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TEXPROCIL NEWS CLIPPINGS

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IBTEX No. 5 of 2017 Jan 06, 2017

USD 67.89 | EUR 71.83 | GBP 84.07 | JPY 0.59

Cotton Market Update

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

Rs./Bale	Rs./Candy	USD Cent/lb
19290	40350	**75.73**

Domestic Futures Price (Ex. Gin), December

Rs./Bale	Rs./Candy	USD Cent/lb
20310	42484	**79.73**

International Futures Price

NY ICE USD Cents/lb (March 2017)	73.78
ZCE Cotton: Yuan/MT (January 2017)	15,050
ZCE Cotton: USD Cents/lb	**85.43**
Cotlook A Index – Physical	**82.95**

Cotton & currency guide: Cotton price made a high of 20240 and settled at 20030 higher by Rs 210/bale compared to Wednesday. Price gained as arrivals continued to decline in the domestic market. Cotton arrival in major markets across India was tad lower by 1,500 bales on Thursday. A total of 122,500 bales arrived in various mandis as against 123,000 bales arrived on Wednesday

Domestic price also took positive cues from the global cotton price. ICE cotton futures hit a near-five month intra-day high on Thursday before settling marginally lower, pulled down by a bout of profit taking. The March contract surpassed the key 75 cent level and hit an intra-day high for the first time since August 9. Meanwhile, it has risen about 4.5 percent so far this week and is on track to register its biggest weekly gain in seven weeks. However, the contract pulled back and settled marginally lower by 0.3 cent, or 0.40 percent, at 73.78 cents/lb.

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

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INTERNATIONAL NEWS

Brazilian cotton prices up 22.6% in 2016

Following a 35 per cent increase in cotton prices in 2015, Brazilian cotton prices continued to rise in 2016, in which they grew 22.6 per cent over 2015.

Cotton prices were primarily driven by low cotton supply in the local market from an unexpected crop failure in the 2015-16 season, while firm demand also pushed up quotes in the last four months.

In 2016, the highest monthly average for the CEPEA/ESALQ Index, with payment in 8 days, for cotton type 41-4, delivered in São Paulo was BRL 2.7405 or $0.7742 per pound in May, and the lowest at BRL 2.5023 or $0.7677 was observed in September.

According to data from the Brazilian Commodity Exchange (BBM), 71.7 per cent of the 2015/16 Brazilian cotton crop, estimated at 1.3 million tons, had been traded until December, of which 51 per cent was sold in the domestic market and the rest in the international market.

Quoting data from the Foreign Trade Secretariat (SECEX), between January and November 2016, 732,700 tons of cotton was exported, an increase of 7.1 per cent compared to the overall volume shipped in the whole of 2015.

However, export revenue dropped 14.6 per cent year on year in dollar terms to $1.1 billion.

Source: fibre2fashion.com– Jan 05, 2017

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USA: Amazon Launches Own Athletic Apparel Line, Bids to Buy American Apparel

As secretly as all else has gone with Amazon Fashion, the company looks set to launch its own athletic wear line but hasn't said a word about it.

Amazon has, however, posted three separate jobs on Dec. 20 looking for one brand manager and two senior brand managers for Amazon Active Apparel. The senior brand manager posting appeals to candidates interested in helping "build authentic activewear private label brands that have compelling and unique DNA and deliver amazing consumer valued innovation."

The person who takes on the role will create activewear assortments across Amazon's factory direct and/or outsourced product development business models, according to the posting.

Analysts have already said they expect Amazon to become the No. 1 apparel retailer this year, so the activewear line is just the latest move in that direction. As of September, Morgan Stanley ranked Amazon No. 2 in terms of apparel market share.

Last month Amazon launched Buttoned Down, a private-label line of men's dress shirts with as many as 72 size combinations for more precise fit. The shirts are all made of 100 percent Supima cotton and sell for either $39 or $49.

The new, unannounced activewear line and Buttoned Down follow Amazon's also quiet launch of a slew of other private label lines, including womenswear lines Lark & Ro and Society New York, and men's suiting and sportcoats under the Franklin Tailored line.

Amazon says on its site, "Amazon Fashion and its sister site Shopbop are experiencing explosive growth, and we're seeking entrepreneurial professionals to help build the next iteration in fashion e-commerce." The company currently has 98 open jobs posted for its Fashion business.

In other Amazon news, its looks like the e-commerce company may have a bid in to buy bankrupt American Apparel.

Both Amazon and Forever 21 are reportedly weighing offers to acquire American Apparel, sources familiar with the matter told Reuters Wednesday.

The bids would have to beat Gildan's $66 million offer, which American Apparel already agreed to. The deal with Gildan would see the T-shirt company acquiring American Apparel's assets and intellectual property rights, though Gildan said it would purchase American Apparel's inventory separately.

If American Apparel came under Amazon, it could serve to further fuel Amazon's foray into apparel.

Source: sourcingjournalonline.com– Jan 05, 2017

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Pakistan: Cotton price surges

Cotton prices surged on strong demand and short supply on Thursday. At the outset buyers cashed quality cotton, which was running in short supply. Soaring cotton prices in the world leading markets also influence the domestic cotton prices. The New York cotton recorded a rise of two US cents per lb in a single day and closed at 74.47 cents.

Indian cotton prices also scrambled high on reports of short crop and intervention of the Cotton Corporation of India, reports suggested.

However, on the domestic front, private-sector estimates put cotton production this season at 10.54 million bales, which would again fail to meet domestic consumption demand, brokers said.

Due to higher prices, the trading activity remained restricted as only needy mills entered the trading ring to meet their short-term demand. Phutti (seed cotton) prices also rose to Rs3,550 per 40 kilograms, and at one stage quality cotton was also quoted at Rs6,700 a bale, they added.

There were reports that the yarn market also performed better, though it still lacks enthusiasm.

However, the participation of a large number of Pakistani value-added sectors in the Heimtextil fair in Germany has helped revived some trading in the cotton yarn market, brokers maintained.

The Karachi Cotton Association kept its spot rates unchanged at overnight level. Major deals on the ready counter were: 600 bales from station Ghotki (Rs6,550), 200 bales Mianwali (Rs6,000), 600 bales Haroonabad (Rs6,450), 400 bales Ghazi Ghat (Rs6,450), and 1,000 bales Sadiqabad (Rs6,550).

Source: dawn.com – Jan 06, 2017

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Free Trade Agreement: Pakistan, Malaysia in talks to cut duties further

Pakistan and Malaysia are negotiating to further reduce duties on existing and additional tariff lines under the Free Trade Agreement (FTA) to facilitate businesses of both countries.

According to officials, the two countries had inked the Comprehensive FTA for Closer Economic Partnership back in 2007. The agreement was Pakistan's first comprehensive FTA incorporating trade in goods, trade in services, investment and economic cooperation and Malaysia's first bilateral FTA with any South Asian country.

According to the agreement, for trade in goods, Pakistan was supposed to eliminate tariffs on 43.2% of imports from Malaysia by 2012, while Malaysia had to eliminate tariffs on 78% of imports from Pakistan. Both the countries recently organised a business seminar in Malaysia where ways for promoting trade and investment were discussed thoroughly.

The FTA has provided numerous opportunities for companies of both sides to promote trade and investment.

The current trading basket is limited to palm oil, fibre board, rubber, electrical and electronic equipment import from Malaysia whereas from Pakistan major items being exported are rice, maize, cotton, textile and vegetables.

Diversification of products was the key to boosting trade between the two countries. Sources said Malaysian businessmen also considered Pakistan as an advantageous country for doing business as both the countries had the Closer Economic Partnership Agreement since 2007, which became operational in 2008.

There were many consumer products under the zero tariff regime between the two countries, the officials added.

Source: tribune.com.pk – Jan 05, 2017

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Netherlands: Now, cotton shirt that repels stains and smell

The next generation of cotton shirts by Labfresh uses a patented technology that enables cotton fibres to repel water, oil and bacteria, making it repellant to stains and smell. The waterproof yet breathable shirt enables sweat to evaporate through the fabric and dries up extremely fast. A Kickstarter campaign has been launched to fund its production.

The makers of the shirt say that the patented technology used in it is invisible and that it is impossible to feel a difference between this shirt and a traditional premium cotton shirt. Made of the softest cotton, it contains 2 per cent elastane for maximum comfort. It feels natural and rarely requires ironing.

The patented technology used in the shirt blocks all fluids and bacteria from entering the fabric, allowing wearers to rinse off almost any substance. The fibers are treated before they are spun into fabric, unlike the other existing options in which technologies are added as a coating on the surface. Labfresh's technology partner InDuo from Paris routinely tests the shirt for durability and performance.

These shirts are highly sustainable as they can endure multiple washes without losing their properties. "True sustainability is when you wear the same shirt for years instead of buying new clothes all the time," say the makers of the shirts.

Labfresh has also made stainless tie in a slim silhouette to match the minimalistic design of the shirts. The tie is made of 50 per cent wool and 50 per cent silk to give it a more casual look.

Source: fibre2fashion.com– Jan 05, 2017

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Old clothes to fuel Japan's airplanes

Japan Airlines has announced plans to transform used clothing into jet fuel. It is hoped the unique recycling project will make a big difference in a country that disposes of 1.97 million tons of textiles annually - roughly enough to fill three baseball stadiums.

Japan's flag carrier has partnered with recycling firm Japan Environmental Planning - better known as Jeplan - and Tokyo's Green Earth Institute to establish a collaborative council to begin testing the cotton-derived alternative energy source by 2020. Also, a commercial recycling plant is planned for 2030.

One hundred tons of cotton yields an estimated 10 kilolitres of fuel. It has been calculated that recycling all of Japan's cotton could generate 70 000 kilolitres of fuel every year.

Jeplan is already working with 12 retailers - including Aeon and Muji parent Ryohin Keikaku - to collect end-of-life clothing at more than 1000 stores across the country.

Source: recyclinginternational.com – Jan 05, 2017

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China sees opportunity as TPP fades

The Trans-Pacific Partnership, otherwise known as TPP, was one of the signature projects of the Obama administration.

President-elect Donald Trump has described TPP as a “disaster” and says the U.S. will withdraw from TPP in favor of bilateral trade agreements.

In the meantime, China—which was not part of TPP— is making headway in its own bid to establish a rival regional free-trade deal, called the Regional Comprehensive Economic Partnership, or R-CEP.

The TPP covered nearly 40 percent of the global economy. The 12-member bloc, would have included the U.S., Canada, Japan and several other Pacific nations.

But as President Obama put it, the deal was never just about trade.

“If America doesn’t shape the rules of the global economy today, to benefit our workers, while economy is in a position of new global strength, then China will write those rules," Obama said.

TPP’s failure could also mean U.S. exports will miss out on preferred access to countries, such as India, China and Japan.

"Yeah, in fact that's already happening to us,” said Jason Hafemeister, Associate Administrator of USDA’s foreign agricultural service. He says the TPP would have cut tariffs across a range of products—from beef to wine.

Without it, those tariffs remain, and the door’s left open for China to increase its influence. In fact, R-CEP is already under consideration by 16 countries in the Pacific region.

“These countries of great interest to us will be opening their markets to some of our competitors and we'll fall behind," Hafemeister said.

U.S agriculture stood to be a big winner under the TPP, particularly for exports to Japan, the world’s third largest economy.

Paul Rogers is a third-generation Virginia peanut farmer. The TPP, he says, would have greatly increased the market, eliminating tariffs and quotas across in key countries.

“It would also put us on a little more level playing field with China, and India, who are our two biggest competitors in that part of the world,” he said.

“I think China is gonna sweeten the deal and we're going to be on the outside looking in."

R-CEP, like the TPP, aims to boost trade. But many economists say R-CEP’s is more limited in scope.

Linda Lim, a professor at the University of Michigan, says the TPP went far beyond tariffs, actually changing the rules for doing business in the region. "labor and environmental standards, stronger intellectual property rights, coverage of services as well as of goods and so on,” Lim said.

Critics point out that the TPP would have cost jobs in some countries and weakened labor and environmental standards in others.

Economics aside, some fear the biggest loss for the U.S. is diplomatic. That, in backing out of the TPP, they say, the United States has abandoned its position as a global champion of free markets.

"The reality is that the United States, for the first time since World War II, has walked away from a major, liberalizing, regional trade initiative," said Jacob Kirkegaard of the Rhodium Group.

President-elect Trump says he’s interested in pursuing more bilateral trade deals. He also says he’ll renegotiate the North American Free Trade Agreement, and label China a currency manipulator—all of which means, that the fading of the TPP is not the only cloud on the free-trade horizon.

Source: wvtf.org - Jan 04, 2017

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TPP necessary to stimulate sluggish global economy - HSBC

The Trans Pacific Partnership agreement is a “low hanging fruit” which can stimulate the global economy, and it pays for the United States to participate in it, says senior trade economist Dr Douglas Lippoldt of HSBC Bank plc.

The fate of the TPP, which was signed in Feb last year, hangs in the balance due to recent comments by US president-elect Donald Trump that US will withdraw from the pact on his first day in office. "I am hopeful that if it withdraws on the first day of the Trump administration, the US will revisit (the TPP) in the coming months and find a way to reengage with the rest of the 11 partners," said Lippoldt in a teleconference on Asia's trade outlook in 2017.

Apart from the US, the TPP grouping includes Australia, Brunei, Canada, Chile, Japan, Mexico, Malaysia, New Zealand, Peru, Singapore and Vietnam. Describing the 30-chapter document as a “remarkable standard”, Lippoldt, who was formerly with the OECD, said it would address many concerns arising from globalisation, including labour standards and the environment.

Negotiations over the past five years have yielded a high standard trade agreement involving a mix of six emerging market countries and six developed countries and spanning four continents. According to studies undertaken by Peterson Institute, it was estimated that the 12 partners stood to gain 10 per growth in GDP from the TPP.

"That is an important development, as it would see the US gain in absolute terms, but in percentage terms, countries like Vietnam and Malaysia could stand to gain by 8 and 7.5 per cent respectively, with access to NAFTA (markets), Japan, Australia, New Zealand, Peru and Chile." Lippoldt said that many representatives of the participating countries have expressed their views that it would not be feasible to proceed with the trade pact without the US anchoring the agreement.

This is because they had made deep concessions to liberalise their respective domestic markets because they had expected to gain market access into the US in exchange.

The Regional Comprehensive Economic Partnership (RCEP), which is currently being negotiated, is less ambitious and does not deal with the `trade plus' issues, although the countries will enjoy economic gains across the region, he noted.

Asia should continue to pursue for both multilateral trade agreements. "Who knows, with the conclusion of the RCEP, it (may) prompt the TPP countries to reconsider the agreement, as there is an overlap of countries in both agreements." Malaysia, Vietnam, Singapore, Brunei, New Zealand, Australia and Japan are participants in both agreements which, when concluded, could achieve US$1.9 trillion in GDP.

On the outlook for 2017, Lippoldt said while protectionist sentiment is rising in the US and some EU countries, Asia still broadly supports trade. Other initiatives underway, such as the Belt and Road Initiative, regional infrastructure investment (the Asia Infrastructure Investment Bank and the Asian Development Bank), the Asean Economic Community Blueprint 2025, the WTO Information Technology and implementation of the WTO Trade Facilitation Agreement (cutting red tape at the border) will enable Asia to take a lead role in the global trade agenda.

Source: nst.com.my- Jan 05, 2017

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NATIONAL NEWS

Textile mills pin hopes on fourth quarter

Textile mills are pinning their hopes on the fourth quarter to ride over the third quarter impact of demonetisation. For this, industry is banking on the textile ministry's move to allow mills to pay only 10 per cent of procurement money that has come as a breather.

According to industry, the move could ease production cost in the last quarter of the fiscal for textile mills. Add to that, the industry hopes orders for summer season of 2017 could also boost the fourth quarter results.

"We are hoping that the fourth quarter will be not as bad as the third quarter. We are yet to see an immediate impact of the recent move but we are also focusing more on exports which could help us boost the fourth quarter results. However, we are definitely sure that business would pick up in the first quarter of next financial year," said Paritosh Aggarwal, managing director, Suryalakshmi Cotton Mills Limited.

Traditionally, while large traders and multinational cotton traders take advantage of hedging facility and cheaper funds, mills are unable to build adequate inventory and have been paying higher price for the cotton during the off season.

More than 75 per cent of the cotton arrives the market during December to March and around Rs 60,000 crore is required to procure the seed cotton during this period. Since the ginning and spinning mills do not have such funds, the farmers invariably get lower price.

As a result, the cotton textile industry had been demanding the government to ensure cotton fibre security and stability in cotton prices so that both the farmers and the industry get benefited and remain competitive in the global market.

Now, with the new union textile minister directing Cotton Corporation of India that normally procures cotton only when the prices crash below the minimum support price level to procure cotton on a commercial basis and supply to the mills, the textile industry has welcomed the move.

The new terms and conditions of fully pressed bales of CCI facilitates the registered MSME textile units to procure cotton by paying only 10 per cent deposit money as against 20 per cent which is applicable only for the sale quantity of 30,000 bales and above.

The deposit money up to 2999 bales is only 15 per cent. This would greatly help the MSME units which are starving for working capital fund in the post-demonetisation regime," said M Senthilkumar, Chairman, The Southern India Mills' Association (SIMA).

Senthilkumar further stated that earlier there was a difference in the free period ranging from 30 to 75 days and 75 days free period was available for the procurement of 15000 bales and above, which led to MSME textile units' inability to derive much benefit out of CCI.

"However, now the free period has been made uniform and fixed at 45 days which would again help the actual users and the MSME units," he further stated.

According to the textile industry body, CCI might procure around 1.5 million bales and maintain an inventory of 500,000 bales so that stability in cotton price is maintained.

Meanwhile, the textile has also been requesting CCI to opt for coastal movement of bales between Gujarat and Tamil Nadu that would again yield considerable saving for the mills, of anywhere between 10 per cent 25 per cent in freight costs.

Source: business-standard.com– Jan 06, 2017

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Maharashtra govt to set up Rs 300 cr garment park in Solapur

Maharashtra government has decided to set up Rs 300 crore garment park in Solapur to promote the city as a 'major garment hub'. "Maharashtra government will set up a garment park at Solapur. Nearly 27 acres of land belonging to erstwhile Narsing Girji Mill in Solapur has been identified for this purpose," state textile minister Subhash Deshmukh said after inaugurating the three-day international exhibition on uniform and textiles in Solapur.

The exhibition is being hosted by Shree Solapur Readymade Garment Manufacturing Association in co-ordination with the Maharashtra Textile Ministry and Mafatlal Fabrics. The bhoomi pujan (ground breaking ceremony) of the park which would be developed thereon would be held on January 26, Deshmukh added.

The government will provide all required infrastructure to successfully complete and launch this unique Garment Park, he said. Amit Kumar Jain of Shri Solapur Readymade Kapad Utpadak Sangh said that the total cost for the garment park would be around Rs 300 crore.

"The park will also generate employment potential, which will provide employment to over 60,000 bidi workers, besides other unemployed persons," Deshmukh said.

The uniforms industry including school, corporate wear and government forces is worth over Rs 18,000 crore, of which nearly Rs 10,000 crore is in the organised sector.

Of the rest, Solapur contributes nearly Rs 1,100 crore with uniforms churned out from around 1,000 plus manufacturing units in the city, employing over 60,000 skilled workers.

Solapur is set to become a major textiles hub for providing uniforms for the armed forces and police personnel in the country, the minister said.

Over 6,000 retailers are expected to visit this exhibition and 82 stalls displaying latest new designs, uniforms and other garments.

"Bank of Maharashtra will sanction spot loans of up to Rs 10 million to encourage the local garments industry during the event," Bank of Maharashtra chairman and managing director Ravindra Marathe said.

Source: moneycontrol.com– Jan 06, 2017

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Grasim seeks removal of excise duty on viscose fibre

Aditya Birla Group firm Grasim Industries, a leading producer of viscose staple fibre, has sought a "fibre neutral" policy from the government by removing 12.3 per cent excise duty levied on viscose fibre as its rival cotton industry is exempted from such levy.

"We have been telling them (government) from last 5-6 years that there should be a similar kind of excise duty for all kind of fibre. We are asking them for a fibre neutral policy," Grasim CMO Rajeev Gopal told PTI.

The company is sensing a good opportunity with its viscose staple fibre and garments in the global markets, where it is competing with suppliers from China, Turkey and Indonesia.

"Viscose fibre would grow and we are at least looking for a double digit growth in the Indian market. Export would also grow similarly," he added.

Viscose fibre-based garments are primarily purchased by developed markets such as US and Europe, while fibre mainly goes to countries like Bangladesh, Pakistan, Indonesia and Turkey.

"Wherever there is spinning, we are exporting," he added.

In 2015-16, Grasim Industries reported consolidated revenue of Rs 7,656 crore (USD 1.17 billion) from viscose staple fibre, up 15.24 per cent from Rs 6,643 crore in the previous fiscal.

The company today opened its first art studio in Noida through its fashion fabric brand Liva, where it would exhibit over 1,000 fabrics of viscose from its LIVA Accredited Partner Forum (LAPF).

"We would soon have a similar studio in New York, where we would showcase the work of our partners," Gopal said.

Besides New York, the firm has plans to introduce art studio concepts to other textiles clusters like Jaipur and Bengaluru.

"We will have many of these because the idea is to first test how it works. We are quite confident and if it turns out well, then we would have at major centers as Bengaluru, Jaipur and Tirupur in South. There are so many," he added.

LAPF is the first of its kind platform in the textile fraternity that connects and builds a network of textile professionals.

LAPF studio connects over 650 garment manufacturers and exporters, over 50 local and international brands, 50 international buying houses, agents and traders and 100 fashion design houses.

Source: indiatoday.in- Jan 05, 2017

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On the verge of closure, Tirupur dyeing industry gets Rs 200 cr reprieve from govt

The industry was facing a financial crisis due to outstanding bank loans and incomplete projects.

On NITI Aayog's recommendation, ₹200 crore was released to Tamil Nadu for completion of Common Effluent Treatment Plants in Tirupur.

So what is this all about?

Tirupur dubbed as "The Dollar City of South India" is a hub of the textile processing and knitting industry providing employment to over 5 lakh persons and contributes 22% of the total garment export of the country. For more than two decades now, Tirupur has a scar on its face because of the textile dyeing industries.

Be it issues regarding environment protection or those related to employees working in textile and allied industries, there are so many issues that had been repeatedly brought to the attention of the Central Government and Prime Minister Narendra Modi repeatedly.

The Government of India has now sanctioned Rs 200 crore to the Tirupur Dyeing industry, which was on the verge of closure due to a severe financial crisis on account of their huge investments in the first ever Zero Liquid Discharge projects in the country. Closure of the processing industry could have hit the entire garmenting sector in the region.

The Government of India has taken cognizance of this problem in Tirupur and based on the recommendation of the Ministry of Textiles, Ministry of Finance has sanctioned Rs 200 Crore to the State Government of Tamil Nadu for the 18 Common Effluent Treatment Plants as an interest free loan to be converted into a grant based on the performance of the CETPs. The move will help ailing Common Effluent Treatment Plants and 450 dyeing units to recover from the financial crisis and will help them complete the project to achieve 100% capacity utilization.

More than 450 dyeing units in Tirupur had collectively set up 18 Zero Liquid Discharge enabled Common Effluent Plants with a total cost of Rs 1,013 crore.

The project has become a global standard and was appreciated by environmentalists and the processing industry the world over. However, being the first project of its kind, it had several technical challenges and cost overruns which led to a financial crisis due to outstanding bank loans and incomplete projects.

Vanathi Srinvisan who was following up this issue with the Central Government said:

“There are more than 2000 dyeing and allied industries operating in and around Tirupur District. The industrial waste is diluted in Noyyal river, which leads to water pollution and environmental hazards. Around 450 units out of the 2000 have together installed 20 Common Effluent Treatment Plants to filter the industrial waste whereas the remaining let the waste directly into the river.

According to the environmentalists, with recent technology advancements, there are equipment which filter the waste, and leave the soluble units in the river. Yet none follows this practice which has led to such environmental dangers. In 2009, the Supreme Court had pronounced that not a drop of industrial waste should be mixed with Noyyal river. But still, waste is injected into the river which has led to this sad environmental situation.

The farmers in and around Noyyal belt, went further and filed a defamation case against the units, who had failed to obey the order of the Supreme Court."

The Supreme Court later allowed only those units that had followed the rules to continue work, while the others were banned. This further affected the small-scale units of the dyeing industry.

These units did not have adequate funding to raise their standards and they wanted financial aid from the Central Government to follow the standards of the Pollution Control Board.

The situation had become grim and the entire clothing industry of Tirupur might have been shut if the issues were not taken up by the Central Government.

Vanathi Srinviasan of NITI Ayog says, "The bigger scale units, have moved away to various cities and states to get their dyeing work completed. This is now a threat to the city of Tirupur. Will it be resolved? Will the Government hear the voices of Small Scale Dyeing units?

Will the Government fund the needful? Will the lakhs of people survive beyond such failures? These questions were raised to the Ministers Nirmala Sitharaman and Smriti Irani, who were thoughtful about the process.

At the same time, Government of Tamil Nadu had also raised the issue with the Central Government.

There were many questions put forward, one such being, will the huge sum of Rs 200 crore be sanctioned for this issue at one stretch?"

Understanding the awareness of the criticality, for a period of four months, this issue was continuously put forward to the officials. On July 22, 2016, with a delegation from Tirupur, I met Amitabh Khant, CEO of NITI Ayog and had put forward a higher priority scale with the Government; I thank Nirmala Sitharaman wholeheartedly for facilitating this meet. Now for the betterment of the entire industry, the Government has finally sanctioned Rs 200 crore, she said.

Nagaraj, President of Dyeing Association, also has to be lauded for his continuous efforts.

Source: business-standard.com - Jan 04, 2017

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SGCCI to sign MoU worth Rs 1,800 cr for mega textile park

The Southern Gujarat Chamber of Commerce and Industry (SGCCI) will sign a memorandum of understanding (MoU) with the Gujarat government for the development of Rs 1,800 crore worth of mega textile park at Pinjrat during the Vibrant Gujarat summit.

SGCCI president B S Agarwal said that the mega textile park is the dream project and it will change the face of Surat's textile sector. The chamber will be signing an MoU with the Gujarat government for allotting 70 lakh square metres of land at Pinjrat near Olpad.

SGCCI office-bearers said that the presentation has been prepared by IL&FS and that it was well received by the senior government officials. The SGCCI has appointed around 15 directors to head the SPV for the mega textile park.

The mega textile park project conceived by the SGCCI is worth over Rs 1,800 crore. The park will accommodate around 100 textile processing units, 40 water jet weaving units, around 225 garmenting units and other textile ancilliary units, attracting a total investment of Rs 10,000 crore.

As per the proposed plan, the mega textile park will house giant textile processing units, each having average capacity of manufacturing over 3 lakh metres of fabric per day.

Around 50 per cent of the fabric manufactured in the processing units will be converted into home textiles and garments. The rest of the fabric will be sold outside the state.

At present, the textile sector contributes around 40 per cent of the synthetic cloth in the country

But its share in export is quite meagre, because the export market requires huge quantity of cloth of same quality which cannot be supplied by the processing units in Surat.

Agarwal said, "Processing units in Surat are located in Pandesara, Kadodara, Palsana and Sachin industrial, each having one CETP plant. At present, all CETPs are working to its fullest capacity and they are not allowed to expand, because tthey do not have further capacity to dispose the effluent. Thus, these processing units could be shifted to the mega textile parks."

Source: timesofindia.com - Jan 06, 2017

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Govt to refund 90% of exporters' claims within 7 days

While crucial issues under the yet-to-come goods and services tax (GST) regime still unclear, the government has decided to refund within a week most claims of exporters regarding export incentive schemes.

“Ninety per cent of the amount claimed by exporters as credit drawbacks will be refunded within seven days,” commerce and industry minister Nirmala Sitharaman said on Thursday.

The department of revenue has also assured her ministry that in an undue delay beyond two weeks, interest will be paid on the amount due.

Speaking at the second meeting of the Council for Trade Development and Promotion (CTDP), a platform for state governments and the Centre to converse, she said these matters regarding export payments have been discussed between ministries.

The government has also announced that a new states' ranking on logistics performance would be initiated by February. Taking a cue from the State Ease of Doing Business Index, the department of industrial policy and promotion will be setting up a Logistics Index, with the aim of boosting the trade and transport infrastructure.

Recognised exporters of manufactured goods receive credit incentives, generally in the form of duty drawbacks, in various forms. The three major sector-specific ones are the Advance Authorisation Scheme, Export Promotion Capital Goods Scheme and the Deemed Exports Scheme, accounting for Rs 35,000 crore in government payouts.

Since exports will continue to be considered zero-rated in terms of GST taxation, exporters have asked that the wait time between paying taxes in advance and getting refunded shouldn't be too long. They also warn that a long wait would increase liquidity problems, asking for more ease in availing of exemptions under the new tax regime.

"Although we have met with the central government, they feel it will only be possible if the states agree to the same, as exports are subject to the Integrated GST, which has both central and state GST components," said S C Ralhan, president of the Federation of Indian Export Organisations.

However, GST clearly states that the taxes must be paid, with the amount being refunded later, said commerce secretary Rita Teaotia. The last 10 per cent would be subject to whatever verification the revenue department is required to do, she added.

The government has also declared a moratorium on approving new Inland Container Depots and Customs Freight Stations. In spite of the country having 120 and 150 of these, respectively, there is a lack of official data regarding how many are operating at optimal levels. While some are lean, others are working at over-capacity, Sitharaman said.

Also, she revealed, a central scheme is on the drawing board which might be an alternative to the Assistance to States for Development of Export Infrastructure and Allied Activities Scheme, oversight over which was transferred from the Centre to the states on the 14th Finance Commission's recommendation. States have continued to demand that all unfinished projects under the scheme be borne by the centre.

Decided at the earlier CTDP meeting, 18 states have crafted their own export policy; 28 have appointed export commissioners.

Source: business-standard.com- Jan 06, 2017

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Centre working on scheme to support States in creating export infrastructure

The government is working on a scheme to incentivise creation of export infrastructure by States. It will be on the lines of the Assistance to States for Infrastructure Development of Exports (ASIDE) scheme that was discontinued by the Centre in 2015-16, but with different features.

States will also be ranked by the Centre on their logistics performance beginning this year. This could give potential investors an idea of what to expect in terms of logistical support when they take their investment decisions.

"Since almost all the States had expressed their wish for a Central scheme which supports export infrastructure, we have acted on your suggestion and are trying to formulate such a scheme..... I hope we can soon succeed in achieving a consensus for the roll out of this scheme," Commerce and Industry Minister Nirmala Sitharaman said in her speech at the second meeting of Council for Trade Development and Promotion on Thursday.

The Minister was addressing Ministers and senior officials from various States who come together to evolve a common strategy to promote exports. The proposed scheme would be called Trade Infrastructure for Export Scheme or TIES and would help strengthen the Centre's ties with States, the Minister added.

The ASIDE scheme was given up by the Centre when the States' share in net proceeds of the Union tax revenues was increased to 42 per cent from 32 per cent in line with the 14th Finance Commission's recommendations.

On the issue of ranking States on logistics, Sitharaman said the ranking would be on their logistics readiness.

“There can be little progress on trade facilitation unless States are prepared with plans to manage logistics well, create a logistics hub and have trained manpower to handle it,” Commerce and Industry Minister Nirmala Sitharaman said addressing a press conference after the meeting.

Most States were interested in the ranking exercise and it would start in the on-going year, the Minister added. Department of Industrial Policy & Promotion (DIPP) Secretary Ramesh Abhishek said that the government was in the process of appointing agencies to work on the parameters for the logistics performance index. “The ranking will be based on the actual performance and not merely on the presence of logistics. It will be based on public feed-back,” he said.

Source: thehindubusinessline.com- Jan 06, 2017

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