iBtex. TEXTILE INTELLIGENCE CENTRE
INFORMATION BUREAU TEXPROCIL

TEXPROCIL NEWS CLIPPINGS

The Cotton Textiles Export Promotion Council [TEXPROCIL]
Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai - 400 004. Maharashtra State. INDIA
W. www.texprocil.org E. enews@texprocil.org T. +91-22-2363 2910 to 12 F. +91-22-2363 2914

IBTEX No. 25 of 2017 Feb 02, 2017

USD 67.42 | EUR 72.73 | GBP 85.42 | JPY 0.60

Cotton Market Update

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

Rs./Bale	Rs./Candy	USD Cent/lb
19959	41750	**78.70**

Domestic Futures Price (Ex. Gin), March

Rs./Bale	Rs./Candy	USD Cent/lb
20740	43383	**81.78**

International Futures Price

NY ICE USD Cents/lb (March 2017)	76.44
ZCE Cotton: Yuan/MT (January 2017)	15,650
ZCE Cotton: USD Cents/lb	**87.08**
Cotlook A Index – Physical	**84.25**

Cotton & currency guide: Market is holding near Rs. 42,000 per candy in the spot market. With the current tight supply scenario and building up fresh demand is keeping the cotton price elevated. On Wednesday cotton price again traded higher at Rs. 42,150 per candy and the same was translated into futures contract.

The most active February future contract ended the session at Rs. 20570 up by Rs. 180 from the previous close and has been moving higher for the past two consecutive trading sessions. Also 20,200 remains a very strong support zone for price to hold positive. Meanwhile, nationwide, daily seed cotton arrivals are estimated at around 165,000 lint equivalent bales, including 39,000 from Gujarat and 60,000 from Maharashtra.

From the global front, the ICE front month contract is moving higher substantially. Earlier made a high of 75.32 cents is breached on Wednesday to make the March contract to settle higher at 76.44 cents per pound. This has probably changed the scenario and believes with the fresh speculative long positions being added into the market and roll over of longs from March to May is keeping the cotton price on the positive trajectory. ICE estimated volume at 47,100 contracts, higher than previous day's 33,345. Chinese markets remain on holiday and will resume normal business on Friday, February 3.

We believe unless there is profit booking of long positions or cut in the speculative activities the ICE cotton future may remain elevated and that may possibly keep the cotton price in India also higher.

This morning ICE cotton for March is seen trading at 76.43 unchanged from the previous close and believe market to initially remain sideways and the trend to hold positive.

The trading range for the day would be 76 to 76.90 cents per pound for March future contract. Likewise, the February MCX future contract may trade in the range of Rs. 20440 to Rs. 20680 per bale. We had earlier recommended a sell call in the mentioned contract and until Tuesday the same was fetching profit while as of today the counter is at the cost. We believe with the ongoing positive move the cotton price may remain positive therefore, we recommend cutting the short positions on today's trading session.

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

Exhibit your company at www.texprocil.org at **INR 990** per annum
Please click here to register your Company's name

DISCLAIMER: The information in this message July be privileged. If you have received it by mistake please notify "the sender" by return e-mail and delete the message from "your system". Any unauthorized use or dissemination of this message in whole or in part is strictly prohibited. Any "information" in this message that does not relate to "official business" shall be understood to be neither given nor endorsed by TEXPROCIL - The Cotton Textiles Export Promotion Council.

NEWS CLIPPINGS

INTERNATIONAL NEWS	
No	**Topics**
1	As Trump Pushes For US Manufacturing, 'Made In America' Is Losing Its Lustre In The Fashion World
2	Vietnam: Surprising Strength in Cotton Spinning Benefits U.S. Exports
3	Denmark sees huge opportunity in Pakistan textile sector
4	Canada’s apparel and textile sourcing show announces major expansion
5	Kenya cheers US withdrawal from TPP
6	Russian Industry Ministry to support Zara speed up localization
7	Indonesia & co. welcome US' TPP withdrawal
8	Pakistan: A wishy-washy textile package
9	Moscow region to become centre of Russian technical textiles production
NATIONAL NEWS	
1	Budget: Textile lobby seeks restoration of some incentives
2	Indian Union Budget 2017-18: Highlights
3	Textile sector welcomes Union Budget 2017-18
4	Budget 2017: Govt must work towards policy rationalisation to push exports
5	Breather for bicycle industry & textiles
6	GST, demonetisation to attract foreign investment: Walmart
7	Budget outlay of Rs 1,555 crore to boost garment exports: Smriti Irani

INTERNATIONAL NEWS

As Trump Pushes For US Manufacturing, 'Made In America' Is Losing Its Lustre In The Fashion World

President Trump has made American manufacturing a top priority, yet many fashion brands that make goods in the US are cautious about getting caught up in partisan politics.

Buyers from all over the world flock to Gitman Bros. to get a piece of timeless American style: oxford shirts, plaids and rep ties often cut slightly slimmer to appeal to the trendy and urbane. But when the company's president, Chris Olberding, attended the venerable menswear trade show Pitti Uomo in Italy this month, the brand's "Made in USA" label was an unexpected liability. Clients flung jokes at the then-president-elect's expense. There was talk about avoiding travel to the US during Donald Trump's four-year term. And one of the Ashland, Pa.-company's accounts was almost canceled because a customer wanted to boycott American clothes.

"I felt like the wind got knocked out of me," Olberding said. "I always thought it was a good thing to keep our production in the US, and all of a sudden the conversation changes because of this one person."

By all appearances, Trump should be a boon for the "Made in USA" brand. The nation's 45th president swept into office pledging to get American factories humming again. "We will follow two simple rules: buy American and hire American," Trump said during his inauguration speech.

But the negative reaction at Pitti Uomo underscores the pitfalls of these polarising times. Trump by association can act as a double-edged sword.

Is 'Made in USA' in danger of becoming 'Make Made in USA Great Again'?

Long before Trump campaigned on the promise of reviving domestic manufacturing, time-tested labels such as Gitman Bros., Filson and Red Wing Shoes were touting their "Made in USA" roots and encouraging customers to buy American menswear at a time when competitors had long fled to cheaper countries.

They rode a wave of popularity in the aftermath of the 2008 financial crisis as trendsetters began rejecting fast-fashion brands like H&M and embracing traditionally stodgy ones like Brooks Bros. - an acknowledgment that it was better to buy pieces that lasted than support wasteful fads.

With a modern cut and higher prices, the movement essentially made your grandfather's clothes cool, at least among a certain subset of fashion-savvy men.

Now, some of those same companies, as well as more recently established ones, are wondering what the "Made in USA" label will mean under the new administration. Will it continue to stand for craftsmanship and style, or amount to an endorsement of Trump's policies - or even the president himself?

It's a question made all the more important because many of the labels' newfound fans are ensconced in left-leaning enclaves like Brooklyn and Silver Lake. "Is 'Made in USA' in danger of becoming 'Make Made in USA Great Again'?" said Jonathan Wilde, editor of GQ.com, a men's fashion bible that has been at the forefront of reviving interest in so-called heritage American brands.

Wilde sees a contradiction unfolding. On one hand, US apparel makers could benefit from an administration that favours local producers and makes domestic manufacturing more cost effective. On the other, these brands could lose their cool among their prime demographic if Trump turns "Made in America" into a political slogan.

And politicisation of manufacturing in the US has earned companies such as New Balance and L.L. Bean the wrath of consumers who have trashed products by these brands, even though they have been manufacturing in the US, and creating the much needed jobs. These companies have been perceived (rightly or wrongly) as Trump supporters.

"We are deeply troubled by the portrayal of L.L. Bean as a supporter of any political agenda," said the company, which still produces some items such as boots in the US.

The recent politicisation of fashion labels is the stuff of nightmares for executives like Geoff Clawson, president of Birdwell, a surfwear company that's been manufacturing its signature board shorts in the same Santa Ana factory since 1961.

"It's something we pay close attention to, but I don't wish for that problem," Clawson said of the controversies that usurped New Balance and L.L. Bean.

Keeping production in the US is hard enough without having to worry about how partisan politics can affect the bottomline. Supply chain is a constant concern because the success of Clawson's business is deeply linked to the survival of his nylon supplier in South Carolina and grommet supplier in Florida.

"It's possible for 'Made in America' to come back, but it will require more of this source material manufacturing to also return to the US and be profitable," Clawson said. "Politics aside, it seems like that's what the president-elect is pointing to. For us to be 'Great Again,' we need to reclaim these disciplines."

It's unclear precisely what Trump's administration will do to bring jobs back other than to renegotiate trade deals or raise tariffs on imports.

Fashion industry experts say that would be devastating for a broad swath of American apparel brands that either manufacture or source materials from overseas (including Trump- and Ivanka Trump-branded apparel).

It would, however, shrink the gap between the cost of clothes made in the US and those made overseas.The fashion industry's low margins have punished companies such as the recently sold American Apparel, which tried to sell affordable, mass-market clothes while offering its employees living wages.

The share of domestically produced clothing in the US in 2015 was 2.7%, down from 10.2% in 2005 and 46.2% in 1995, according to the American Apparel & Footwear Assn. Over the same period, apparel consumption has grown more than 60%.

"There's absolutely no possibility of fashion making a reentry to the US.," said Bjorn Bengtsson, a professor at Parsons School for Design in New York.

"The reason is labour. Most US manufacturers are having tremendous difficulty finding skilled labour. We have to train people. But even then, salaries are not going to be as low as in countries like Bangladesh and Myanmar."

Higher wages means higher price tags, and Americans have shown an unwillingness to pay more for their shoes and threads. A recent NDP Group survey found that 80% of Americans considered "Made in USA" labels important to some degree, yet only 23% said they would pay more for it.

The apparel industry is also nervous about the effect that Trump will have on its largely immigrant workforce. Finding qualified workers to man sewing machines has been so challenging that companies such as Brooks Bros. have turned to refugees to fill out its ranks.

"I'm not sure this work appeals to anyone," said Marcus Wainwright, co-founder of Rag & Bone, which still relies on the shrinking New York garment district for production. "I wish it did.

The only people left to work in this are immigrants. Cut down on them and it will make things a lot harder."Still, some fashion brands are hopeful about a Trump administration, arguing that his rhetoric is invariably bringing more positive attention to the "Made in USA" label and that his policies could level the playing field with competitors that manufacture abroad.

When designer Todd Shelton started selling his namesake clothes, he manufactured in China but hated having little control over production itself. So he shifted manufacturing back to the US, eventually making jeans, woven shirts and sweaters out of a factory in East Rutherford, N.J., where he can hover over his products as they're made.

Still, Shelton believed that the odds were stacked against him, with local suppliers struggling to survive and competitors turning to low-cost foreign manufacturers.

So he cast his vote for Trump in the hope that his administration would take action like levying import tariffs, which could make his products more cost-competitive and slow the deluge of imported clothing that's driving over-consumption.

"As business owners, we've heard support for 'Made in USA' before from politicians, but with Trump, it felt sincere," Shelton said. "In my case, I saw this election as the best shot I may ever have to affect trade policies that could help my company and my employees - so I took a chance."

"Even if policies are enacted to bring American manufacturing jobs back, that doesn't mean there will be a demand for American-made goods," said Brad Bennett, founder of Well Spent, a website that highlights up-and-coming brands and ethically sourced clothing from America and around the world.

Source: textileexcellence.com – Feb 01, 2017

HOME

****

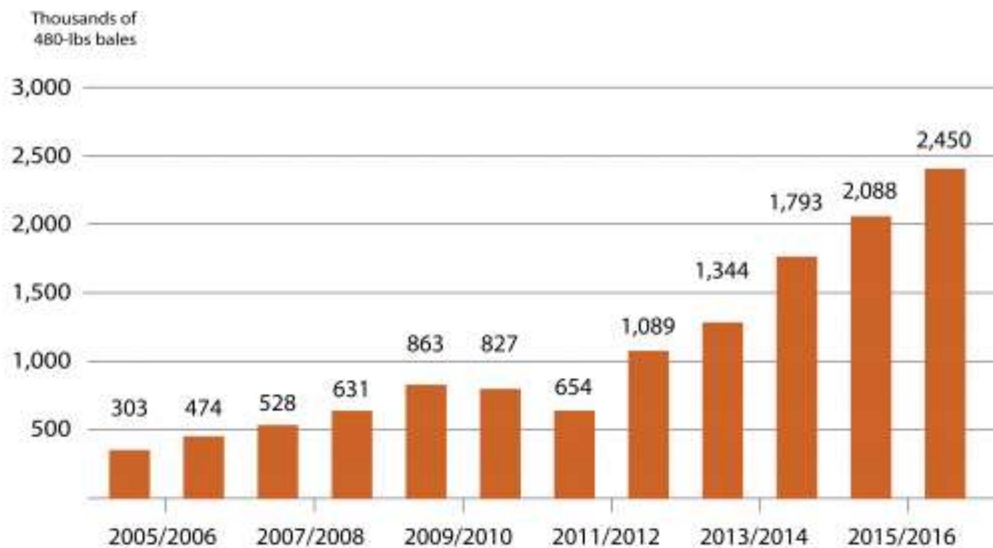
Vietnam: Surprising Strength in Cotton Spinning Benefits U.S. Exports

Vietnam's demand for raw cotton has risen steadily for six years, with August-to-January (Marketing YTD) imports at their highest levels ever. This is a particularly positive sign for U.S. cotton exports, as American cotton has made up about 40 percent of Vietnam's cotton imports over the last three years. U.S. exports of cotton have made up about 50 percent of Vietnam's imports year to date, suggesting even greater market share than in the past.

Much of Vietnam's growth in recent years has been driven by declines in cotton spinning in China.

China's now-ended cotton price support program required that the state reserve purchase large amounts of cotton, which drove up cotton prices in China relative to global levels.

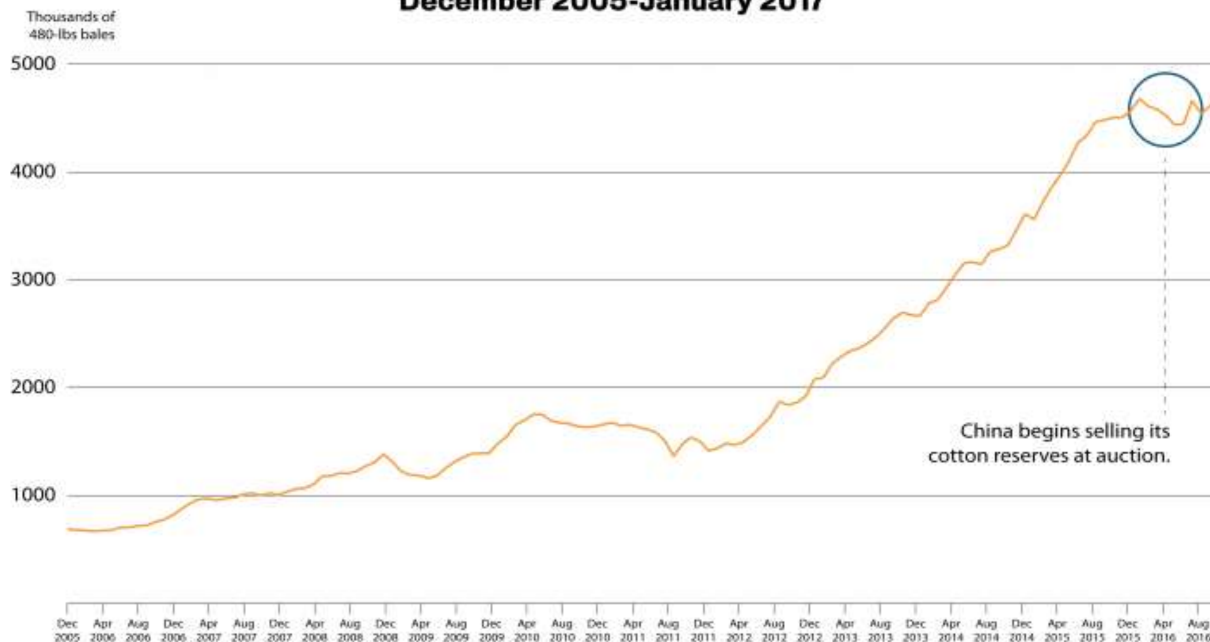
As a result of this uncompetitive pricing, a wave of Foreign Direct Investment flowed into Vietnam's spinning sector.



With the implementation of the ASEAN-China Free Trade Agreement, Vietnam-produced cotton yarn has duty free access to China, versus a 40 percent above-quota duty on raw cotton imported into China. Many Chinese-owned mills relocated to Vietnam from China, spinning the same yarn using the same (mostly U.S.) cotton, then shipping the yarn to China for the next stage in the value chain. About half to two-thirds of Vietnam's cotton imports are spun in foreign-owned mills, with much of it exported to China.

However, the very situation that gave Vietnam its startlingly fast growth threatened to take it away earlier this year and, with that lost cotton spinning, so too would be lost U.S. exports to Vietnam. As China sold its reserves at auction earlier this year, local prices in China moved closer to global levels, which stimulated some recovery in China's domestic spinning industry.

Likewise, generous governmental support for yarn spinning in western China also helped increase China's demand for raw cotton. The result of this was straightforward: those countries that had previously benefited from China's high internal prices began to struggle.



The highlighted period in the graph above illustrates the decline described. China's cotton prices fell, and thus spinning activity in competitors like Vietnam sank in tandem. Many market observers believed this trend would continue and that Vietnam would lose a much larger share of the gains it had made in spinning activity.

Given the United States' pre-eminent position in the Vietnamese cotton sector, any decline in Vietnam's spinning would likely prove injurious to U.S. exports. This would be particularly frustrating as the U.S. 2016/2017 crop is large, and stocks have been building. Additionally, when U.S.

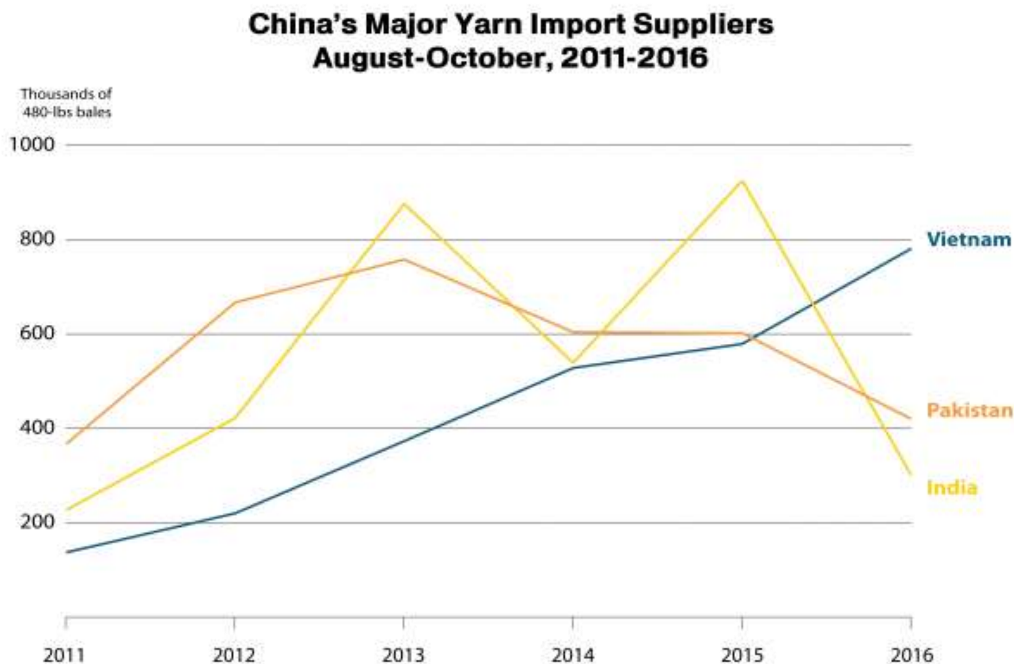
exporters were shut out of China by its initial policy moves, they were mostly able to shift to other markets, especially Vietnam, as spinning moved.

But if demand in Vietnam dried up as a result of reserve auction sales in China, there would be no new spinning transferred to markets where U.S. cotton could compete for business. U.S. exports would have been replaced by releases from China's state reserves.

However, the scenario described has not occurred. Vietnam's cotton imports have turned upwards in recent months and, as shown in the first figure, are at record levels for August to November. This raises the question of why Vietnam's spinning has recovered.

The chart below presents the cotton content of China's yarn imports, that is, the amount of cotton bales represented by the yarn China imports, for the August to October period from 2011 to 2016 for China's three major yarn suppliers: India, Pakistan, and Vietnam.

As the graph makes quite apparent, Vietnam's growth has been the most extraordinary of the three countries over the period, going from third to first. Perhaps most interestingly of all, however, is Vietnam's striking increase in yarn shipped to China in 2016, even as Pakistan and India show declines (in India's case a fairly severe decline).



Vietnam's strength relative to India and Pakistan may have several sources. Both India and Pakistan have faced crop shortfalls and tighter stocks in the last year, which led to comparatively high internal prices even as China's domestic prices were becoming more competitive.

Another key factor driving Vietnam's relative strength may be the China-ASEAN Free Trade Agreement, which began to come into effect in 2010.

With full implementation of provisions related to cotton and yarn implemented fairly rapidly, China's customs duty on yarn imported from Vietnam, or from any ASEAN country, is zero.

Notably, some other ASEAN countries such as Indonesia also saw yarn exports to China rise, while yarn exports from major non-ASEAN countries such as Uzbekistan and South Korea experienced declines.

If duty-free access for yarn is driving increased spinning in Vietnam, then the China-ASEAN Free Trade Agreement could be pushing U.S. cotton exports higher. Yarn spinning being shifted from producer-countries like India, Pakistan, Uzbekistan, and to some extent China, into duty-preferred importer countries like Vietnam bodes well for U.S. exports.

Because the China-ASEAN Free Trade Agreement does not require that raw cotton inputs be sourced within the area, U.S. exporters are able to derive an indirect benefit from China's duty-free ASEAN access.

Source: fas.usda.gov– Feb 01, 2017

HOME

****

Denmark sees huge opportunity in Pakistan textile sector

Danish Mission in Islamabad Deputy Head Jakob Rogild Jakobsen addressing the Pakistan Textile Exporters Association (PTEA) in Faisalabad on Tuesday said that Pakistan was a huge market, which offered excellent opportunities to Danish businessmen in various sectors, particularly the textile sector.

The two countries has been enjoying historical friendship and traditional cooperation in many fields for the last many years but more efforts were needed to further strengthen the ties by holding business-to-business meetings and exchange of trade delegations.

Though the trade volume between Pakistan and Denmark is improving, it is not depicting the real potential and could be improved further as there are huge investment opportunities in Pakistan.

Pakistan has great untapped potential, which could be well utilized by cementing relationship between the business communities of the two countries.

Speaking on the occasion, PTEA chairman Ajmal Farooq termed Denmark an important trading partner in the European Union. Both countries were the potential economies but the bilateral trade between them was negligible, which must be enhanced.

He stressed the need for frequent exchange of trade delegations, B2B interactions and establishment of display centres in both countries to further strengthen the trade ties.

He appreciated the Danish government's support to Pakistan in securing GSP Plus status and hoped for similar type of assistance and cooperation from it in future as well.

He said that it is the right time to redesign the existing trade strategies to have a wider and pragmatic cooperation in trade and investment. They want to build a new relationship focused on common business interests.

As there were many significant opportunities for Pakistani and Danish businesses to create long lasting and highly valuable commercial partnerships.

Pakistani textile exporters had been traditionally concentrating on European and American markets in the past and had built good reputation in home textiles.

Source: yarnsandfibers.com– Feb 01, 2017

HOME

****

Canada's apparel and textile sourcing show announces major expansion

The apparel and textile industry in Canada is alive and thriving, according to organisers of Canada's largest apparel and textile sourcing show, Apparel Textile Sourcing Canada (ATSC), which successfully debuted in Toronto in August 2016, with more than 200 booths of merchandise and in excess of 1,800 attendees.

With Canadian imports of clothing, textile and footwear reaching an all-time high in 2016 of CAD$ 2.1 billion, ATSC has announced that it has secured a 50% increase in exhibit space at Toronto's International Centre for this year's show, which will be held from 21-23 August 2017.

According to show organisers, the decision to expand was driven by positive exhibitor and visitor feedback, strong attendance and a renewed commitment from international manufacturers and industry partners, such as the Canadian Apparel Federation, TESTEX, WRAP, Brands for Canada, and Fashion Business Inc.

Online b2b platform

Produced by JP Communications, North America's leading publisher of business to business trade platforms *TopTenWholesale.com* and *Manufacturer.com*, the apparel, textile and fashion event is the first of its kind in Canada.

It is also the first Canadian trade show to be launched by an online b2b trade platform, which "fuelled the massive and engaged databases of TopTenWholesale.com and Manufacturer.com to help deliver a hugely successful event," said Jason Prescott, CEO of JP Communications.

Connecting with international suppliers

ATSC was introduced to provide Canadian businesses with the convenience of connecting with international suppliers on their home turf, Prescott explained. "Now, Canadian companies have the luxury of staying local and avoiding expensive and unnecessary international travel," he said. "The event connects Canada to the world of global trade, all in Toronto."

A comprehensive trade show and conference, ATSC 2017 will bring to Canada hundreds of apparel and textile manufacturers from around the world, including China, India, Bangladesh, Pakistan, the US, the UK, Mexico, Colombia, Peru and more. Through an impressive platform of seminars and sessions, attendees can make global industry connections, and gain the insights needed to navigate the international sourcing process.

Trends showcase

New for 2017 will be a leading-edge trends showcase featuring the latest and greatest in apparel and textiles and a high-profile roster of international speakers. A fashion show and design contest will also be held, featuring items available to be sourced at the event, as well as fashions from local designers and students from many of the Toronto-based fashion schools partnering with the event for the second-consecutive year.

“The Canadian market presents sizable investment opportunities for producers worldwide,” Prescott said, citing reports that show the country’s annual population growth holding steady at about 1% or more than 339,000 people and Ontario’s population alone projected to grow by 30.1%, or almost 4.2 million for a total of more than 17.9 million, over the next 26 years.

Support

ATSC is supported by many international governmental associations headed by the China Chamber of Commerce for Import and Export of Textile and Apparel (CCCT) and the Bangladesh High Commission, led by Dewan Mahmud, First Secretary (Commercial) at Bangladesh High Commission.

According to Jiang Hui, Chairman of CCCT, the success of the premier edition of ATSC has given his organisation “strong confidence” to bring an increased number of high-quality Chinese producers to the show in 2017. “The growth of the Canadian market and its unique business opportunities are attractive to Chinese manufacturers,” he said.

Source: innovationintextiles.com – Feb 01, 2017

HOME

****

Kenya cheers US withdrawal from TPP

The Kenyan ministry of trade has welcomed the US announcement of withdrawal from the Trans-Pacific Partnership (TPP) Agreement, as its duty free exports of textiles to the US, under the Africa Growth Opportunity Act (AGOA), would have hit Kenya bitterly. Under TPP, 12 other countries would have been eligible to export duty free to the US.

Earlier last year, Kenya and other AGOA signatory countries had lobbied to delay implementing TPP, which would have resulted in rivalry for duty free textile exports with 12 Pacific Ocean countries.

“The withdrawal from this trade agreement by Donald Trump is good news for Kenya, particularly the country’s textile industry,” Kenyan media reported, quoting the ministry of trade principal secretary Chris Kiptoo.

The country’s textile and apparel exports account for about 80 per cent of Kenya’s overall exports under the agreement.

Source: fibre2fashion.com – Feb 02, 2017

HOME

****

Russian Industry Ministry to support Zara speed up localization

Russian Ministry of Industry to help Zara Spanish retailer accelerate localization of production in Russia. They have also agreed to set up a project team in cooperation with Zara employees.

Deputy Minister Viktor Evtukhov at the meeting in the ministry said that they will help in finding reliable Russian partners, which will make possible to perform accelerated localization of production for items represented in Zara chain in Russia,

Proactive negotiations with Russian companies regarding the opportunity to place retailer’s orders started last year, the deputy minister said.

Large-scale contracts have already been made with Russia's TDL Textile on home textile; pre-contract negotiations with one of the largest Russian clothes producers are underway, Evtukhov said.

Furthermore, an opportunity to produce Zara stock keeping units particularly for Russia "subject to traditions, taste preferences, climatic specificities and growing confidence of buyers in goods produced in the country was also discussed at the meeting.

Source: yarnsandfibers.com - Feb 01, 2017

HOME

****

Indonesia & co. welcome US' TPP withdrawal

While Vietnam and Malaysia will not be too happy about the US' withrawal from the Trans Pacific Partnership (TPP), other Southeast Asian countries like Indonesia, the Philippines, Cambodia, Laos, Thailand and Myanmar can breathe a sigh of relief as they are now on par regarding trade conditions with the big US market.

Especially Southeast Asia's textile and garment industry is hoping for a long-awaited break after the US' decision to leave TPP because the agreement concerns a reduction of numerous duties between the member states for several products like agricultural produce, automobiles and textiles. While Southeast Asian countries were subjected to 10 percent import duty, Vietnam and Malaysia as TPP members were exempted but will not be so lucky now.

Indonesian textile and garment exporters in particular are looking west ecxpectanctly because the US is the most important export country for them: In 2016, around 36 percent of overall Indonesian textile and apparel exports went here, and this figure is expected to rise to 39 percent or 4.8 billion US dollars this year.

"The US' decision to quit the Trans Pacific Partnership pact will benefit our textile industry. We can now compete at the same price point as the other textile exporters," said Ade Sudrajat, chairman of the Indonesian Textile Association (API) according to the Jakarta Globe.

The difference can already be felt, just one week after the US decision. Indonesian textile and garment manufacturers have already noticed increased interest by potential buyers from the US in their products and pricing. "In terms of enthusiasm, things are already a lot better than last year," confirmed Sudrajat.

Vietnam and Malaysia will have to figure in the additional 10 percent when doing business with the US to make sure not to incur losses. However, they can still take advantage of similar preferential duty rates when doing business with other TPP members like Australia, Japan, Canada, Mexico and New Zealand.

Not to forget the EU market which, as low and mid income countries, waives import duties for Vietnam and Myanmar. As a G20 member, Indonesia is not as fortunate and does have to pay the corresponding duty, which is currently at 12.5 percent. Thus, it feels the strong competition from its small but entrepreneurial neighbours in this market. However, Indonesia and the EU are currently in talks to rectify the situation.

The new US president, Donald Trump, signed a decree on 23rd January 2017, only three days after his inauguration, for the United States to withdraw from the Trans Pacific Partnership.

Source: fashionunited.in- Feb 01, 2017

HOME

****

Pakistan: A wishy-washy textile package

Pakistan's exports are rapidly declining and within the break-up of national exports the share of the textile exports, which forms nearly two thirds of Pakistan's total exports, is nose-diving. This development becomes even more worrying read when one further dissects its trend.

What we see is that when we compare the period July-December 2016, with the same period in 2015, our value added sector lost heavily, whereas, the exports of raw cotton ironically gained grounds.

In essence this means, textile manufacturing in Pakistan is fast losing its competitiveness, factories are closing down and a large number of jobs are being lost – Textiles by nature and especially exports are known for being labour intensive by nature. Further, unlike what the government would like everyone to believe, the reality is that this decrease in our exports neither corresponds to any regional trend nor that to any global trend.

During the above-mentioned period in review, Bangladesh, Vietnam and Myanmar actually registered significant increases in their respective textile made-ups exports and textile made-ups per se, in the context of overall global textile trade, increased by nearly 2.40%. Needless to say the problem is at home and not somewhere else.

Anyway after a lot of cajoling and prodding the government finally realised that it had a serious situation on hand and something had to be done – Perhaps a year too late but then, better late than never! Amidst a lot of fanfare, Prime Minister, Nawaz Sharif, announced a textile package on January 09, 2017, allowing a rebate of 4% on yarn & grey fabric, 5% on processed fabric, 6% on made-ups and 7% on carpets, garments, sports & leather goods.

In addition, custom duty and sales tax on import of raw material was reduced to zero percent to ease raw material supply side issues; import of manmade fibre, except polyester, was allowed at zero percent; and import of machinery meant for the export industry was also allowed at zero percent.

The timing was good in the sense that it was announced virtually at the advent of the Heimtex 2017 – the largest home textile fair in the world – giving the exporters an ideal opportunity to start the year on the right note. However, as the respective notifications and implementation details now begin to unfold the excitement amongst exporters seems to be fading away. This initiative also, like many in the past, seems destined to be a victim bureaucratic negativity and hurdles.

No new revelation that for Pakistan to ever become an exporting tiger it first has to overcome Islamabad’s complete lack of understanding on global exports’ dynamics.

Without an integrated industrial and export trade strategy, the dream of high GDP growth will always remain elusive. Sadly, this yet again becomes apparent as the fine details gradually emerge of this textile package. For example, the initial period for giving rebates has been fixed from January 01, 2017 to June 30, 2017, where after only those firms will be allowed this facility that achieve a 10% growth.

Notwithstanding the fact that this period has subsequently been reduced by another 15 days (commencement now on January 16, 2017), the issue is that such a linkage totally negates the need of the hour, which for now is not to expect an increase but to primarily arrest the declining trend in our exports; any talk about growth can come later once stabilisation is achieved. Further, how can any company vying for international sales make a break-through in a short period of only 165 days and then also go on to post a 10% growth – And by the way, all this merely on the back of a 4 to 7% rebate? One often wonders: who makes these calculations?

Also, one reckons the government has learnt nothing from the previous rebate drawback mechanism's fiasco or has it! We all know by now that to avoid graft and fake claims, export rebates should always be kept simple: Upon receipt of a foreign exchange payment, the exporter should be directly reimbursed by the State bank through the commercial bank via which the exports were originally routed. This ensures timely payments, transparency, avoids corruption or the burden of unnecessary deductions, and optimises the net effect of the given incentive. Lastly, any fear of artificial foreign exchange inflows to claim excessive rebates – as being feared by a circle of revenue officials – is totally unfounded, simply because the rationale and the math of the entire exercise does not add up.

In short, the government will do well by understanding the true spirit behind providing such facilitation to exporters. A basic back-of-the-envelope calculation is enough to explain how the real winner in this endeavour will always be the government itself.

Given the external account woes, this essentially means securing foreign exchange at a cost of between 4 to 7%, as against borrowing from the international market at more than 8%. Also, this cost will only decrease over time while adding to national growth and job creation, whereas, for the open market the cost will only escalate with each successive float/borrowing.

In addition, if these rebates can yield the desired results, it means that the government in essence can access foreign exchange at a comparatively cheaper rate of about 5% and at the same time also address national competitiveness. Calculate the GSP plus package backwards and what it tells you is that even the importers of Pakistani textiles believe that manufacturing in Pakistan at present is un-competitive by close to 15%.

With pressure on foreign exchange outflows likely to increase in the coming months – external debt repayments, firming up oil prices, rising imports and fast increasing profit/dividends repatriation – boosting or at least stabilising exports will be critical in 2017. To ensure that efforts in this regard do not go in vain or simply fall prey to traditional hurdles, the following will be essential:

The government to first realise that the main issue that confronts our manufacturing is that of competitiveness (a difference of anywhere between 10% to 15% with regional competitors) and there are only two quick-fix solutions: a) devalue currency by as much or b) to see to it that the support package it has announced practically works by further improving upon it.

The writer recommends the following: 5% gradual currency devaluation (by June 2017); extending the applicability of announced rebates to December 30, 2017, and thereafter linking them to a firm's retention of dollar-based export sales instead of linking to 10% growth in sales (a dollar denomination will in any case mean a minimum 5% increase in rupee exports); all rebates to be directly payable upon receipt of payment by the central bank into exporters' accounts; and in addition abolishing all line-loss surcharges being unfairly charged to the industry in its power bills.

Source: pakistantoday.com.pk- Feb 02, 2017

HOME

****

Moscow region to become centre of Russian technical textiles production

The Moscow region is expected to become one of the centres of the Russian technical textiles and nonwovens production during the next several years, due to the ever improving investment climate and the increase in state support, according to leading Russian analysts and technical textiles producers.

In recent years, the development of technical textiles industry has become one of the priorities for the Moscow city government. This is confirmed by the statements of local officials. According to an official spokesman of the department of economic policy and development of Moscow, last year more than 30 local technical textiles and nonwovens producers received support from the Moscow city government, and there is a possibility that the same policy will be implemented this year.

The provided support is mostly in the form of tax incentives and benefits. According to the Moscow city government, it means that tax burden against some local producers of technical textiles and nonwovens, which production facilities are located within the territory of the city, was reduced by 17-25%.

It is planned that this year another 28 companies, specialising in the technical textiles and nonwovens production, will receive the support from the Moscow authorities.

According to Maxim Reshetnikov, head of the Moscow Department of Economic Policy and Development, the development of technical textiles industry in recent years has become a priority not only for the Russian federal government, but also for the Moscow regional authorities, which is reflected in the design of benefit packages, aimed at producers.

As part of these plans, Moscow authorities plan to establish up to 10 technology parks and technopolises that will provide tax- and other benefits to their residents, as well as reduced rents and consultation services, while the priority will be given to the domestic producers.

At the same time, the list of the proposed benefits also includes the abolishment of income tax, property tax, land tax, as well as the reduction of land rent.

It is reported that R&D support in the implementation of these plans will be provided by the Moscow State University, one of Russia's largest and most prestigious higher education institutions, which has recently announced its plans to invest in R&D activities in the field of nonwovens and technical textiles.

Currently, the Moscow technical textiles industry is comprised of several large-scale enterprises, probably the biggest of which is Thermopol, one of Russia's leading producers of nonwovens.

Implementation of these plans will be part of the existing regional programme, which is known as *The support the real economy for import substitution within the territory of Moscow city and the Moscow region*, and which was launched by the Moscow city government in the beginning of last year, with the aim to ensure import substitution.

In exchange of support provision, investors in turn will be obliged to make commitments to invest at least 1 billion rubles (US$ 15 million) in the implementation of their projects within the territory of the Moscow city and the Moscow region during the next five years.

It is planned that the majority of future production will be supplied for the needs of the local market, as Moscow still remains the largest consumer of technical textiles and nonwovens products in Russia.

According to analysts of the Moscow Department of Economic Policy and Development, the consumption of technical textiles in the Moscow region will be steadily growing in coming years, due to the ongoing recovery of the Russian economy from the consequences of the financial crisis and the growth of demand for technical textiles from the major consuming industries, in particular, defence, which, according to predictions of analysts of the Russian Ministry of Industry and Trade, will consume up to 60% of the domestic technical textiles production in the coming years.

Still, despite Moscow being Russia's richest region (in terms of purchasing power of local consumers) to date, rapid development of the local technical textiles industry has been challenged by serious obstacles.

According to the Department of Economic Policy and Development, the industry requires long-term investments, primarily in fixed assets, while the provision of state support will help to solve this problem.

At the same time, the lack of inter-city distribution network for raw materials, semi-finished and finished products to date has been another problem, which complicated the development of the Moscow technical textiles industry.

In the meantime, leading Russian technical textiles producers have already welcomed the plans of the Moscow city government to create conditions for the development of the city's industry.

According to Andrei Razbrodin, head of the Russian Union of Textile and Light Industry Producers (Soyzlegprom), a public association, which unites Russia's leading textile and technical textiles producers, in recent years leading Russian producers have managed to keep the same production volumes as in the past, despite the financial crisis and its consequences in Russia; however, they were not able to achieve any growth.

According to Soyzlegprom, the decision of the Moscow city government to provide significant benefits to those producers, which are willing to make significant investments in the city's technical textiles industry, should significantly improve the situation in the entire Russian technical textiles industry and will provide an impetus for its further growth.

Analysts believe that Moscow could become one of the centres of the Russian technical textiles and nonwovens production in the coming years and to overtake Tatarstan Republic, as well as some other regions in the Russian Ural and Siberia, which are characterised by rich raw materials base. This should also help to implement ambitious state plans to increase the share of domestically-made technical textile products from the current 25% to about 60% of the market.

Source: innovationintextiles.com - Feb 01, 2017

HOME

****

NATIONAL NEWS

Budget: Textile lobby seeks restoration of some incentives

The Cotton Textiles Export Promotion Council (TEXPROCIL) today welcomed the Budget and appealed the Government to restore some of the incentives relating to interest subvention for merchant exporters and cotton yarn and MEIS benefit for cotton yarns.

The job creating package for textile sector found a worthy mention in the latest Economic Survey 2016-17. However, the made-ups sector which is included in the package still awaits the rates on ROSL scheme (Refund of State Levies), TEXPROCIL Chairman Ujwal Lahoti said here. He said he hoped the rates will be announced soon so that the sector could take advantage of this path breaking scheme.

Lahoti welcomed the 5 per cent reduction in corporate income tax for medium and small enterprises with Rs 50 crore turnover. This will benefit a large number of MSMEs in the textile sector also. He appreciated that the Government will continue to take measures to boost growth as well as employment generation. He however stated that export sector, which was languishing on account of low overseas demand and rising protectionism, had not found a mention in the budget.

He appealed to the Government to restore some of the incentives relating to interest subvention for merchant exporters and cotton yarn and MEIS benefit for cotton yarns.

He further stated that the Economic Survey 2016-17 in Chapter 7 has expressed concern on Indian exporters of garments/ textiles being disadvantaged in foreign markets on account of absence of Free Trade Agreements (FTAs).

In fact the Economic Survey has estimated that an FTA with EU and UK can lead to almost 1 lakh additional jobs being created in the garment sector apart from an increase in exports of USD 2 billion. If fabrics and made-up industries are also included in this calculation, the exports can easily increase to USD 3.5 billion and an additional 1 million jobs can be created.

Considering the fact that the FTA with EU may take some time, Government should immediately consider giving an additional benefit of 3% MEIS for exports of made-ups to EU so that the adverse impact can be mitigated to some extent, till such time the FTA is signed.

M B Raghunath, President (Sales & Marketing) of Mafatlal Industries welcomed the budget and stated that the garment sector will have a boost on long term basis due to 35 per cent increase in government expenditures in rural infrastructure development; rural investment and rural economic improvement will boost demand for textiles and garments. SSI & Medium Scale textiles and garment manufacturing companies will be benefiting from this.

Overall it is an encouraging budget with a long term vision, Raghunath said.

Source: business-standard.com- Feb 01, 2017

HOME

****

Indian Union Budget 2017-18: Highlights

Following are the main points of Finance Minister Arun Jaitley's Budget Speech presented in Parliament:

Net revenue loss in direct tax would be Rs 20,000 crore

For revenue consideration, trying to bring maximum use of technology. Maximise efforts for e-assessment.

GST: Will bring more revenue as tax net will increase

GST: Preparedness of IT system on schedule.

Simple 1 page form to be filed for Income tax for income up to Rs 5 lakh

All other categories of income (i.e. above 5 lakhs) would get uniform benefit of Rs 12,500

Taxation for individual assesseess reduced from 10% to 5% for income between Rs 2.5 lakhs and 5 lakhs

Personal Income Tax: Burden currently on salaried employees.

Time period of revising tax refund reduced to 12 months, and for scrutiny reduced to 18 months from 21 months

TDS of 5% now exempted for Insurance agents

Ease of doing business: Increase in threshold limit increased to Rs 2 crore for audit from the earlier Rs 1 crore

An amendment to RBI Act to issue Electoral Bonds. Every political party will have to file returns.

Political parties will be entitled to receive donations by cheque or in the digital mode

Transparency in political funding: Max amount of cash donation a political party can receive will be Rs 2,000 from any one source

No transaction above Rs 3 lakh would be permitted in cash

To promote Make in India, changes in customs duty on some items.

Medium and small enterprises provide maximum employment. 2.85 lakh companies making a profit of less than Rs 1 crore. For MSME companies, income tax reduced to 25% if turnover is less than Rs 50 crore. 96% of India's companies will get this benefit of 5% tax reduction.

Minimum alternative tax: Not feasible to remove this at present.

Basket for investing capital gains to be expanded.

Propose to make changes in capital gain tax in property. Long term capital gain reduced from 3 years to 2 years for immovable property.

For affordable housing, the carpet area of 30 and 60 sq m will now be completed. 30 sq m will apply only in metro cities. This scheme extended to 5 years.

We will end 2016-17 with an increase of 17% in net tax revenue. Personal income declaration to be increased by 34.8%

To eliminate black money - taxation rates are to be made reasonable, and tax base needs to be expanded

We are largely tax non-compliance society: FM Arun Jaitley

Out of 76 lakh individual assesses who declared income of about Rs 5 lakhs per annum, 56 lakhs are salaried.

Direct tax collection not commensurate with the size of the economy

FM to now present tax proposals

Revenue deficit pegged at 1.9% in 2017-18

Fiscal deficit target for 2017-18 at 3.82% of GDP; and 3% for 2018-19

Defence expenditure (excluding pension) allocation increased to Rs 2,74,114 crore

Fiscal situation: Total expenditure 2017-18 is Rs 21 lakh crore; Focus now on revenue and capital expenditure.

Special online travel booking portal for defence personnel

Public service: Head Post office to be utilised as the front office for Passport services

Govt to create Payment Regulatory Board in RBI

Aadhar based POS terminals to be established at merchant establishments

BHIM App: 125 lakh people have already adopted. Two new schemes to promote this App - Referal scheme and Cashback scheme

Digital economy: India now at the crux of massive digital revolution: FM Jaitley

PM Mudra Yojana: For 2017-18 target doubled to Rs 2,44,000 crore

Rs 10,000 crore for recapitalisation of banks

A new ETF will be launched in 2017-18

Propose to create an integrated oil major

Divestment policy announced in last Budget will continue

Cyber security: A team would be set up

To integrate stock and derivative market for commodity trading

Financial sector: To abolish FIPB in 2017-18; Roadmap for the same to be announced soon.

Trade Infrastructure Exports Scheme to be launched. Total allocation for infrastructe is Rs 3,96,135 crore

Taking steps to make India a global hub for electronic manufacture

Energy sector: To set up strategic crude reserves at 2 more places in Odisha and Rajasthan.

Telecom sector: Under BharatNet project, allocation stepped up

Airport Authority of India Act to be amended

Allocation increased to Rs 64,000 crore for National Highways

New Metro Rail Policy to be announced. It will open up more job opportunities.

Endeavour to be to improve operating efficiency of Railways

Service charges for tickets booked through IRCTC will be withdrawn

Railways to undertake end-to-end delivery for selected commodities.

All railway coaches to be fitted with bio-toilets by 2019.

SMS based 'Clean my coach' service has been started in Railways

At least 25 railway stations to be awarded for redeployment.

Railway lines of 3,500 km to be commissioned in 2017-18

Infrastructure: For 2017-18, Railways will focus on passenger safety and financial accounting reforms.

For senior citizens, Aadhar based smart cards containing their health details will be introduced.

Special importance to schemes for the welfare of SCs, STs and minorities; Budget allocation increased by 35% for SCs.

Legislative reforms to simplify and rationalise labour laws

Two new AIIMS to be set up in Jharkhand and Gujarat

1.5 lakh health centres to be transformed into Health Wellness Centres

An Action Plan to eliminate Kala azar, leprosy, tuberculosis, etc.
Poor & Underprivileged: Affordable housing to be given 'Infrastructure' status. National Housing Bank will refinance housing loans.

Scheme for leather and footwear sector skill training to be implemented; similar to the existing scheme for textiles and garment

'Sankalp' will provide market relevant training.

PM Kaushal Kendras to be extended to more than 600 districts across the country.

National Testing Authority to be set up to conduct all entrance exams.

Swayam platform to enable students to virtually attend classes taught by best faculty. Linked with DTH channels.

Youth - Emphasis on science education; Focus on 3,749 educationally backward blocks.

Rs 1,87,223 crore total allocation for rural areas; 24% higher than last year.

Sanitation coverage increased from 42% to 60%

PM's employment generation scheme: Allocation increased 3 times

On way to achieve 100% rural electrification by May

PM awas yojana (gramin) allocation increased

Rs 19,000 crore for PMGSY in 2017-18

PM gram sadak yojana - pace of construction accelerated to 133 km per day

Highest ever allocation for MNREGA at Rs 48,000 crore

MNREGA - Participation of women has increased.

Rural development - Mission Antodyay to bring 1 crore households out of poverty

Dairy farming - A dairy processing infrastructure fund to be set up with a corpus of Rs 2,000 crore.

Micro irrigation fund to be set up by NABARD for "per drop, more crop"

Soil Health Cards: Mini labs to be set up

Will work with NABARD for seamless flow of credit to farmers: FM

Farmers - Special efforts to ensure adequate credit to underserved areas like the Northeast

10 themes: Farmers, rural population, youth, poor & underprivileged; infrastructure; financial sector; digital economy; public service; prudent fiscal management; and tax administration (honouring the honest)

Agenda for next year is - Transform, energise and clean/tech India

Budget 2017-18 contains 3 major reforms: Advancement of Budget date to Feb 1; Merger of Railway budget with general budget; and Done away with Plan and Non-Plan expenditure: FM

My priority is to spend more in rural areas, infrastructure and poverty alleviation and yet maintain fiscal prudence: Arun Jaitley

Demonetisation seeks to create a new normal where GDP is bigger

Demonetisation was a bold and decisive measure by the government: FM

India has become 6th largest manufacturing country in the world; up from 9th previously.

Foreign exchane reserves reach $360 billion

India's CAD declined to 0.3% of GDP in first half of 2016-17

Three major challenges - current monetary policy stance of US; uncertainty around crude oil prices; signs of increasing retreat from globalisation: FM

World economy facing considerable uncertianty: FM

Govt is now seen as a trusted custodian of their money: Jaitley

We have moved towards policy based administration: FM

Good governance is the underlined theme of people's expectations, says Jaitley

Source: fibre2fashion.com – Feb 01, 2017

HOME

****

Textile sector welcomes Union Budget 2017-18

The Indian textile sector considers the Union Budget 2017-18 to be growth oriented as it will enable the manufacturing sectors to grow at a faster rate. The budget's focus on areas like infrastructure development and youth skills development, and tax reduction for MSME industrial units will boost the local economy and create additional jobs.

"The main demand of the association of continuing the existing tax structure including the service tax and optional Cenvat route extended for textile industry till the GST is implemented has been considered in the budget," said M Senthilkumar, chairman, The Southern India Mills' Association (SIMA).

"The budget's strong focus on human development and youth skills development will directly improve the manufacturing sector," said BK Goenka, Chairman, Welspun Group.

The head of SIMA also said that the cluster approach for contract farming would greatly benefit the predominantly cotton based textile industry.

"The other benefits extended such as 5 per cent reduction in the tax for MSME industrial units, additional allocation to the banks for NPA accounts, cashless transaction, labour reform and relaxation of FDI norms by abolishing Foreign Investment Promotion Board (FIPB) would also benefit the textile industry," added the chairman of SIMA.

The industry has lauded the government's move to focus on infrastructure, housing and rural development in this year's budget.

"The objective of doubling farmers' income, housing for one crore rural Indians, skilling of youth by establishing 100 India International Skill Centres, development of infrastructure to provide end to end solution by integrating road, rail and ship would greatly benefit the textile industry," added Senthilkumar.

"This is a budget with a positive spirit and with an intention to increase transparencies across the board.

There is a lot of focus on infrastructure, housing, agriculture and rural development, which is a very good thing considering that 70 per cent of India lives in rural areas and that is where the focus of the development should be," added Goenka.

The budget's focus on infrastructure development – within the country and also exporting it – is a very positive step, according to Goenka. "The rural focus combined with infrastructure development is what will bring about true development.

The proposed launch of 'Swayam' in exhaustive ICT courses and 'Sankalp' for skill development of youth is a step that will positively impact the nation's overall productivity in general and the manufacturing sector in specific."

Source: fibre2fashion.com- Feb 01, 2017

HOME

****

Budget 2017: Govt must work towards policy rationalisation to push exports

While the Economic Survey sought to make Indian apparel, leather and footwear globally competitive, it acknowledged that the labour laws, taxes and tariffs and limited availability of cattle for slaughter are creating barriers for the sectors.

The survey suggested the need to undertake rationalisation of domestic policies, which are inconsistent with global demand patterns.

In the textile sector, India's comparative advantage of cheaper labour does not seem to work in its favour due to problems like regulations on minimum overtime pay, onerous mandatory contributions that become de facto taxes for low-paid workers in small firms that result in a 45 per cent lower disposable salary, lack of flexibility in part-time work and high minimum wages in some cases.

Besides, costs and time involved in getting goods from factory to destinations are greater in India than those for other countries.

In both apparel and footwear sectors, tax and tariff policies create distortions impeding India in gaining export competitiveness.

India imposes a 10 per cent tariff on man-made fibres vis- a-vis 6 per cent on cotton fibres. On the other hand, domestic taxes also favour cotton-based production rather than production based on man-made fibres, and leather footwear rather than non-leather footwear. The global demand for apparel is moving from cotton fibre products to man-made fibre and similarly footwear of non-leather, it added.

"The industry has to align itself with the global market and promote synthetic textile. The employment in the sector will double and the growth will not be at the cost of cotton textiles. While the cotton textile market too will continue to grow, synthetic textiles itself has the potential to triple the industry in next 10 years," said D K Nair, former secretary general, Confederation of Indian Textile Industry.

The survey also finds that India's competitors enjoy better market access by way of zero or at least lower tariffs in the two major importing markets – the US and European Community (EU). As far as leather sector is concerned, despite having a large cattle population, India's share of cattle leather exports is low and declining due to limited availability of cattle for slaughter in India.

The survey suggests several measures to make these sectors globally competitive and unlock their potential for creating new jobs and generating growth. It recommends that there is a need to undertake rationalisation of domestic policies, which are inconsistent with global demand patterns. "We need a fibre neutral policies and taxation structure that treats all inputs for the textile industry equally, this would benefit acceleration of the consumption of manmade fibres and also help India to capture a larger global market and share," according to Reliance Industries spokesperson.

Several measures have been initiated that form part of the package approved by the government for textiles and apparels in June 2016, the survey notes. Accordingly, textile and apparel firms will be provided a subsidy for increasing employment, but these need to be complemented by further actions.

An FTA with EU and UK in the case of apparel will offset an existing disadvantage by India's competitors- Bangladesh, Vietnam and Ethiopia. In the case of leather and footwear, the FTA might give India an advantage over competitors. In both cases, the incremental impact would be positive.

The introduction of the GST offers an opportunity to rationalise domestic indirect taxes so that they do not discriminate in the case of apparels against the production of clothing that uses man-made fibres, and in the case of footwear against the production of non-leather based footwear. Labour law reforms would encourage employment creation in these two sectors, it added.

The survey finds that India has an opportunity to push exports since rising wage levels in China has resulted in China stabilising or losing market share in these products. India is well positioned to take advantage of China's deteriorating competitiveness due to lower wage costs in most Indian states.

Source: deccanchronicle.com– Feb 01, 2017

HOME

****

Breather for bicycle industry & textiles

The Union Budget for this fiscal year tabled in Parliament by Finance Minister Arun Jaitley has generated a mixed response in the business fraternity of Ludhiana. While the industry appreciated the government focus on infrastructure and thrust in investment in agriculture and rural development, at the same time it said the government should have walked a little extra mile to boost the industry by offering tax incentives.

Engineering export and hand tools

The engineering industry comprises hand tools, auto parts, casting and forgings, cycle parts, textile equipment, etc. The total turnover of engineering exports from Punjab alone is around Rs 30,000 crore.

SC Ralhan of Ludhiana-based Sri Tools Industries and also president of the Federation of Indian Exporters Organisation, said:

"The investment of close to Rs 4 lakh crore in the infrastructure encompassing road, railways and aviation would not only improve competitiveness of the manufacturing and exports sector but would reduce the logistics cost of exports as well.

While Trade Related Infrastructure Scheme is welcomed, it would require sufficient funding to make an impact. The MSME sector with a turnover of up to Rs 50 crore will get a boost with reduction in income tax.

He added that the global challenges highlighted in the Union Budget require us to be on our toes and revisit our strategy to push exports in such volatile global conditions. Ralhan expressed his disappointment as aggressive marketing strategy through an Export Development Fund did not see the light of day.

Textile industry

In Punjab, the textile industry accounts for 19% of the total industrial production and contributes about 38% of the total exports from the state. Punjab accounts for 14% of the total cotton yarn production in India and is one of the leading exporters of yarn, hosiery and ready-made garments.

"The government has already announced a Rs 6,000-crore package in 2016 for the textile and apparel sector, so there were not much expectations. However, setting up skill development centres and the Finance Minister's announcement to bring reforms in labour laws is likely to boost the textile sector," said Ajit Lakra, managing director, Superfine Knitters Ltd.

However, yarn traders said it's aimless budget without any concrete road map. Radhey Shyam Ahuja, a yarn dealer from Ludhiana said: "We wanted tax relief but it was not mentioned in the Budget, which will hurt the traders. But at the same time we welcome the government move to lower the income tax slab."

Cycle industry

With more than 50,000 cycles manufactured every day, Ludhiana is the hub for bicycle manufacturing in India. Rishi Pahwa, Joint MD, Avon Cycles, said:

"Increased spending on infrastructure will boost the demand for cycles. Also, the MSME sector with a turnover of up to Rs 50 crore will get a boost with a reduction in income tax by 5 per cent. This will benefit the vendors as well as manufacturers.

Thirdly, the limiting of cash deposit to Rs 3 lakh is a welcome step by the government as it will discourage unorganised players."

Source: tribuneindia.com - Feb 01, 2017

HOME

****

GST, demonetisation to attract foreign investment: Walmart

The Goods and Services Tax (GST) along with demonetisation and new structural reforms introduced by the government are likely to drive the retail sector of India into modern economy, according to Krish Iyer, CEO of Walmart India.

He said that these measures adopted by the government will also attract a significant amount of foreign investment.

Regarding demonetisation, Iyer said that it initially affected Walmart's business, but consequently proved beneficial for the company.

Before demonetisation, non-cash transactions accounted for 30 per cent of the total Walmart India business. This number has now increased to 70 per cent, said media reports quoting Iyer.

The company plans to work on considerably reducing food wastage and improve sustainable operations in the country, according to Iyer.

In the 'cash and carry' format, the company currently operates 21 stores in India and plans to have 50 more stores across the country in the next five years.

Source: fibre2fashion.com- Feb 01, 2017

HOME

****

Budget outlay of Rs 1,555 crore to boost garment exports: Smriti Irani

Union Minister Smriti Irani today said the Rs 1,555-crore outlay in the Budget for remission of state levies will "greatly benefit" exports in the garments and made-ups segment of textiles.

Putting out a series of tweets, Irani said she was "thankful" of the Rs 6,226.50 crore provision in the Budget for textiles.

She felt that it will provide "a major boost to exports and employment, especially for women".

Irani said that for the first time, the Budget has provided Rs 200 crore under PM Paridhan Rojgar Yojna to boost employment in the garment segment.

Besides, the reduction in corporate tax for MSME units with turnover of up to Rs 50 crore "will benefit large number of textiles units".

According to her, the decrease of 2.5 per cent in Customs duty on nylon mono filament yarn will have a positive impact on the fishing net export market.

Source: economictimes.com - Feb 01, 2017

HOME

****