TEXTILE INTELLIGENCE CENTRE
iBtex.
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. 258 of 2016 Dec 22, 2016

USD 67.90 | EUR 70.87 | GBP 83.93 | JPY 0.58

Cotton Market Update

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

Rs./Bale	Rs./Candy	USD Cent/lb
18406	38500	**72.31**

Domestic Futures Price (Ex. Gin), December

Rs./Bale	Rs./Candy	USD Cent/lb
19220	40204	**75.51**

International Futures Price

NY ICE USD Cents/lb (March 2017)	69.77
ZCE Yuan/MT (January 2017)	14,995
ZCE Cotton: USD Cents/lb	**83.38**
Cotlook A Index – Physical	**78.20**

Cotton & currency guide: Cotton for ICE March delivery rose 1.1% to end at 70.13 cents a pound on the ICE Futures U.S. exchange tracking weak US dollar.

The Wall Street Journal dollar index, which measures the dollar against a basket of currencies, was down 0.2% recently, making dollar denominated goods relatively less expensive abroad.

The USDA reported that as of the week ended Dec. 15 it had classed 967,649 bales of upland cotton, the most common variety grown in the U.S., which brings the season total to about 75% of USDA's expected production.

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

NEWS CLIPPINGS

	INTERNATIONAL NEWS
No	**Topics**
1	Trump and Trade: A Plus for American Workers?
2	Pakistan: Textile exports declined 1.94pc in July-Nov
3	Vietnam: Tet bonus plans vary among industries
4	Freight Rates Up and Rising for East-West Shippers
5	Bangladesh: BGMEA Shuts 55 Garment Factories Amid Wage Strike
6	Pakistan, Iran to discuss FTA prospects
7	USA: Promotional Holiday Puts Pressure on Apparel Prices
8	Vietnam: Over 150 firms to participate at fashion fair
9	Pakistan denim export to US hampered due to high production cost
10	USA: Apparel second-most popular category in m-commerce
11	Sri Lanka: Expert wants domestic apparel market players to export
12	China's cotton yield continues dropping in 2016
13	Pakistan: Collaboration: Chinese delegation expresses interest in textile
14	Vietnam’s textile exports fray to 10-year slump in 2016
15	Chinese cotton price expected to rise in Q2, 2017
	NATIONAL NEWS
1	Coimbatore to host seminar on investment in technical textiles
2	Self-registration of firms for shipping final goods to EU
3	‘Developers of new SEZs need security clearance from Home Ministry’
4	FM receives suggestions for Union Budget 2017-18
5	GSTN begins enrolling taxpayers on its system
6	Labelling norms for loose garments relaxed
7	Pakistan govt permits conditional import of Indian cotton
8	Budget 2017: GST rollout uncertainty continues, ball in Arun Jaitley court over textile sector excise duty
9	Digital payments will ensure labourers get minimum wage, says Smriti Irani

INTERNATIONAL NEWS

USA: Trump and Trade: A Plus for American Workers?

On a good day, Donald Trump can fool some people into thinking that he will change trade policy for the better. He's for keeping more jobs in the U.S., renegotiating NAFTA, and taking a tougher line with China.

He did a cute publicity stunt, strong-arming Greg Hayes, the CEO of Carrier's parent corporation into keeping several hundred jobs in Indiana (lubricated by tax breaks).

Progressives were on the verge of killing the misconceived Trans-Pacific Partnership, when Donald Trump administered the coup de grace—and took the credit.

Trade deals like TPP, and NAFTA before it, signaled to American workers that trade policy was mainly for corporate and financial elites, not for regular people. Despite the repeated claims that these deals would produce expanded benefits for all, the benefits went to the top.

The fact that Bill Clinton, Barack Obama, and Hillary Clinton all promoted NAFTA and TPP (until Hillary awkwardly tried to walk back her support), split the progressive coalition and helped Trump.

Some pro-business economic nationalists, such as Alan Tonelson, have contended that progressives, therefore, ought to be applauding Trump's trade initiatives.

Should they?

Trump's top adviser on trade, Dan DiMicco, is former CEO of Nucor Steel, a very successful (and viciously anti-union) mini-mill producer, which has on occasion filed trade complaints against China. It's not clear whether DiMicco will get a job in the administration, but DiMicco supports U.S. manufacturing and is very familiar with the games that China plays.

Trump's commerce secretary-designate Wilbur Ross is also a longtime critic of the U.S. government's failure to get tougher with China.

Trump's people are already reaching out to some progressive activists on trade. It makes sense to listen, even to make suggestions, but then to be very, very skeptical of the results.

Trump has decided to ally with Russia and get tougher with China. You could imagine Trump taking a harder line against China's subsidized exports. The U.S. government has the authority to initiate anti-dumping trade cases, but with America's kid-gloves policy towards China, that not has been done since the 1980s.

In industry after industry, complaints against China's displacement of American jobs, and the cost of pursuing those complaints, have had to come from private parties—unions and companies. If Trump were to change that policy, it would be hard for progressives not to applaud, even while holding their noses.

For instance, New York City just signed a contract to use public money give a Chinese state owned company, the China Railway Rolling Stock Corporation (CRRC) the contract to build at least 1,025 new subway cars. CRRC has already built about 1,000 subway cars for Boston and Chicago. As part of the New York deal, the Chinese state company gets to acquire a U.S. producer of rail cars. That aspect of the deal required the approval of President Obama, and certification that the deal did not have national security implications, over the objections of a rare bipartisan group of 42 senators.

Deals like this happen all the time. If would not be hard for Trump, as a good New Yorker, to insist that this contract go to an American producer. That would be a nice symbolic demonstration of concern for U.S. industry and jobs, as well as a way of showing up the Democrats.

Trump might also brand China a currency manipulator and use that designation as a rationale to raise tariffs on Chinese exports across the board. However, that could play havoc with the supply chains of American companies, without necessarily raising wages in either the U.S. or China.

At the end of the day, Trump has to decide what his real goals are with China—some nice symbolic victories, or a true transformation of U.S. corporate reliance on low-wage export platforms offshore. With all of his corporate chums, let's not hold our breath.

Photo-ops with executives pressured into keeping a few more jobs at home may be smart politics for Trump, but they don't add up to a trade policy. Trump is very unlikely to change the larger set of rules, of which trade is only one part, that have been so bad for workers and citizens.

Going back to first principles, it helps to review what our basic trade policy has been—and what it would take to transform it. For one thing, trade rules have been used to promote a set of global rules that define ordinary forms of financial, labor, health, safety, and environmental regulation as violations of free trade.

Secondly, trade policy has promoted deals like NAFTA that not only make it easier to export and outsource jobs, but create extra-legal private tribunals to which corporations and banks can file complaints and not have the decisions subject to court review.

Third, trade policy has failed to challenge the mercantilist practices of other nations that close foreign markets to U.S. exports and leave American producers vulnerable to subsidized imports. That has caused the Midwest to hemorrhage jobs—and again, opened the door to Trump.

In the 1970s and 1980s, U.S. trade policy displayed these odd indulgences because state-led economies like Japan and Korea were good Cold War allies. More recently, American presidents have failed to get tough with China—no ally—in part because China cut a deal with American financiers to give them a piece of the action (thank you, Robert Rubin) and in part because U.S.-based multinationals are quite happy to produce in China's low-wage, subsidized factories.

In other words, trade policies under both Democratic and Republican presidents have helped American industry and finance sell out American workers. This was the year that somebody called them on it, and workers noticed.

It also helps to remember that America's misguided trade policies are part of a suite of policies that have been bad for workers. The others include financial deregulation, inadequate labor regulation, tax policies that promote outsourcing, insufficient public investment, and a war on unions.

Trump's policies in all of these other areas are likely to make things worse, not better. Just look at the people he is appointing to key labor, environmental, and regulatory posts.

Trump may try to keep a few more jobs at home—but by destroying social standards he assures that they will mostly be low-wage jobs. For decades, progressives have been calling for a new global trade regime that raises rather than lower social standards, in labor, the environment, health, and human rights. Whatever else Trump delivers, he will not deliver that.

What he might deliver, though, is a form of economic nationalism that helps his corporate allies, while doing a bit for American workers—mainly some workers in extractive industries, a relative handful of production workers, and some construction jobs if he gets serious about infrastructure (though he also supports killing the Davis Bacon Act which supports construction wages).

As the outlines of his policies become clearer, there may be occasional points of convergence, such as the mercy killing of TPP, and the retention of some jobs at Carrier (though it didn't take Trump long to trash the president of the union local), and some get-tough stuff with China.

Here is the risk. A moderately tougher trade policy could take the spotlight off the net effect of all of Trump's policies on workers.

As Trump goes through the motions of a pursuing a trade policy that serves the people who voted for him, our job is to be very careful not to be gulled or co-opted, to keep pointing out what a real pro-worker set of policies looks like, and to challenge Trump to support one.

Source: prospect.org– Dec 20, 2016

HOME

****

Pakistan: Textile exports declined 1.94pc in July-Nov

Textile exports went down by 1.94 percent during five months (July-November) of the current financial year.

The country exported textile goods worth of $5.1 billion during July-November period of the FY2017 as against $5.2 billion of the corresponding period of the last year. The country's overall exports are continuously declining from last couple of years due to internal as well as external issue.

Overall exports recorded at $8.2 billion during July-November period of the FY2016-17 as against $8.5 billion of the corresponding period of the previous year, according to the fresh data of Pakistan Bureau of Statistics (PBS).

According to the PBS data, the break-up of textile's exports showed that export of cotton yarn declined to $545 million during July-November of FY2017 from $593 million of the same period of last year, showing a decline of 8.09 percent. Cotton cloth export came down to $896.8 million from $923.7 million, registering 2.9 percent fall.

Meanwhile, yarn's export (cotton yarn excluded) recorded a decline of 30 percent. Towels exports reduced by 8.63 percent to $310.8 million in July-November period of the FY2017 from $340 million of the corresponding period of the last year.

Knitwear export during the period under review went up by 0.03 percent to $996 million. Exports of towels, tents, canvas and tarpaulin and readymade garments recorded an increase of 70.49 percent to $55 million in the first five months of the FY2017 from $32.3 million of the same period of the previous year.

Meanwhile, exports of bed wear showed growth of 3.57 percent to reach at $873.3 million from $843.3 million. Exports of made-up articles (excluding towels bed-wear) also showed growth of 5.11 percent.

Meanwhile, food sector exports reduced by 10.42 percent to $1.3 billion during July-November period of FY2016-17 from $1.48 million of the last year.

In food group, rice exports went down by 18.99 percent to $557.6 million during five months of the current fiscal year as against $688 million of previous year. The vegetables exports recorded decline of 29.1 percent and remained at $47.8 million. Interestingly, there is no growth or decline in exports of pulses as they remained at zero level.

Wheat exports registered an increase of 100 percent, as the country exported wheat worth $191 million. Sugar's exports declined by 100 percent and meat and its products exports also tumbled by over 19 percent during July-November period.

Meanwhile, the exports of petroleum and coal products decreased by 20.17 percent, manufacturing products by 6.12 percent, while the exports of leather products dropped by 5.63 percent during July-November period of FY 2017.

Meanwhile, the country's imports recorded an increase of 8.83 percent during July-November period of the FY2017. Pakistan imported goods worth $19.96 billion during the five months of the ongoing financial year as compared to $18.35 billion of the same period of the last year.

In imports, the country imported oil products worth of $4.08 billion during July-November of the ongoing financial year as against $3.86 billion of the same period of the previous year showing an increase of 5.59 percent.

Source: nation.com.pk– Dec 21, 2016

HOME

****

Vietnam: Tet bonus plans vary among industries

The well-performing real estate sector is present on the top five with the highest bonuses, so the Tet bonuses offered by employers in the sector should be also among the top, according to a survey published by consulting firm Macconsult. The average bonus of this industry is VND65 million for senior positions.

Finance is another leader in terms of bonus giving and will probably give generous Tet rewards. Techcombank has recently unveiled their Tet bonus plan, with a reward equivalent to 1.5 to 6 months' salary, in addition to the 13th-month pay.

The pharmaceutical industry is also forecast to award large Tet bonuses, when the average bonus for managers is now VND55 million per month. In addition, the pharmaceutical sector is frequently present on the list of industries with the highest salaries.

In contrast, employees in some struggling sectors will have to get lower Tet bonuses.

Manufacturing industries such as textile and footwear have been experiencing fierce competition this year. Emerging markets like Myanmar and Bangladesh have become attractive to investors as their labor costs are lower than Vietnam's, and many customers no longer consider Vietnam the first choice.

Dinh Viet Thanh, deputy head of administration at Garment 10 Joint Stock Company, predicted 2017 would be an extremely difficult year for the textile industry with stronger competition from foreign-invested enterprises (FIEs) and other Asian nations.

"When market conditions turn bad, we will have to think about cost cuts. In tough times, Tet bonuses should be at modest levels," Thanh said.

Remuneration calculations and balance of the production development plan to ensure stable employment is tough for labor-intensive enterprises like those in the textile industry, he said.

Le Anh Cuong, director of Macconsult, forecast businesses would give higher bonuses than last year. However, there may be virtually no difference from 2015, as the typical reward level will be a month's salary.

"In 2016, all manufacturing enterprises have experienced hardships with the minimum wage hike, but bonuses in kind will not be as popular as in 2014, when economic difficulties forced many businesses to give their employees unsold products as bonuses," Cuong said.

The average bonus on the last Lunar New Year holiday was one month's salary, or about VND5.53 million per person. The highest reward was VND624 million, while the lowest was VND40,000, but certain businesses did not even have a Tet bonus plan, according to the Ministry of Labor, Invalids and Social Affairs.

Source: vietnamnet.vn– Dec 21, 2016

HOME

****

Freight Rates Up and Rising for East-West Shippers

Contrary to the downtrend in costs this year, ocean freight rates for major East-West trade routes are up and rising.

Average Transpacific and Asia-Europe freight rates increased 3 percent in the latest quarter after falling for six quarters straight, according to the Drewry Benchmarking Club Contract Rate Index.

“2017 will be the first year of increasing contract rates since 2010 and this could come as a shock to some logistics managers who had got used to deflationary international transportation costs year after year,” said Philip Damas, head of the logistics practice of Drewry, a U.K. shipping consultancy.

Shipping rates are going to go up even despite the over-capacity issues plaguing the sector—and that over-capacity is expected to be even more severe in 2017. As Drewry noted, higher fuel prices, the previously unsustainable rate levels and the Hanjin bankruptcy upset are weighing heavily on pricing.

Some European importers have already received annual carrier bids for contracts starting in January with rates higher than this year.

Retailers and manufacturers questioned for the benchmarking report are concerned that the ocean carrier industry’s rapid consolidation will change their bargaining powers “substantially.”

What’s more, carrier instability is expected to increase in the coming year, potential future alliances and their effects on the market will add to uncertainty, as will the impact of big ships on port performance.

“We expect that ocean contract negotiations in the next few months – including the transpacific ones in March-April – will be tougher for shippers and also more complex, so exporters and importers need to be equipped with the best data, sourcing technology, practices and market insight," Damas said.

Drewry also said earlier this month that the number of idle container ships has risen to a high of 1.7 million twenty-foot equivalent units, nearly double what it was at the same time last year, and will likely continue to rise until more consolidation brings supply closer in line with demand.

Source: sourcingjournalonline.com– Dec 20, 2016

HOME

****

Bangladesh: BGMEA Shuts 55 Garment Factories Amid Wage Strike

Workers in Bangladesh are striking over wages and at least 55 factories in the Ashulia area have been closed indefinitely. With the workers absent, factories were forced to shutter.

"Managements of the factories where workers observed work abstention for the last nine days have been forced to declare their units shut from Tuesday according to provision of the 13(1) of labor law," the Financial Express reported Bangladesh Garment Manufacturers and Exporters Association (BGMEA) president Siddiqur Rahman as saying at a press conference in Dhaka.

The conference was called to discuss the current labor situation in Ashulia and what to do about it.

Workers last won a battle for better wages in 2013 when the Bangladesh government agreed to a 77 percent increase, bringing the minimum wage to $68 a month, but no hikes have happened since.

So far, BGMEA has deemed the work abstention illegal as workers did not act in accordance with appropriate procedures, like filing written demands with the factory or the government.

Those workers on strike will not receive any pay for the days they are out of the factory.

Bangladesh has been continuously making strides to improve conditions in its ready-made garment sector, and the World Bank said recently that it has the potential to become an export powerhouse if it can undertake efforts to boost its international competitiveness and productivity.

As part of efforts to do just that, a new testing lab for accessories manufacturers will soon launch to help Bangladesh improve its product quality with timely and reliable testing.

London-based company DP Rail also signed a memorandum of understanding with Bangladesh Railway to finance, build and operate a new railway in Dhaka connecting with a port at Payra, according to the Financial Express. The railway is expected to provide a quick and high-capacity export route for garments made in Bangladesh.

Source: sourcingjournalonline.com– Dec 20, 2016

HOME

****

Pakistan, Iran to discuss FTA prospects

Commerce Minister Engineer Khurram Dastgir Khan will visit Iran on December 28-29, 2016 on the invitation of Iranian Minister for Industries, Mines and Trade Mohammed Reza Nematzadeh to discuss modus operandi for much talked-about Free Trade Agreement (FTA) aimed at expanding bilateral trade, well informed sources told *Business Recorder* on Tuesday.

Both countries have recently held the first initial meeting on FTA in Tehran convened to discuss the drafts of the pact shared by both the countries.

According to the provisions of the five-year plan, both countries have shared draft text of framework on Pak-Iran Free Trade Agreement (FTA).

According to sources, FTA between Iran and Pakistan would be based on the basis of draft prepared by Islamabad and expected to be finalised with one year.

Both countries would share their tariff data with each other so that a consensus list of tradable items could be prepared.

The sources said in view of opening up of post-sanctions Iranian economy, the Ministry of Commerce is exploring various avenues to enhance bilateral trade to $5 billion in five years, in accordance with the vision of the top political leadership of the two countries.

The proposed measures include initiation of negotiations on Pakistan-Iran Free Trade Agreement (FTA), holding of single country exhibitions in each other's country, visits of delegations to and from Iran, removal of tariff barriers, regular holding of meetings of Joint Border Trade and Joint Trade Committee, reactivation of joint Business Council, opening of additional international border crossing points and establishment of border markets.

Iran, which has been a closed economy since long due to international sanctions, has signed FTA only with Syria which is considered as 'political FTA.'Pakistan will also organise single country exhibition "Aalishan Pakistan" in Tehran in March 2017. Iran has already granted permission for the exhibition. Iran was not willing to allow on spot sale of Pakistan products in the exhibition but after the intervention of Pakistani Commerce Minister, Iranian Minister has accepted Pakistan's request.

Presently, Pakistan and Iran have Preferential Trade Agreement (PTA) which has been effective since September 1, 2006. Under the PTA Pakistan has granted tariff concessions to Iran on 338 tariff lines while Iran has granted tariff concessions on 309 tariff lines. Average tariff concessions are around 18 per cent. However, due to Iran's restrictive tariff regime, tariff applied by Iran on Pakistani exports are much higher than tariffs on Iranian exports to Pakistan.

Due to Iran's high tariffs as well as limited product coverage, substantial increase in bilateral trade has not come through in wake of Pak-Iran PTA. Iran even raises tariffs on the products included in Pak-Iran PTA in violation of the agreement. Although international sanctions against Iran have been lifted, yet Pakistani banks are still hesitant to carry out transactions with Iranian banks.

The absence of banking channels is the single largest obstacle to enhancing Pakistan-Iran trade. The US has not lifted sanctions against Iran so far whereas European Union (EU) has relaxed some conditions.

The Federal Cabinet recently cleared MoU of State Bank of Pakistan (SBP), allowing it to start negotiations with Iran on opening of banking channels so that both countries could start economic activities legally.

Iran maintains high tariffs on Pakistani exports. For instance on textiles and clothing, Iranian tariff are as high as 120 per cent and 100 per cent respectively. Similarly on leather and footwear Iranian maximum tariffs are 120 per cent, on fruits and vegetables, 200 per cent, and 90 per cent on rice. These high tariffs are serious obstacles to Pakistan's market access in Iran. Iran also maintains a permit system for importers and when the Iranian government wants to restrict imports, it simply stops issuing permits.

Source: brecorder.com– Dec 21, 2016

HOME

****

USA: Ma Promotional Holiday Puts Pressure on Apparel Prices

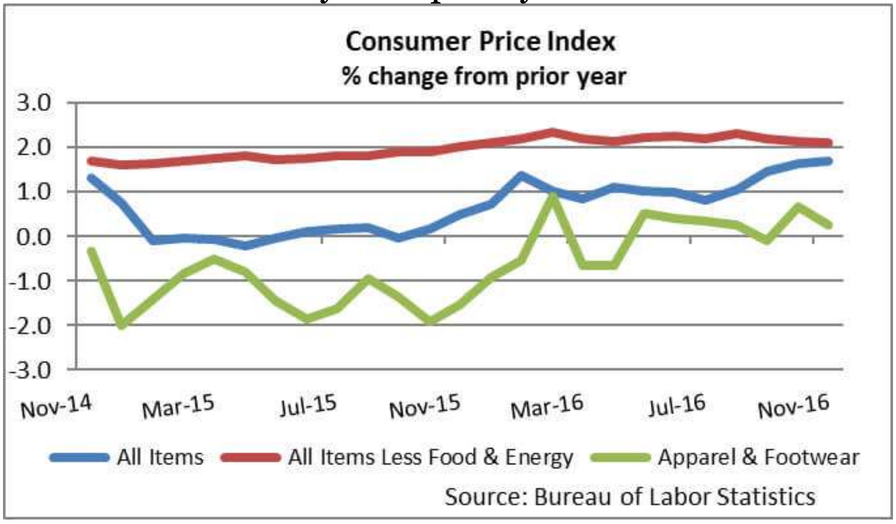
Inflation crept up again in November, driven by higher housing and gasoline costs, but apparel prices remained virtually flat, as consumers began to take advantage of what many retail analysts predict will go down as one of the most promotional Holiday selling seasons in recent history.

According to Consumer Price Index (CPI) data released last week by the U.S. Department of Commerce, prices for all goods and services rose by 1.7% (adjusted for seasonality) compared to the same month last year, with the core rate of inflation, which ignores food and energy price moves, rising 2.1%.

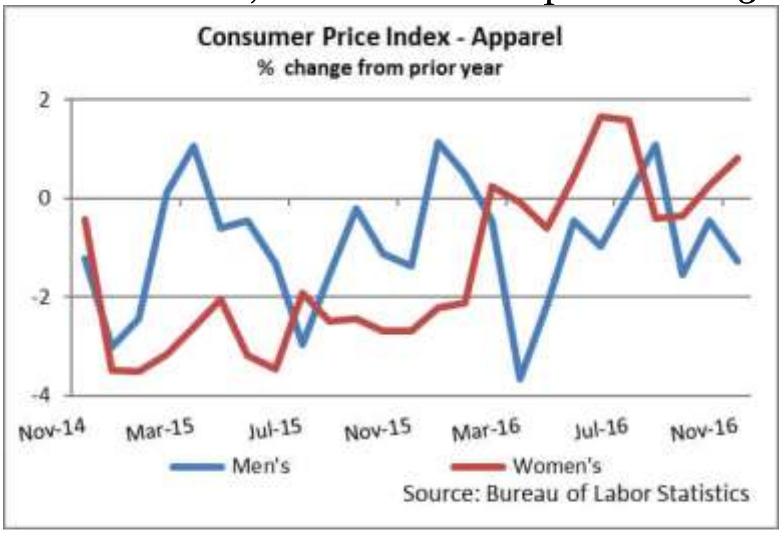
The index for apparel and footwear, however, increased by only 0.3%. Apparel prices (excluding footwear) were flat, compared to a 0.6% increase in October. Footwear prices rose by 0.8%.

Merchants have relied even more heavily on price promotions to drive store and website traffic this year than last.

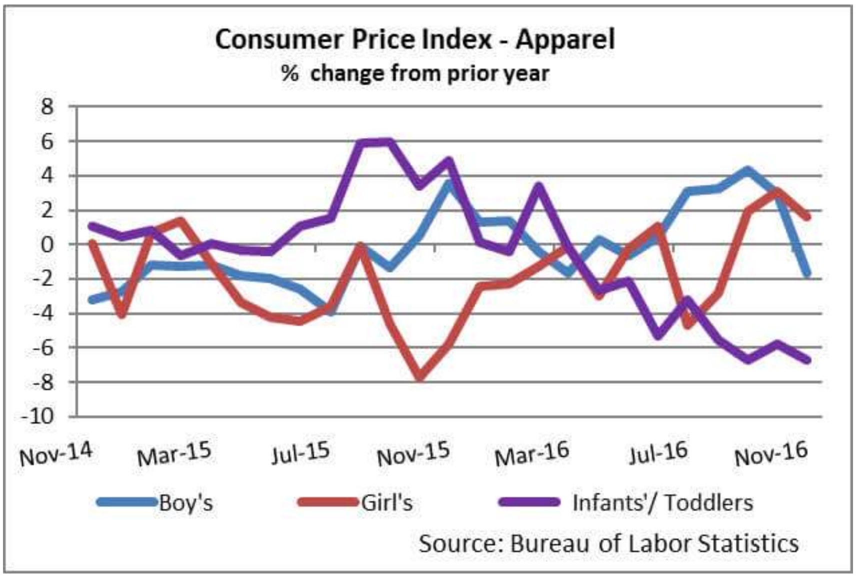
"Despite better balanced inventory than last year's well-documented and costly overstocks, apparel retailers have seen their average selling price head in the wrong direction over the holidays," said Sarah Engel, SVP of global marketing at analytics firm DynamicAction, whose Holiday 2016 Index analyzed $6 billion worth of online consumer transactions. "The over-reliance on promotion to drive customer acquisition is a troubling trend that will affect profitability over the next few quarters if not addressed decisively and quickly."



Womenswear prices increased by 0.8% in the month, their biggest increase in four months, while menswear prices fell 1.3%.



Children's apparel suffered the biggest price decline, driven by downward pressure on infant's apparel prices.



Government consumer price indices are based on ticketed and sale prices of products, but do not reflect the impact of other promotional discounts such as Buy One Get One, loyalty point redemption, coupons or other transaction-based discounts.

Retailers can expect further price declines in the next couple of months, according to Engel.

"In November, the average selling price for apparel, footwear and accessories declined 1.2% year over year, but since Thanksgiving week, that decline has increased to 5 percent," she said.

Source: sourcingjournalonline.com– Dec 21, 2016

HOME

****

Vietnam: Over 150 firms to participate at fashion fair

More than 150 enterprises will showcase their products at the Vietnam International Fashion Fair 2016, which open its doors on December 21 at Ha Noi's International Centre of Exhibition.

Co-organised by Vietnam Exhibition and Fair Centre JSC (VEFAC) and Vietnam Textile and Garment Group, the six-day event will host over 200 booths covering 4,000sq.m.

On display will be textiles and garments, footwear, cosmetics, jewellery and beauty services.

Vu Ngoan Hop, member of the VEFAC's board of directors, said the event is not only a trade promotion activity for the local fashion industry and exporters of textiles, footwear, jewellery and fine art products, but is also a good shopping festival for people in the capital city.

He also described the event as a promising opportunity for participating enterprises to effectively advertise their products to customers.

Last year's event witnessed the participation of more than 250 local firms, showcasing their goods across 4,000 pavilions

Source: vietnamnews.vn– Dec 21, 2016

HOME

****

Pakistani denim export to US hampered due to high production cost

Pakistan's denim export to United States witnessed decline by 3.3 percent in 2016 also exports to European Union and Scandinavia countries has not increased due to high cost of manufacturing . It is becoming harder for exporter to compete with other countries that have cheap cost of production and government levies.

Chinese provide free electricity for first three years to new units while India was also provides incentives, according to leading exporter they cannot compete with until government provided incentives to them.

A prominent denim manufacturer and exporter, Dr Mirza Ikhtiar Baig said that a number of countries were providing zero-rated facility to their exporters, but in Pakistan tax agencies were charging a number of taxes such as export development surcharge and withholding tax which has lead to high in cost of production.

Pakistan was the second largest exporter of denim in the world after China. The ICAC said that the world trade in denim fabric averaged 670,000 tonnes per year. Other major exporters of denim were Turkey, India, and the United States (US).

Export of cotton denim fabrics from Pakistan stood at around 51 million square meters worth Rs 39 billion in 2016.

Turkish denim exports increased from 3.9 million meters to 46 million meters in five years. Chinese denim exports to United States grew up from 6.9 million meters to 87 million meters in the same period.

According to statistics of US office of textiles and apparels (OTEXA) it showed a nine percent rise in denim exports to the US in 2015-16.

Pakistan's customers for denim are turning back and opting for other countries due to which the denim domestic manufacturers were facing hard pricing pressures due to capacity additions and cancellation of a few orders. Denim is considered as the staple garment of the world as all of the people irrespective of their location, age, gender and status own a pair of jeans or two.

Europe represents the largest market worldwide. The market situation does not allow the global players in the denim to increase consumer prices and therefore they have to absorb the price increases from denim fabric producers worldwide. Global market for denim jeans is forecast to reach $64.2 billion by 2020, driven by increasing disposable incomes.

Source: yarnsandfibers.com– Dec 21, 2016

HOME

****

USA: Apparel second-most popular category in m-commerce

Apparel and clothing items are the second-most browsed and bought products on m-commerce, says a recent report. About 20 per cent of the people said in a survey that they buy clothing and accessories from online retailing channels using their mobile phones. Close to 65 per cent women shopped for clothing items online as against 27 per cent men.

The report titled 'M-Commerce Trends in India 2016' by Regalix states that about 33 per cent of Indian consumers browse clothing items and accessories on their mobile phones and purchase them through physical stores.

"Clothing and accessories was the only category in our study in which the number of consumers who browse online but purchase offline was higher compared to consumers who purchase online, across gender and age groups," says the report.

Regalix interacted with men and women, owning smartphones, in the age groups of 18-24 and 25-34 for this survey. About 83 per cent of the people surveyed shop online using their mobile phones. A larger proportion of consumers in the 25-34 age group (90 per cent) seem to shop on their mobile phones than consumers in the 18-24 age group (80 per cent).

Flipkart is the most frequented e-retailing site as 44 per cent of respondents shop on it, while Amazon and Snapdeal followed with 32 per cent and 19 per cent.

"Flipkart seemed to find favour with the younger audience with 49 per cent of respondents in the age group 18-24 choosing Flipkart as their most frequented platform as against 35 per cent of respondents in the 25-34 age group. Interestingly, a larger proportion of respondents (25 per cent) in the 25-34 age group preferred Snapdeal over other platforms as compared to only 13 per cent from the 18-24 group," adds the report.

Close to 94 per cent of consumers find shopping through mobile apps more convenient than through mobile websites. Cash-on-delivery (34 per cent) and free delivery (34 per cent) have the strongest influence on a consumer's decision to purchase online.

Cash-on-delivery (63 per cent) is the most popular mode of payment, followed by credit/debit card (17 per cent) and net banking (17 per cent) and EMI (3 per cent).

"Cash-on-delivery found greater favour amongst the 18-24 year olds (67 per cent of consumers in the 18-24 age group chose cash-on-delivery as against 53 per cent of consumers in the 25-34 age-group), while credit/debit card found easier acceptance amongst the 25-34 year olds (25 per cent of those in the 25-34 age group preferred credit/ debit card as against 14 per cent in the 18-24 age group)," states the report.

Product quality is a major concern for 75 per cent of those who do not shop on their mobile phones and 71 per cent of those who do not shop on their mobile phones, shop online through their laptops or desktops. About 31 per cent respondents who do not shop using their smartphones, will start in the future.

Source: fibre2fashion.com– Dec 20, 2016

HOME

****

Sri Lanka: Expert wants domestic apparel market players to export

Apparel manufacturers catering to the domestic market should get ready to become exporters under the government's new trade policies, head of the top apparel lobby group stressed recently. Outgoing Joint Apparel Association Forum (JAAF) Chairman Noel Priyathilake noted that the unity government is moving towards abolishing past protectionist policies systematically, for which JAAF should also offer its expertise. "Our members who are catering to the domestic market should get ready to be exporters as well rather than concentrating on the domestic market," he said.

He noted that the companies that were catering to the domestic market however had not asked for protectionism and demanded the industry to become counter-productive.

Many other industries have been lobbying the government to continue past protectionist policies."Therefore, we as a responsible organization shall ensure that the structural adjustment package being offered to vulnerable industries by the government under the trade reform agenda be made available to our members who are presently catering to the domestic oriented market as well," Priyathilake said.

The government will be providing Sri Lankan industries a trade adjustment package in order to allow them to train personnel and have a level playing field with large scale foreign companies that are expected to invest in Sri Lanka following the signing of several Free Trade Agreements (FTA).

While the apparel sector has made a commitment to create 20,000 jobs in economically lagging regions, Priyathilake noted that given the labour scarcity, the industry may have to resort to greater automation in urban areas as well.

Meanwhile, he said that FTA negotiations with China have seen positive momentum, with Chinese authorities offering flexibility in the country of origin rules, which does not demand double transformation—which requires fabric used for final production to be woven in the same country.

In the case of the Economic and Technology Cooperation Agreement (ETCA) to be signed with India, he said that quotas applied to Sri Lankan apparel in exporting to India through the existing FTA have to be removed through the early harvest programme, without which, ETCA would not be beneficial for the apparel sector.

"Singapore is not an important trading destination to us as at date, they will not offer significant market access to us," Priyathilake commented on the 3rd country Sri Lanka is negotiating an FTA with at the moment. While praising the Sri Lankan government's effort to regain preferential access to the European Union, he further added that the government's attempts to gain further market access into the US is also welcome, though the success of the exercise depends on the policy stance of the new US administration.

Source: dailymirror.lk– Dec 21, 2016

HOME

****

China's cotton yield continues dropping in 2016

China's cotton yield continued to drop in 2016 as the growing area of the fiber decreased, official data showed Tuesday.

Yields of cotton decreased 260,000 tons to 5.34 million tons, a 4.6 percent decrease year-on-year, according to the National Bureau of Statistics (NBS).

The area of cotton fields in China fell by 420,500 hectares to 3.376 million hectares, a year-on-year decrease of 11.1 percent, said Huang Bingxin, a senior NBS statistician.

It is the third consecutive year of decline, with the relatively low profitability of cotton blamed for the fall in production.

The cotton output of the Yangtze River basin and the Yellow River basin kept declining in 2016, Huang said.

Northwest China's Xinjiang Uygur autonomous region increased its yield despite a decrease in growing area, with cotton yield per hectare in Xinjiang increasing by 151.5 kilograms in 2016.

Xinjiang, the country's largest cotton growing area, produced 3.594 million tons of cotton in 2016, accounting for 67.3 percent of China's total, up from 62.5 percent in 2015.

China's cotton yield peaked in 2012 at 6.84 million tons, more than 2.2 times that of 1978, official data showed.

Source: chinadaily.com.cn– Dec 21, 2016

HOME

****

Pakistan: Collaboration: Chinese delegation expresses interest in textile

Chinese investors visiting from the Shenzhen province have shown deep interest in Pakistan's textile sector including the desire to enter into deals with businessmen for the sale of goods and purchase of textile raw material.

Pakistan's textile sector had a great opportunity to capture a good share in the international market, the Chinese said. Pakistani counterparts invited them to join them for value addition in the textile sector in Karachi.

"Pakistan is the fourth largest cotton producer with a vast agricultural base and cheap labour," said Textile Associations Chairman and Patron-in-Chief of SITE Association of Industry (SAI) Muhammad Zubair Motiwala and SAI President Assad Nisar Barkhurdaria during an interactive session with the Chinese delegates at the SAI on Wednesday.

China Department of Commerce's Deputy Director Zhang Shaoyun led the delegation, while China's Consul Attache for Economics in Karachi

Miranda Lee was also present. The delegates representing various Chinese textile companies exchanged information with their Pakistani counterparts and urged the need for further engagement aimed at promoting strong collaboration and joint ventures for mutual benefit.

Both the sides presented brief accounts of their businesses and identified the areas of engagement including import and export of textile items and raw material and avenues of joint ventures for expansion and upgrading of Pakistan's textile industry.

Shaoyun said after some research and exchange of information both the countries would find opportunities for joint ventures, especially in the textile sector.

"Some Chinese companies are interested in selling goods, while some want to purchase raw material and some are interested in joint ventures in the future. All this will make China-Pakistan relationship further strong," he said.

Chinese companies were already carrying out successful businesses in Pakistan and had invested a lot, especially in the construction sector, he said. Motiwala invited the Chinese investors to enter into joint ventures with existing textile units in SITE, which had potential capacity for expansion and value addition.

Source: tribune.com.pk– Dec 22, 2016

HOME

****

Vietnam's textile exports fray to 10-year slump in 2016

Vietnam's exports of textiles and garments are projected to increase by 7 percent this year to $29 billion, according to Vinatex, the country's top textiles manufacturer, far below the trade ministry's previously-targeted $31 billion and the lowest growth in the last decade.

Customs statistics show that Vietnamese textiles and garment exports hit about $21.56 billion from January to November, up 4.6 percent from the same period last year.

Vietnam, the world's fifth largest garment exporter, has maintained double-digit growth, ranging on average from 10 percent to 36 percent, since 2001 when the country earned $2.2 billion from exporting textiles and garments. The investment ministry, in a recent report, attributed the downturn to sluggish demand from key markets, including the U.S., the European Union and Japan.

Customs figures show that from January to November this year, Vietnam's textiles and garment shipments to the U.S., which accounted for 47.9 percent of the total during the period, edged up 4.7 percent from a year ago to about $10.33 billion.

Besides, the State Bank of Vietnam has so far this year managed to keep the dong from weakening against other major currencies, said clothing exporters, adding that a stronger dong was the final straw that broke the camel's back for their businesses.

Garment exporters are also faced with increasingly intense competition from outsourcing hubs Cambodia and Bangladesh, which are currently subject to import tariff breaks in the U.S. market. Market access for Vietnam's clothing in the U.S. is limited by an average tariff of about 11.1 percent, with tariffs on some textile and apparel products nearing 30 percent.

About 85 percent of Vietnamese enterprises in the textile industry are focused on labor-intensive cutting and sewing, making the country an outsourcing hub for foreign fashion companies, said Le Tien Truong, chief executive of Vinatex.

However, foreign investors are eying emerging hubs such as Myanmar, Bangladesh and Sri Lanka where labor costs are lower than in Vietnam.

Vietnam has four regional minimum wage brackets currently ranging from VND2.4 million to 3.5 million (from $105 to $154). The regional minimum wage has increased by about 12-15 percent on a yearly basis between 2014 and 2016, and is forecast to go up by 7.3 percent next year.

Vietnam's exports rose an estimated 6.7 percent on-year in the first nine months to $128 billion, well below the 10 percent growth target set by the government.

The economy, widely seen as among the most resilient in a turbulent Asia, expanded by 5.92 percent from January to September, much lower than 6.53 percent a year ago, said the General Statistics Office.

The annual growth forecast for this year has been lowered to between 6.2 and 6.5 percent from the 6.7 percent previously targeted, according to Prime Minister Nguyen Xuan Phuc.

Source: e.vnexpress.net– Dec 22, 2016

HOME

****

Chinese cotton price expected to rise in Q2, 2017

Zhengzhou cotton futures market continued to decrease from last week and began to dive on Dec 19. The most actively contract, May contract, has slumped to 14,905yuan/mt on Dec 20, down nearly 840yuan/mt in the first two days of this week. From the technical analysis, MACD (Moving Average Convergence-Divergence) and KDJ indicators showed signs of adjustment.

From the fundamental analysis, cotton futures were affected significantly by the commodity market with the retreat of capital. Moreover, the physical market remained weak. On one hand, the downstream yarn and grey fabric market kept lackluster.

Spinning mills' operating rate decreased slowly and cotton inventory in mills also declined. Grey fabric plants also cut operating rate to face the dull sales. On the other hand, the ginning volumes of new cotton in Xinjiang have exceeded 3.60 million tons, so the total output may reach 4.00 million tons, much higher than market anticipation, weighing on the market.

Market outlook

For the market outlook, we analyze from the technical aspect firstly. In short term, viewed from the daily k-line, the market is likely to shiver around 14,800-15,000yuan/mt. Later, if the market continues to decrease, it may dive to 14,500yuan/mt.

For the medium-to-long-term logic, we estimate that the market is relatively positive in the second quarter of 2017.

Firstly, for commodity market, the bullish sentiment has not ended and the capital has not retreated totally. In the second quarter, with the coming peak season, speculative buying may appear again, shoring up the cotton futures.

Secondly, looking from the policy, with the supply-side reform, planted areas of cotton is not likely to increase largely. The government has announced to start state cotton reserves sales from March 6, 2017. The possibility to sell large quantity of reserved cotton to dampen the prices is very limited, as the price decline will affect the sales of reserved cotton. Under the de-stocking strategy, it is not likely to sell reserved cotton on large quantity.

Thirdly, the downstream sectors are predicted to be not poor in the second quarter. The state cotton reserves sales will start in March 2017 and the floor bidding price of reserved cotton will continue to be set based on the average price of domestic and international cotton price. So, the production costs of cotton yarn may reduce with the reserved cotton like the situation in 2016, which is favorable for domestic mills.

In general, after the start of state cotton reserves sales in 2017, the Chinese cotton price is expected to rise. However, there is also risk if the reserved cotton is sold with large quantity.

Once the domestic and international cotton prices soar obviously during a period and more than 70 percent of reserved cotton is sold per day for three days within one week, the daily selling volumes can be added. Then, prices are likely to shiver in broad range. But the market is still under the supply-side reform policy. So we expect Chinese cotton prices at 15,000-18,500yuan/mt in the second quarter of 2017.

Source: ccfgroup.com– Dec 22, 2016

HOME

****

NATIONAL NEWS

Coimbatore to host seminar on investment in technical textiles

A seminar-cum-exhibition on Investment Opportunities in Technical Textiles and Non-wovens is scheduled to be held at The Residency Towers here on December 22.

Organised jointly by the Federation of Indian Chambers of Commerce and Industry (FICCI) and Office of the Textile Commissioner, the event would focus on encouraging domestic players to invest in the technical textile sector and highlight the initiatives taken by the government towards attracting investments in technical textiles and drive growth.

The Indian market for technical textiles is projected at close to Rs. 92,500 cr in 2015-16, growing at a CAGR of 11.8 per cent. The market is expected to reach Rs. 1,16,217 cr in 2017-18 .

Huge imports of technical textile products demonstrate the consumption capacity, the source said, and pointed out that the seminar would throw light on the market opportunities for new entrants in the Indian technical textiles space.

Source: thehindubusinessline.com- Dec 21, 2016

HOME

****

Self-registration of firms for shipping final goods to EU

The commerce ministry has floated a concept paper inviting self-registration of companies seeking to ship manufactured goods to the EU.

Earlier, the Export Inspection Council used to issue certificates for exporters under the generalised system of preferences (GSP), a process plagued by delays.

“The self-certification will not only save time but also costs involved in obtaining such registration,” said Ajay Sahai, director- general and chief executive officer of the Federation of Indian Export Organisations.

Applicable for three years between January 2017 and December 2019, the GSP grants preferential treatment to exporters by a lower duty compared to the same goods imported by the EU from non-GSP origins. Started in 1971, developed countries, including the US, EU and Australia, import commodities from developing countries by offering duty benefits.

EASING THE PROCESS

Periodical details of preferential treatment for commodity exports to the EU

Particulars	Jan '14 – Dec '16	Jan '17 – Dec '19
Benefits for Indian exporters	–	Eliminated tariffs on non-sensitive products. For sensitive products, tariff was reduced by 30% and specific duty by 30%
Change	Export Inspection Council under the Directorate General of Foreign Trade (DGFT) would issue certificates	Self-certification
Responsibility	Export promotion council as a monitoring body to ensure quality	Concerned exporter to adhere to applicable rules of origin
Factors need to claim duty advantage	–	Goods originate from India and should not be exchanged during transportation
Coverage	Animal products, dairy products, marine products, plants, fruits and vegetables, coffee, spices, oilseeds, veg oil, processed foods, wines and spirits, among others	Animal products, vegetable products, animal and vegetable fats and oils, prepared food stuff, fertilizers, tanning/dyeing extracts, essential oils and cosmetics, among others

Source: Concept paper from the Ministry of Commerce, Govt of India

The products eligible for tariff preference under the EU's GSP are categorised as sensitive and nonsensitive. For non-sensitive products, the tariff is eliminated under the GSP and for sensitive products, the ad valorem duty is reduced by 3.5 per cent while the specific duty is reduced by 30 per cent. "The benefits continue to remain the same.

The only change is the procedure. The self-registration adds to the responsibility of exporters to adhere to the rules of origin," said Sahai. India's farm exports to Germany have declined from $157.63 million in 2013-14 to $136.08 million in 2015-16, according to the Agricultural and Processed Food Products Export Development Authority.

Sahai said the decline in farm exports to Germany and other EU countries could be due to the sharp fall in prices over the last two years.

Source: business-standard.com- Dec 21, 2016

HOME

****

‘Developers of new SEZs need security clearance from Home Ministry’

Developers of new special economic zones (SEZs) will have to obtain security clearance from the Ministry of Home Affairs, government said.

“National security clearance is required to be obtained from Ministry of Home Affairs (MHA) as per the guidelines issued by the MHA,” the Commerce Ministry said in a communication to development commissioners (DCs) of SEZs.

Before sending the proposals for setting up of new SEZs to the Department of Commerce, DCs need to indicate in the applications whether the proposal would require the national security clearance from the MHA, it said.

“It is also requested that such proposals requiring national security clearance should be accompanied by a self-declaration by the company/developer/director (s),” it added. In case where this clearance is not required, the “same may be confirmed”, it said.

“No proposal for setting up of new SEZ will be entertained without this information,” it added.

SEZs are export hubs which contribute about 20 per cent to the country’s total exports. Units in these zones enjoy certain tax benefits.

The 19-member inter-ministerial Board of Approval (BoA) chaired by the Commerce Secretary deals with all the issues related with these zones.

Source: thehindubusinessline.com - Dec 21, 2016

HOME

****

FM receives suggestions for Union Budget 2017-18

Union finance minister Arun Jaitley and other senior officials from the ministry of finance received a number of suggestions from economists and other economic experts for consideration by the government for the forthcoming Union Budget 2017-18. At the Pre-Budget Consultative Meeting, Jaitley said India remains a bright point in the global economy.

In his opening remarks at the meeting in New Delhi, Jaitley said the growth in US is weaker than anticipated earlier and Brexit has led to disturbing reactions in the markets. On the other hand, the Indian economy has made significant improvements as growth in India remains stable, and "we are in comfortable fiscal and debt situation".

He said that the present government has taken various decisive steps in last two and a half years which have helped the economy to get-out from inflationary spiral to stable prices. He said that to further boost the growth, the government has taken many steps such as passing of GST Bill, institutional reforms like UDAY, improved Ease of Doing Business, banking reforms and focus on infrastructure among others.

Some of the participating members suggested that this time Union Budget should not be a conventional Budget as these were not the normal times. Rather the government should make best use of the opportunity arising from demonetisation to present a Budget full of 'out of box' ideas. Members suggested that provisions should be made in the Budget to ensure that generation of black money is curbed.

Some members felt that even after demonetisation, there is a strong case for boosting capital expenditure as public infrastructure in India is too low.

Members expressed the need to widen the tax base but to reduce the tax slabs. Lower tax rates would increase compliance and reduce the generation of black money. Also many members expressed the disapproval of abolishing the Income Tax completely as this will create a huge gap between haves and have nots.

To push digitisation, it was suggested that a ceiling be fixed above which only digital mode/ cheque should be used and no cash transaction permitted above that limit.

Also, the government can help by creating a single app for all banks and digital incentives under Section 80 C of Income Tax Act 1961 should be considered. At the same time, awareness about digitisation needs to be spread among masses. Keeping in view the low internet penetration in India, it was suggested that digitisation cannot be pushed beyond a point.

Noticing that last time, government tried EET (Exempt Exempt Tax), some members felt that it would be better to try TEE (Tax Exempt Exempt) this time. With this, problem of implementation will be solved. And then, the cap of Rs 1 lakh can also be increased to Rs 5 lakh. This will result in increase in savings.

Source: fibre2fashion.com – Dec 21, 2016

HOME

****

GSTN begins enrolling taxpayers on its system

The goods and services tax network (GSTN), the information technology system developed for the bill, has begun the process of registering taxpayers on it. About 8 million people will be enrolled by the system that began in Puducherry and Sikkim last month. It has covered over 19 states and Union territories including Gujarat, Maharashtra and Madhya Pradesh.

GSTN aims to bring all taxpayers on to the digital system by March 20 next year. An enrolment window of 15 days that ends on December 30 has been given to the value-added tax payers in 9 states that include Jhaarkhand, Punjab and Delhi, according to a leading daily.

All traders who have a turnover of more than Rs 20 lakh and taxpayers from northeastern states and hilly states with over Rs 10 lakh turnover have to enrol themselves in the GSTN system.

They are required to submit relevant documents and provide KYC details to register on the network, following which, they will receive their unique GST identity number and registration number from GSTN.

GSTN seeks to establish a uniform interface for the tax payer and a common and shared IT infrastructure between the Centre and states.

Taxpayers will have the option to enroll themselves on the network in 6 months following the roll out of the GST bill.

In order to ensure smooth implementation of GST, the network will also integrate the GST portal into the tax administration systems of the states as well as the Centre. The GSTN has also been given a loan of Rs 550 crore from the IDFC bank till April 1, 2017, which is the tentative roll out date for the bill.

Source: fibre2fashion.com– Dec 21, 2016

HOME

****

Labelling norms for loose garments relaxed

In a major relief to garments manufacturers and retailers, the textiles ministry has taken loose readymade garments out of the purview of the Legal Metrology (Packaged Commodities) Act 2011. This means, garments manufacturers do not need to follow the labelling and packaging norms applicable for packaged commodities such as consumables.

Through a notification dated December 16, the Ministry of Consumer Affairs, Food and Public Distribution, said: “The mandatory labelling requirements for pre-packaged commodities are, therefore, not applicable to garments sold in loose form.”

The Legal Metrology (Packaged Commodities) Act 2011 mandates packaged commodities to incorporate name, descriptions, size, the full address and customer care number of the manufacturer. The Act mandates garments size to be measured in centimetres in India.

Globally, however, garment size is measured in S (small), L (large), M (medium), XL (extra large), etc. Therefore, measuring garments only in centimetres has been a Herculean task.

“This move by the government is a game-changer for the apparel industry. It not only gives us the ease of doing business but also provides freedom from the undue demands of the inspectors and their inspector raj. This is a progressive step to resolve a long-standing demand from the apparel industry,” said Rahul Mehta, president, Clothing Manufacturers Association of India (CMAI).

"We normally pick up one or two garments out of a dozen we see, feel and check. So, loose garments could not have been treated as consumables like sugar, pulses etc which cannot be opened and checked. Now, garments do not require to declare the name of manufacturers, year of manufacturing etc. The exemption would bring in a major relief for producers and consumers," said Mohan Sadhwani, executive director, CMAI.

Under the Act, there were no clear labelling guidelines for loose garments, which made it difficult for apparel retailers to demarcate the labelling procedure between the pre-packaged and loose garments, thus causing unnecessary inconvenience during inspections at apparel retail showrooms. The provisions of the Act were severe for any offense and directors of the company were directly responsible for the same.

In case of readymade garments sold to consumers in pre-packaged form, mandatory labelling along with the size of the garments needs to be mentioned in metres or centimetres. Further, details such as S, M, L, XL, etc will be treated as additional declaration.

Siddharth Bindra, managing director of Delhi-based Biba Apparels, said: "Removal of readymade garments from the Packaged Commodities Act is a landmark step, which will help in the ease of doing business and development of the apparel business in India."

Source: business-standard.com– Dec 21, 2016

HOME

****

Pakistan govt permits conditional import of Indian cotton

The Plant Protection Department (PPD) of Pakistan having stopped import of lint from India, after the high level meeting of All Pakistan Textile Mills Association (Aptma) and officials of the PPD last week sorted out the matter by allowing conditional delivery of 12,000 bales and further import from India, as Aptma cited they needed more imports as local crop fell short of the target.

Around 10 spinning mills had imported the lint cargos, which was held at the port and they were instructed to re-export the whole lot. Following the government order, some mills had got the stay orders against the government decision from the courts.

The PPD had suspended cotton imports from its top supplier after shipments failed to fulfil phyto-sanitary certification.

Industry officials said that Indian exporters have signed contracts to export 350,000 bales to Pakistan since the start of the marketing year on October 1 and out of that nearly 300,000 bales for shipments in December and January could get stuck.

Yasin Siddik, former chairman, Aptma, who attended the meeting with PPD, said that the government has given the conditional permission for lint import from India. However, the PPD officials will destroy the seed arriving with the lint in the presence of representatives of the PPD.

As per one expert, ginning in Gujarat and Maharashtra states of India was done on ‘roller’ technology, under which some cut seed (binola) remained part of the lint that was later removed by the local spinners.

Although 10 percent regulatory duty on lint import remained intact, import from India cost almost Rs6,400 to Rs6,500 per maund, almost at the same price available in the local market.

Following the government decision, around 50,000 bales were booked in the last three days, said one stakeholder. Import from US, Brazil or African countries were costly, so Indian lint was the only viable option for the local industry.

Siddik, on the other hand, said that no big lots were booked, as half of the spinners still remained unaware of such permission. Decision has yet not reached half of the people.

According to Aptma sources, the millers had imported 1.2 million tons of lint from African countries, Brazil and US earlier this season and purchased 1.0 million more bales from the local crop. Still they required 3.5 million bales to meet the consumption demand, which would now be fulfilled with import from India.

Currently, Pakistan’s cotton arrivals have recorded an increase of 12.33 percent to 10.14 million bales till December 15, against 9.03 million bales last year, however, crop remains far below consumption demand of 14.5 million bales.

Pakistan, the world's third-largest cotton consumer, usually starts importing from September. Last year, Pakistan bought 2.7 million bales from India.

In 2015/16, Pakistan surpassed Bangladesh to become India's biggest cotton buyer, accounting for 40 percent of exports. Pakistan bought $822 million worth of cotton from India last year.

Source: yarnsandfibers.com– Dec 21, 2016

HOME

****

Budget 2017: GST rollout uncertainty continues, ball in Arun Jaitley court over textile sector excise duty

As uncertainties linger over the actual date of the rollout of the goods and services tax (GST) regime, the textile industry has asked the government to bring parity in the excise duty structure of man-made and cotton fibres in the coming Budget itself.

At present, while a 12.5% excise duty is imposed on man-made fibres, cotton fibres attract none. The suggestion was made at a pre-Budget meeting with finance minister Arun Jaitley on Tuesday.

The industry was under the assumption that with the introduction of the GST regime, its demand for erasing the duty gap could automatically be addressed, said a senior government official. However, with the Centre and states yet to iron out differences on several sticking points, analysts have ruled out the introduction of the new indirect tax regime at least before September 2017.

The industry has been demanding a reduction in the excise duty on man-made fibres, saying such a disparity is preventing domestic synthetic fibre producers from scaling up operations. The huge duty difference has ensured that India’s textile market remains cotton-driven, in a stark contrast with the trend globally, apart from eroding the country’s export competitiveness in the man-made fibre segment. While man-made fibres account for around 60-70% of the world’s total fibre consumption, they make up for just 30-40% of Indian fibre demand (with cotton textiles contributing the rest).

OP Lohia, chairman of Indo Rama Synthetics, told FE that since the GST is unlikely to be a reality before September, the government should, in the least, cut the excise duty on man-made fibre to 6% from 12.5%.

It would also set the stage for the levy of a 5% duty for both cotton and man-made fibres under the GST regime, as many are expecting, he said. Synthetic fibre is a poor man's necessity, as cotton fibre is more expensive, he added.

The excise duty on man-made fibres, which was as low as 4% in 2009-10, was raised by the previous government. This came as a shocker to synthetic fibre producing companies that had invested much in expanding capacity to cater for growing domestic demand for man-made fibre, Lohia said.

Also, as Lohia pointed out, the hike in the excise duty massively dented growth in the synthetic fibre segment—from roughly 10% in 2009-10 to a meagre 0-5% annually in recent years.Even the textile ministry has supported the industry's contention in recent years.

FE had earlier reported that in a presentation to Prime Minister Narendra Modi in 2014-15, then textile secretary SK Panda had listed "rationalisation" of duties on man-made fibres as one of the eight short-term initiatives the ministry wanted to be addressed under the 'make in India' programme.

Source: financialexpress.com– Dec 22, 2016

HOME

****

Digital payments will ensure labourers get minimum wage, says Smriti Irani

"Earlier the labourers used to complain about not getting their dues as decided and there was no record that showed whether they were getting at least the minimum wages," the textiles minister said. "This approach (digital payments) will ensure that each labourer gets the minimum wage. They will be getting their payment with transparency."

Workers in the textile industry are among the biggest beneficiaries of the Centre's demonetisation move, union minister Smriti Irani said on Wednesday at the Mail Today Make in India Fashion Summit, while she also credited Prime Minister Narendra Modi with making khadi "cool" again.

The event held in the Capital treated fashion enthusiasts to a day of stirring discussions as well as the latest buzz in couture and policymaking with star-studded panels comprising leading politicians and designers.

"Earlier the labourers used to complain about not getting their dues as decided and there was no record that showed whether they were getting at least the minimum wages," the textiles minister said. "This approach (digital payments) will ensure that each labourer gets the minimum wage. They will be getting their payment with transparency."

Irani revealed that her ministry is ensuring all stakeholders learn to use the digital platform for their transactions. "Whoever wants to be part of the transparent system has approached the government," she said. "We are helping workers open bank accounts and get Aadhaar cards with the help of the local administration."

The minister said a one-sizefits-all approach will not work in the Indian fashion world, as she made a strong pitch for vacuuming up the talent in the countryside and bringing it to the centre stage. On being asked why politicians shy away from being associated with fashion shows and from taking a seat in the front row, Irani said, "Weavers and artisans are the ones who deserve front seats at fashion shows. It is important for them to understand that they are not devoid of appreciation."

JOBS FOR ARTISANS

Talking about the employability of artisans, the BJP leader said after skill development, the placement has gone up to 75 per cent and the ministry also does a follow-up.

Speaking on how style savvy she is, Irani said, "I have never had a conscious decision making process when it comes to what to wear. In India you wear what you like.

Even as an actress, I never had a style quotient. I was happy with one mangalsutra."

KHADI INDUSTRY

The session entitled Reinventing Khadi- Fabric of the Future saw panellists dispelling various myths about the hand-spun cloth while also focussing on its road to the global platform. Khushboo Aggarwal, creative head at Ritu Beri Designs, explained that khadi is aptly named "vichitra vastra" because it isn't just a fabric but a serious thought. "Khadi has been neglected for years, but it's now fashionable because it's being blended with silks and cotton while retaining all its qualities, which gives it a global image," she said. Union minister Kalraj Mishra said khadi has once again gained prominence among masses just like it had during the Independence struggle.

How India's big fat wedding industry has contributed to handloom also came into focus at the summit. "It's now cool to go vintage. Different royalties in different parts of the country contribute to bridal wear today. No matter what happens, a Rajasthani bride will never wear a black lehenga," said designer Ritu Kumar.

Source: indiatoday.in– Dec 22, 2016

HOME

****