

**IBTEX No. 261 of 2016**

**Dec 27, 2016**

USD 67.90 | EUR 70.93 | GBP 83.36 | JPY 0.58

<b>Cotton Market Update</b>		
<b>Spot Price ( Ex. Gin), 28.50-29 mm</b>		
<b>Rs./Bale</b>	<b>Rs./Candy</b>	<b>USD Cent/lb</b>
18645	39000	73.45
<b>Domestic Futures Price (Ex. Gin), December</b>		
<b>Rs./Bale</b>	<b>Rs./Candy</b>	<b>USD Cent/lb</b>
19230	40225	75.75
<b>International Futures Price</b>		
NY ICE USD Cents/lb ( March 2017)		70.27
ZCE Yuan/MT ( January 2017)		14,865
ZCE Cotton: USD Cents/lb		<b>82.47</b>
<b>Cotlook A Index - Physical</b>		<b>79.05</b>
<p><b>Cotton &amp; currency guide:</b> Cotton market continues to trade near the Rs. 19000 mark in the domestic market for the current active future contract. At the spot front market is hovering near Rs. 39000 per candy at the major trading centers. Indian cotton futures was on a firm trend as speculators indulged in losing grip after holding price in tight range during the last couple of weeks. The benchmark January contract gained by Rs 60/ bale and settled at 19050/bale (170kg each) on the Multi Commodity Exchange Ltd (MCX).</p> <p>Cotton prices across Central and South India firmed up Rs 100-200/candy on Monday morning.</p> <p>Fall in cotton arrival for two consecutive days fueled price up in Madhya Pradesh and Gujarat. Arrival in Gujarat was at 0.36 lakh bales, lowest since Dec 6 whereas Madhya Pradesh received 0.12 lakh bales, lowest since Dec 10. Meanwhile, Maharashtra received a steady quantity at 0.50 lakh bales.</p>		
<p><b>Compiled By Kotak Commodities Research Desk , contact us :</b>  <b>research@kotakcommodities.com, Source: Reuters, MCX, Market source</b></p>		

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## INTERNATIONAL NEWS

### Heimtextil 2017 to see 23 BD textile firms participating

Heimtextil, the biggest and most important international trade fair for home and contract textiles, will next be held in January 2017. The first trade fair of the year for its sector, it is a climate and trend barometer for the whole business year. At this leading event for interior textiles, design and trends, international manufacturers, dealers and designers present their products and innovations to a large audience of trade visitors.

More than 2,886 exhibitors from 69 countries will take part in Heimtextil 2017. From Bangladesh 23 textile companies will join Heimtextil to display their products including bedsheets, bed covers, cushion covers, towels and bathrobes to attract buyers from the European countries.

Of the 23 exhibitors participating from Bangladesh, 10 will take part under the Export Promotion Bureau (EPB) while 13 will join the trade show directly. The EPB will attend the expo to promote Bangladesh as it has a lot of potentials in textile sector and they can explore markets through the expo.

Terry Towel and Linen Manufacturers and Exporters Association (BTTLMEA) Chairman Hossain Mehmood and Director Mian Uddin Ahmed will be participating in the expo.

Hossain Mehmood said that such participation will help the manufacturers to attract global buyers to source products from Bangladesh. It also would help exchange views with manufacturers of other countries to enrich their knowledge.

The participating companies are ACS Textiles (Bangladesh) Limited, Apex Weaving and Finishing Mills Ltd, Mom Tex Limited, Noman Terry Towel Mills Limited, Regent Textile Mills Pvt Ltd, Shabab Fabrics Ltd, Towel Tex Limited, Unilliance Textiles Ltd, Shamsuddin towels, Hossain Dyeing and Zaber & Zubair Fabrics Limited. Anik Composite Mills Ltd, Instinct Textile Ltd, Miray Towel Industries Limited, Virgin Grace Ltd, Jaantex Industries Ltd, Manuri Textile Mills, RTT Textile Industries Pvt Ltd, EKE TEX (PVT.) LTD, and Asix and RTT Textile Industries (Pvt.) Ltd.

There are also participants from Germany, China, Turkey, Italy, Great Britain, USA, Spain, France, India, Netherlands, Pakistan and other countries.

Heimtextil, will be held in between January 10 and 13 in 2017 in Germany's Frankfurt am Main

Source: yarnsandfibers.com – Dec 26, 2016

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### **Vietnam : Minister urges Vinatex towards better efficiency in 2017**

HÀ NỘI – Deputy Minister of Industry and Trade Cao Quốc Hưng has urged the Vietnam National Textile and Garment Group (Vinatex) to improve its value chain and operate more efficiently in 2017.

At a recent conference held to review Vinatex's business results in 2016, Hưng said the group should promote research and development activities and apply technology in garment production to offer value-added products, at the same time ensuring that there are no negative effects on the environment.

Trần Quang Nghị, chairman of Vinatex, said the group would focus on expanding its market base next year and would keep a close watch on the global raw materials market in order to take advantage of the free trade agreements.

In 2017, Vinatex expects a rise of 12 per cent in export revenue, 15 per cent in industrial production and 6 per cent in profits.

The group made pre-tax profit of VNĐ1.43 trillion (US\$63.8 million) in 2016, a rise of 9 per cent over the previous year. Its industrial production value totalled VNĐ37.7 trillion, which is 103 per cent over 2015, and its export value touched VNĐ2.477 trillion, a 4 per cent rise. The incomes of Vinatex's employees averaged VNĐ6.7 million per month, up by 8 per cent. This year, the group also invested in 41 projects, worth a total of VNĐ5.5 trillion.

On December 23, the Hà Nội Stock Exchange approved Vinatex trading on the Unlisted Public Company Market (UPCoM) under the code VGT, making it the first state-owned group to be traded on UPCoM.

Vinatex has a charter capital of VNĐ5 trillion, with the state holding 53.49 per cent stake.

Source: Viet Nam News – Dec 27, 2016

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### **Pakistan: Duty on yarn kept at five percent to prop up textile industry**

The government has maintained the customs duty on cotton yarn at the lowest level of 5 percent in order to support the textile industry. Sources said that this was informed to the Senate Standing Committee on Finance in writing by Federal Board of Revenue (FBR) while briefing on the implementation of the committee's recommendations to the Finance Bill 2016.

Responding to the queries of the Senate Standing Committee on Finance, the FBR informed that specific recommendations pertaining to the customs duty had been implemented in the last budget, for example reactivation of the Alternate Dispute Resolution Committee (ADRC) to resolve customs related disputes between taxpayers and tax collectors. In budget 2016-17, the Senate recommended to the National Assembly that the duty on cotton yarn should be kept at minimum slab rate of 5 per cent. The FBR responded that the recommendation has been implemented through amendment in Finance Bill 2016, by amending the Fifth Schedule to the Customs Act 1969.

The Senate recommended to the National Assembly to rationalise the import process and simplify the structure of import duties for equipment used to produce solar energy. The Senate had recommended to the National Assembly that Customs House should be established for gateway at Tehsil Qamardin Karez, Balochistan.

Qamardin Karez is already a notified customs station; however, it is not operational due to the law and order situation and lack of infrastructure like roads, electricity and banking facilities, the FBR added. The Senate recommended to the National Assembly that all the legal issues with Alternate Dispute Resolution Committee (ADRC) should be resolved to make it functional. The FBR responded that the recommendation has been implemented through amendment in Section 195C of the Customs Act, 1969.

Source: breccorder.com– Dec 27, 2016

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### **KARACHI: Cotton buying remains steady amid better grades in focus**

The cotton trading remained firm amid firm spot rate and around 1,200 bales changed hands. The Karachi Cotton Association (KCA) spot rate remained intact at Rs 6,250 per maund, the traders said. They said the buyers bought all qualities of lint offered by the ginnerers during the trading session besides mills purchased quality cotton on slightly higher prices during the session while the leading ginnerers sensing future demand of quality lint offered few stocks on high prices to the buyers.

Ghulam Rabbani, a senior trader said the buyers were accepting a bit higher prices as the leading millers and spinners bought around 690 bales at Rs around 6,550 per maund during the session.

He said the leading buyers would remain eager for quality lint on slightly higher prices on the back of growing demand of garments and yarn. He said there leading end users would likely to go for further import of quality cotton in near future for meeting foreign and domestic end-products demands.

A senior broker said the private sector commercial exporters of Sindh and Punjab made deals for quality cotton at around Rs 6,475 per maund while ginnerers of Sindh offered raw lint to the buyers around Rs 5,975 per maund. Around 100 bales of upper Sindh changed hands at Rs 6,050 per maund, 200 bales of Mirpurkhas at Rs 6,075 per maund, 100 bales of Yazman at Rs 6,125 per maund and 100 bales of Multan changed hands at Rs 6,200 per

maund. He said market remained steadier tones as the buyers were looking for better lots for Rs 6,500 to 6,575 per maund. New York Cotton March 2017 Future closed at 70.83 cents per pound and March 2017 Future closed at 71.10 cents per pound.

Source: dailytimes.com.pk – Dec 27, 2016

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## **Trade agreements to help SL apparel industry broaden its export markets**

Sri Lanka should seriously consider negotiating trade agreement with the EU, as the GSP plus can be enjoyed for a maximum of 4-5 years at most. The restoration of trade agreements will give some room to breathe and consolidate the industry. It can be used to accomplish many other medium and long term goals, which will not only be beneficial to the apparel industry, but boost all the exports from Sri Lanka, said the new Chairman of the Sri Lanka Apparel Exporters Association (SLAEA), Felix A. Fernando.

Also the government should explore the possibility of signing trade agreements with countries such as Japan, Russia, Korea, Brazil and South Africa.

The apparel industry has made a commitment to the Government to increase exports to the EU by US\$ 500 million annually after GSP+ is restored. Trade agreements will help the apparel industry to broaden its export base and bring in valuable foreign exchange.

Although it was disheartening to digest the current economic realities and the state of the world economy and their own economy, they value the current government's desire to achieve sustainable development through export-led growth with globally connected value chains.

Prime Minister Ranil Wickremesinghe hopes for the revival of the industry with the restoration of GSP plus. If the proposed FTA with China can be successfully concluded, they will have a great opportunity to expand their market in China. The same cannot be said, however, about the proposed FTA with India. It is necessary to remove the quota in its totality in respect

of the apparel sector if their industry is to see a significant benefit from the proposed ETCA, Fernando said.

The chairman speaking at the Annual General Meeting of the Association said that they all need to find and diversify into new markets for exports. Considering the reputation Sri Lanka has for its quality, and their inability to compete on the low-end value products which are made in neighbouring South Asian countries, they must increase the production of higher value-added products, such as formal wear and high-end outerwear.

Moreover Sri Lankan industry largely lacks automation, there are only a few major players investing in automation. When considering shortage of labour in the country it could become a critical factor in time to come.

Source: yarnsandfibers.com – Dec 26, 2016

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## **Kenya to host Screen Print East Africa 2017 in June**

The Screen Print East Africa 2017, an dedicated exhibition to broaden business horizons giving visitors a rare opportunity to know how the printing industry from across the globe congregates at East Africa, will be held from June 21 to 23, 2017 at Visa Oshwal centre, Nairobi, Kenya, with co-located events Sublimating Ideas expo, Sign expo, and Label show.

Devang N Sheth, managing director, Aditya Expositions said, “Screen Print India has always been among the world’s leading and Asia’s finest exhibitions with a sustained track record since 1994. This East Africa foray has been envisaged after considerable research regarding the economic development and business potential in the region. It will be a win-win situation for all those who are part of these four printing industry segments. Continuing the fine traditions of the parent brand, the debut edition Screen Print East Africa 2017 is expected to attract exhibitors and visitors from across the globe. There are going to be focused interactions by people who are genuinely interested in exploring business opportunities and new technologies.”

Source: fibre2fashion.com – Dec 27, 2016

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## **Uzbekistan considering becoming part of CPEC**

ISLAMABAD - Uzbekistan's Deputy Prime Minister Ulugbek Rozukulov has said that Pakistan is a very important country, and his country wanted to enhance bilateral ties in various fields including trade.

“The government, masses and business community of Uzbekistan and Pakistan must strive to boost bilateral trade, which is well below the actual potential,” he said.

While speaking to the businessmen at FPCCI's Capital House here on Saturday, the visiting dignitary said that Pakistan could resolve its energy problem with the help of natural resources of Uzbekistan and that his country was considering to become part of CPEC, which, he said, was a fate changing project.

Uzbek ambassador to Pakistan, Apex Chamber President Abdur Rauf Alam and others were also present on the occasion.

“CPEC will not only benefit the whole region, but will also positively affect the people living in other parts of the field besides promoting Pakistan's economy,” he said, and added, “We should push cooperation to the new heights.”

Speaking on the occasion, FPCCI President Abdur Rauf Alam said that Pakistan was exporting pharmaceuticals, leather goods, agricultural products, milk and sports goods to the brotherly country of Uzbekistan.

“Pakistan is importing cotton, yarn, clothes, iron, steel plastic, telecommunications equipment and electric items from Uzbekistan,” he added.

Alam said that Uzbekistan was producing quality aircraft, cars and machinery, which were not being imported.

He demanded immediate establishment of a Pakistan-Uzbekistan Joint Business Council to promote trade and investment. An MOU for cooperation was signed between the apex chambers of both the countries and a meeting of Pakistan-Uzbekistan Business Forum was also held.

Source: nation.com.pk– Dec 25, 2016

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## NATIONAL NEWS

### Textiles ministry introduces dashboard for ISDS



The ministry of textiles has introduced a dashboard for Integrated Skill Development Scheme (ISDS) hosted on the NIC cloud to bring more transparency into the system. Information related to the progress of ISDS along with state-wise details of all live training programmes under the scheme will be opened for public view through the ministry's website..

***Union minister for textiles Smriti Irani launching the 3 initiatives on the Good Governance Day, in New Delhi***

The dashboard was launched by Union minister of textiles Smriti Irani on the occasion of Good Governance Day on December 25 along with the JUTE-SMART tool and Bunkar Mitra-Handloom Helpline Centre.

The live information being sourced from MIS will be displayed in a separate page of Ministry's website in a user friendly dashboard format giving State-wise, sector-wise, category-wise progress of training programmes under the scheme across the country. The drop down provision will facilitate downloading of state-wise details of training centres along with names of trainees undergoing training in respect of all live training centres under the scheme.

The proposed interactive provision in the Management Information System (MIS) will also enable any prospective trainee to identify the live training centre close to his native so as to enrol himself/herself for training. In addition, as part of this occasion, in order to utilize and harness the benefits of existing state-of-the-art secured Government cloud set up by NIC, ISDS-MIS presently hosted in a private cloud has been migrated to NIC cloud.

The strength of the textile industry, especially the textile and clothing sector, can be leveraged in two ways. While skilled workforce will provide competitive edge to the textile industry in the global market, it will also be a tool for participative and inclusive growth by providing job opportunities to

the unemployed rural youth preferably below matriculates and from marginalised section of the societies. ISDS, the flagship demand driven placement linked skilling programme of the ministry is an initiative towards this direction.

The ministry is partnering with state government agencies, industry, major textile training institutions, textile research organizations and industry associations for implementing the scheme. Out of the 12th plan target of 15 lakh persons under the scheme, the ministry has so far trained a total of 8.82 lakh persons.

With an objective to ensure transparency in implementation and also to maintain accountability, the ministry has taken some measures. These include outcome based approach with mandatory placement of 70 per cent of trainees, MIS platform for ease of monitoring of implementation of training programme, biometric attendance of trainees, third party assessment of trainees after training, random physical verification of live training centres by field offices of ministry and QR code enabled e-certificates for trainees.

Source: fibre2fashion.com- Dec 26, 2016

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### **AEPC positive over apparel exports crossing \$30 bn in next 3 yrs**

India's apparel exports likely to touch more than \$30 billion in the next three years, according to industry body AEPC as the government's future-oriented initiatives to modernize the country's textile sector will help push apparel sector.

Apparel Export Promotion Council, referring to the government's Rs.6,000 cr special package announced in June for the textiles sector said that this move, along with innovative designs prowess will bring about a paradigm change for the industry.

AEPC Chairman Ashok Rajani said that they have an ambitious target for export and job creation in the next three years. The industry is poised to grow in 2017 but have the potential of exceeding the expectation of

achieving the \$30 billion mark in next three years for apparel exports which currently stands at around \$17 billion annually.

India has an immense talent pool and this industry can harness this resource to a maximum level.

Talking about a long-term positive impact of demonetisation on the industry, Rajani said that temporarily, they are facing a lot of pain as their workers are having difficulties opening bank accounts and migrant workers from their principal centres from Delhi, Tirupur and Karnataka are going back to their villages.

There has been a slight pickup in the country's garment exports, following the announcement of Rs.6000 crore special package for the industry which was stagnant since last year, due to less-than-normal demand in the country's key overseas markets including the US and EU.

Source: yarnsandfibers.com- Dec 26, 2016

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### **JUTE-SMART portal to help procure B-Twill Sacking**

The ministry of textiles has launched B-Twill Supply Management and Requisition Tool (JUTE-SMART), an online portal to facilitate end to end transactions related to procurement of B-Twill sacking. It is an integrated platform for use by all the stakeholders to allow easy access to information, more transparency and ease of doing business for the jute sector.

An e-governance initiative by the government, JUTE-SMART is a web based application that facilitates purchase of jute bags from the jute industry by the State Procurement Agencies (SPAs). It was launched by Union textiles minister Smriti Irani on the occasion of Good Governance Day on December 25.

The portal is designed to integrate the process of indenting of B-Twill by the SPAs, help payment of required fund by SPAs into their respective bank accounts and allocate Production Control cum Supply Order (PCSO) by the Office of Jute Commissioner.

The tool will also help in the generation of inspection calls by the jute mills and allocation of inspectors by the inspection agencies. It can also be used for uploading inspection report by the inspecting agency and dispatch information by loaders/jute mills for transportation and Container Corporation of India (CONCOR). Bill generation by jute mills and release of payment from respective banks to the jute mills is also possible on the tool along with complaint generation and real time reconciliation of funds remitted by the SPAs.

The Cabinet Committee on Economic Affairs (CCEA) decided to transfer the operation of purchase and supply of B-Twill sacking by SPAs from the Directorate General of Supplies & Disposal (DGS&D) to the Office of Jute Commissioner, Kolkata, with effect from November 1, 2016. Annually about Rs 5,500 crore worth of jute sacking is procured through support by the Indian government to support the Indian jute workers and farmers.

The erstwhile system relied mostly on paper and there were bottlenecks in information sharing between the stakeholders, mainly SPAs, the ministry of food and public distribution, jute mills, inspecting agency, loaders, consignees, pay and accounts office etc. Since B-Twill sacking is an essential requirement for procurement of foodgrains, the entire operation is time bound and needs to be closely monitored. In addition, the system provides for automated transactions through banks to reduce cost to the SPAs on account of loss of interest on their funds.

Indents of 3.01 lakh bales worth Rs 700 crore (approx.) have already been placed through JUTE-SMART in the month of November and December 2016 by SPAs from Punjab, Haryana, Odisha, Andhra Pradesh, Telengana and Bihar and PCSO has been placed for these bales to the jute mills located in 7 states.

JUTE-SMART is a smart software platform which will significantly ease the process of B-Twill procurement by state governments and FCI, make the process completely transparent and rule based and also reduce costs for the SPAs.

Source: fibre2fashion.com- Dec 26, 2016

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## 58th IIGF to host buyers from over 70 countries

The India International Garment Fair (IIGF), the biggest international trade fair for fashion, will host buyers and buying agents from more than 70 countries. Manufacturers and exporters from across India will exhibit their products at the fair for Autumn/Winter 2017-18 season that is scheduled to take place from January 18-20 in Delhi.

The fair for womenswear, menswear, childrenswear, scarves and stoles, bags and footwear, fashion accessory and jewellery has been organised by the Apparel Export Promotion Council (AEPC) under the guidance of the textiles ministry. It will occupy an area of over 16,540 square metres and is likely to be inaugurated by Union textiles minister Smriti Irani.

IIGF would be encouraging participants to display sustainable practices in design and production of garments. It will provide ample opportunities to showcase product range through fashion shows, which would be organised twice every day, on all three days of the fair.

With strong support of the government through 'Market Access Initiative' grant and incentives offered to buyers under the 'Reverse Buyer Seller Meet' scheme, the fair has always attracted buyers from various countries.

The network has been growing and flourishing from year to year and forms the basis for the sourcing plans of all major brands in the world of fashion and accessories, said the organiser of the fair. Various promotional activities have also been undertaken by the council to invite buyers and buying agents.

Not only does this fair give a good opportunity to invite regular buyers, but a number of new buyers and buying agents are added every year by the organisers. This way this fair is a platform for interface with new buyers from new countries every season.

In the last edition, that is, 57th IIGF held during July 2016, 408 participants and more than 1100 buyers and buying agents had visited the fair.

Source: fibre2fashion.com - Dec 26, 2016

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## Technotex 2017 to be held Mumbai in April 2017



Technotex-2017, the sixth International Exhibition and Conference on Technical Textiles to take place at Mumbai in April coming new year 2017 with the theme 'Advantage India: Emerging Global manufacturing hub for Technical Textiles'.

The main objectives of the three day conference is to make India a manufacturing hub in technical Textiles under the 'Make in India' initiative and project latest developments in the sector, industry sources said.

More than 200 exhibitors are expected to showcase the latest products, machinery, equipment and developments at the upcoming Technotex 2017. On display among others will be medical textiles, industrial textiles, Eco textiles, Geotextiles, Home and Packaging textiles and Sports textiles. The conference, organized by Ministry of Textiles and FICCI, will aim at technology adaptation and upgradation and also Joint Venture partnerships, project collaborations, transfer of technology, investments and R and D.

Source: yarnsandfibers.com– Dec 26, 2016

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## Bombay Dyeing coming up with functional textile products early next year

The century-old Bombay Dyeing to launch functional textile products targeting active life of youths as well as launch of an e-commerce portal by early next year. The company is taking multiple steps to reach out to young consumers and come across as a youthful brand.

Nagesh Rajanna, CEO, Bombay Dyeing Retail said that they call the segment as active life where youths would find different kinds of products for different activities such as cycling, gym etc. They are also launching



premium digital designer prints, which are priced on the upwards of Rs 7,000 and are targeted towards the urban consumers.

Bombay Dyeing Retail aiming to treble its retail turnover to Rs.1,000 crore by 2020 from Rs.300 crore in FY16 has taken expansion activity even as it looks to launch more innovative products on the run.

The company has changed brand logo with 'new vibrant look' as it is going aggressive on the digital front to interact and engage with young customers. Bombay Dyeing is a relatively traditional brand and over the past two decades, but now they are reinventing themselves. They have not only introduced the brand with a new vibrant look, they are investing around Rs 100 crore in scaling up the brand, even as they look to launch their e-commerce portal that will go live by March 2017. They hope online sales to contribute 8-10 percent to their total revenue by 2020, said Rajanna.

The company has over the past several months moved away from manufacturing to a more retail service-oriented company, with 90 percent of its requirement now being outsourced to manufacturing partners. Currently, Bombay Dyeing Retail contributes 17 percent to BDMCL; by 2020, the company expects the same to grow to 30 percent.

The company is banking on the current expansion plan being undertaken, which by 2020 will see BDR's traditional textile multi-branded outlets grow from 5,000 to 10,000 and franchised stores from 200 to 500.

Part of the Rs 1,845.7-crore Bombay Dyeing and Manufacturing Company (BDMCL), Bombay Dyeing Retail, has a 30 percent share in the organized bed, bath and coordinates market, which is valued at around Rs 1,000 crore.

Source: yarnsandfibers.com– Dec 26, 2016

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## **Industries minister takes steps to open all closed spinning mills**

Kerala Industries minister A C Moideen at the joint meeting of the state textile sector trade union leaders and management representatives convened to evolve solutions to the problems faced by textile workers

informed that officials has been directed to open all the defunct spinning mills in the state on an immediate basis.

In the first phase revival plan, the minister ordered to release Rs 15 crore for procuring raw materials and repair works. As lack of working capital, raw material and unable to pay electricity charge dues and other statutory installments had affected the functioning of textile mills.

However, lack of modernized tools, hike in prices of yarn in the domestic market and the demonetisation effect of the union government led to closure of the market resulting in the crisis for the textile sector.

It was also decided at the meet to constitute an expert committee to study the problems confronting each of the textile mills and to offer appropriate solutions for its growth.

The committee is expected to submit a report of the study within three months. The meet also decided to open the closed textile mills and to ensure electricity supply, to set up a centralized purchase system and to constitute review committee in a timely manner.

Source: yarnsandfibers.com– Dec 26, 2016

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