Handmade Carpets’, ‘Tribal Weaves of India’, ‘Advanced Technology in Textile Manufacturing’, ‘Women Entrepreneurship Development’, ‘Young Entrepreneur’, ‘Apparel Growth story in India’ among others.

During an investor meet, Union Minister of Textiles Smriti Irani said that she is looking forward to participation from the world in promoting textile industry in India.

It is the golden era for development of textile industry: Irani

At least 65 MoUs were signed on the 2nd day of the three-day textile-trade fair, Textile India 2017, being held in Gandhinagar. The MoUs, related to exchange of information and documentation, commercialization of handloom and silk products, skill development, supply of cotton and trade promotion with international partners, and research and development, were signed between various international and domestic organisations.

Union Textiles Minister Smriti Zubin Irani said, “The government is committed to promotion of textile as it is the golden era for development of textile industry.” The MoUs were signed in the presence of Union Textile Minister and Textiles, Ajay Tamta; Union Textiles Secretary, Anant Kumar Singh; Additional Secretary, Ministry of Textiles, Pushpa Subrahmanyam and Textiles Commissioner, Kavita Gupta.

Source: businessworld.in- July 02, 2017

[HOME](#)

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## India can take Dragon's place in man-made fibre sector

AHMEDABAD: With China's textile exports declining, industry players and experts opine that India can grab the market space being opened up if it focuses on man-made fibre (MMF). Synthetic textiles made from MMF account for 70% of world textile supply and the rest is cotton.

"There is a huge potential for India to capture the space vacated by China in the international textile market," said Sunil Arora, CEO, Impluse Buying House while speaking at a seminar on "India as a sourcing hub and investment destination" on the last day of Textiles India 2017 trade fair in Gandhinagar.

"China's annual exports are estimated to be \$150 billion. Given the scale of exports from China, even a 1% shift means 10% increase in India's export. MMF and synthetic textiles is the future. If we do not focus on MMF, we will miss the bus," Arora said. Contrary to the global trend, cotton still commands more than 50% of India's textile production.

Source: timesofindia.indiatimes.com- July 03, 2017

[HOME](#)

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## Indian textiles industry gears up for a quantum leap

The Indian textiles industry is set to get a fillip with the Indian government pitching Textiles India as the next big thing to generate employment, ramp up manufacturing and boost exports. The scale in terms of participation at the just-concluded Textiles India 2017 at Gandhinagar in Gujarat was matched by the presence of senior functionaries of the government, leading one to conclude that Indian textiles would be the government's trump card for Make in India.

The event was not only inaugurated by Prime Minister Narendra Modi himself, besides having the conspicuous presence of Union textiles minister Smriti Irani and her minister of state Ashok Tamta, the active involvement of a number of other ministers was clearly indicative of the fact that the government is looking at inter-ministerial efforts in order to boost the textiles and apparel industry.

The Prime Minister marked the direction that the event was to take on the inaugural day on June 30 when he called upon foreign delegates to “come, invest and make textiles in India.” He said, “The textiles industry has a pivotal position in the Indian economy. It is strong and competitive across the value chain. India has an abundant supply of raw material like cotton, wool, silk, jute, and man-made fibre. In fact, it is the world’s largest producer of cotton and jute, and second largest producer of silk and man-made fibre. This provides us the distinct advantage of backward integration, which many other countries may not have. In addition, India has strong spinning, weaving, knitting and apparel manufacturing capacities. Young, skilled labour is available at a reasonable cost.”

Vice-chairman of Niti Ayog Arvind Panagariya on the concluding day on July 2 marvelled at the scale of the event, and described it as one of the largest of its kind to be held anywhere in the world. He spoke about the 65 memoranda of understanding that were signed with countries like South Korea, Bangladesh and Russia, among others. Panagariya noted that the Chinese visitors were remarkably impressed with the Textiles India 2017 event, and went on to add that the apparel industry had a huge potential to create jobs. He described these as “good” jobs, and such jobs could be created in the apparel industry with significantly less investment compared to other industries.

In all, 65 MoUs were inked between various domestic and international organisations from industry and government during the event. Three of these were G2G deals, and the MoUs related to exchange of information and documentation, research & development, commercialisation of handloom products and silk production, cooperation in geotextiles, skill development, supply of cotton and trade promotion with overseas partners, etc. Addressing newsmen after the deals had been signed, Smriti Irani said that the ongoing developments (particularly during Textiles India 2017) signalled a golden era for the country’s textile industry. She reassured industry about the commitment of the government of India in promoting the sector.

Irani also spoke about how eyebrows were raised when the event was first conceived, and asserted that its success and overwhelming participation from industry showed that not only had it not been a wrong idea in the first place, the subsequent editions of Textiles India would only scale up. Both

Irani and others who spoke at the valedictory session indicated that there was competition among states wanting to hold it next year.

The textiles minister also contended that the diversity of the Indian textiles segment lay in the co-existence of cotton and man-made fibres (MMF). She insisted that MMF was not at war with Indian cotton. Union minister for chemicals and fertilisers Ananth Kumar, who engaged with the MMF industry earlier in the day, admitted that he never knew that the seeds of the textiles industry lay in the petrochemicals ministry. Kumar had said that the two ministries should have more of such conversations so that the government can work holistically.

Similar sentiments were echoed by Union minister for agriculture Radha Mohan Singh, who described natural fibres as the backbone of the Indian textiles industry. Singh noted that despite stiff competition from synthetic fibres, the demand for natural fibres was steadily increasing with a growing population. Natural fibre production involved millions of farmers and industries using them are creating rural jobs, he said.

Chairing a session on ‘Productivity and Product Diversification Challenges for Natural Fibres’, he said that given the bottlenecks in increasing the area under cultivation, the only way to improve production would be to increase productivity. Introduction of high-yielding varieties, best agronomical practices, efficient fibre extractors and effective utilisation for diversified products will improve productivity. This is the right time for all stakeholders to discuss and formulate a suitable strategy to increase productivity of all natural fibres.

Sharing her thoughts as the chair of a session on making India a sourcing hub and investment destination for the world, Union minister for commerce and industry, Nirmala Sitharaman recounted the historical fact that the Indian textiles sector had attained global prominence long before many other sectors could establish themselves. Noting that India itself was a very big market, Sitharaman insisted that the industry needed to tap opportunities in both domestic as well as international markets.

The session on skilling was chaired by the Union minister for skill development and entrepreneurship, Rajiv Pratap Rudy. He pointed out that Skill India was an integral part of both Make in India and Textiles India, and argued that a key question facing the skill sector was that of creating a

basic first-level skilling ecosystem in the country. Citing examples of various beneficiaries, he highlighted the need for short-term skilling programmes, and formal interventions for skilled manpower. He said that work was being done in this direction by his ministry, to address the questions of how, for whom, where, curriculum, content, examination, certification and employment as it related to skilling requirements of the country. (SG)

Source: fibre2fashion.com- July 03, 2017

[HOME](#)

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### **2017-18 will be good year for cotton textile industry: SIMA**

With a sound tax system and real time governance coupled with availability of surplus cotton, the year 2017-18 will be a good year for cotton textile industry, Southern India Mills Association (SIMA) said today.

Welcoming the GST, SIMA Chairman M Senthilkumar appreciated the NDA Government especially Textile Minister Smriti Zubin Irani for bringing a seamless tax structure for the entire cotton textile value chain at the lowest slab rate of 5 per cent GST rate.

The industry has been suffering with numerous taxes and different types of cess which were adding to the cost indirectly as they were not duty drawback compatible and therefore adding to the cost thus making the industry uncompetitive especially, the MSMEs and decentralised segments, he said.

With the implementation of GST, all indirect taxes would be merged, he said.

Tamil Nadu accounted for 1/3rd of the textile business of the Nation and the State Governments especially Tamil Nadu should come forward and remove certain taxes and levies that are not subsumed in GST like Market Committee Fee and various other municipal taxes, Senthilkumar said.

He however, expressed disappointment for not considering the genuine demand of reducing 18 per cent GST on Man Made Fibre and blended spun

yarn to 12 per cent which will avoid huge inverted duty accumulation at grey fabric stage.

Source: dnaindia.com - July 01, 2017

[HOME](#)

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## **Textile traders to go on indefinite strike from July 5**

SURAT: The Textile GST sangarsh Samiti (TGSS) has given an ultimatum to the Central Government to accept their 'No GST' demand on the MMF fabric or else the textile traders will shut their shops for an indefinite period starting from July 5.

The decision was taken at the core committee meeting of the TGSS at the Surat Textile Market (STM) at Ring Road to wait for the late night meeting of the GST council on the eve of the GST rollout and Union Finance Minister Arun Jaitley's assurance of meeting the agitating textile traders on July 3.

TGSS office-bearers said that the Finance Minister will be meeting leaders from the textile sector on July 3. If the minister will fail to accept the demand of the traders' community to remove GST from the MMF fabrics, then there will be indefinite strike from July 5.

Meanwhile, the core committee has urged the textile traders not to buckle under the government pressure and run for getting the GST registration.

The traders have been advised not to purchase any fresh stock of unfinished fabrics or sell their goods, keep the markets open from 11:00 am to 5:00 pm from July 1, continue the protest programmes and events at all the markets till July 5 against the Central Government.

At the meeting, traders were shouting slogans such as GST ki Tanashahi, Vyapar Ki Tabahi, GST Ka Atyachar Jo Sahe Kapda Vyapar, Kapda Vyapar Bachana Hai, GST ko Hatana hai.

TGSS convener, Tarachand Kasat said, "We have still given a chance to the Central Government to keep the MMF fabrics out of the GST regime. They

have five days to decide on our demand or else the markets will be shut for indefinite period from July 5"

Meanwhile, an estimated 10,000 textile traders are believed to have taken registration under GST unitl now. There are 165 textile markets in the city housing around 70,000 textile shops. Most of the registrations are taken by the traders who have annual turnover exceeding Rs 2 crore to Rs 5 crore.

Source: timesofindia.indiatimes.com- July 01, 2017

[HOME](#)

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