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TEXPROCIL NEWS CLIPPINGS

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IBTEX No. 134 of 2017 June 30, 2017

USD 64.74 | EUR 73.99 | GBP 84.25 | JPY 0.58

Cotton Market

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

Rs./Bale	Rs./Candy	USD Cent/lb
20055	41950	**82.83**

Domestic Futures Price (Ex. Gin), July

Rs./Bale	Rs./Candy	USD Cent/lb
19920	41668	**82.27**

International Futures Price

NY ICE USD Cents/lb (Dec 2017)	68.97
ZCE Cotton: Yuan/MT (Sept 2017)	15,625
ZCE Cotton: USD Cents/lb	**83.06**
Cotlook A Index – Physical	**83**

Cotton & currency guide:

Thursday was a dull day for Cotton traded in an inside range to settle the most active December contract at 67.24 down 41 points from the previous close.

Despite a dismal USDA Weekly export sales figure which stood at 584,200 bales making two consecutive weeks exports higher at 12,36, 500 bales had meager impact on Cotton price. Sometime these sorts of data already discount the market which we may say so by seeing a negative price trend for cotton. However, at times we get to see some reaction in the market with the surprise export sales figure.

The strategy for cotton as spread is to take short in near month contract July and Buy the October future with the spread of around 1600+. The target would be less than 800 in the near term. There should be a stop loss for the spread which should be above 2000 on a daily closed basis. Lastly trading range for the day would be 19800 to 20100 for July MCX future.
Compiled By Kotak Commodities Research Desk , contact us : mailto:research@kotakcommodities.com, Source: Reuters, MCX, Market source

NEWS CLIPPINGS

INTERNATIONAL NEWS

China's Sinomach merges with state textile giant

BEIJING, June 29 (Xinhua) -- China's State Council has approved a merger between China National Machinery Industry Corporation (Sinomach) and textile giant China Hi-Tech Group Corporation, an official statement announced Thursday.

The textile conglomerate has become a wholly-owned subsidiary of Sinomach, an equipment manufacturing group, and will no longer be directly supervised by the State-owned Assets Supervision and Administration Commission (SASAC), according to the statement released on SASAC's website.

The news brought down the number of central state-owned enterprises (SOEs) to 101. The SASAC has planned to reduce the number of central SOEs to under 100 as part of the ongoing reforms to improve efficiency of the companies.

The merger was in line with the country's aim to raise the competitiveness of SOEs, bringing technology and research capabilities to companies such as China Hi-Tech Group, which is in an industry with shrinking revenues, said Li Jin, chief researcher with the China Enterprise Research Institute.

In afternoon trading, the shares of subsidiaries under the two companies soared as investors stay bullish on the synergy that the merger will bring.

Jingwei Textile Machinery Company, a subsidiary of China Hi-Tech Group, for example, jumped more than 5 percent on the news of the merger.

Source: Xinhua.com- June 29, 2017

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Pakistan: Cotton market listless

KARACHI: The cotton market on Thursday gave listless conditions as buyers moved to the sidelines. The undertone remained easy and outlook uncertain.

The slowdown in leading world cotton markets also had its impact on the domestic market where lint prices hovered between Rs6,300 and Rs6,400 per maund (around 37 kilograms).

The textile industry was conspicuous by its absence. However, brokers said that some small deals were finalised in new crop cotton.

They added that officially the new crop deals could not be reported before July 2, though some small-lot deals exchanged hands. There was no buying interest in the old crop, brokers added.

The world leading cotton markets, including New York's, remained under pressure and prices generally closed lower.

The following are Thursday's Karachi Cotton Association (KCA) official spot rates for the crop (2016-17) local dealings in Pak rupees for base grade 3 staple length 1-1/16" micronair value between 3.8 to 4.9 NCL.

Rate for	Ex-Gin Price	Upcountry Expenses	Spot rate Ex-Karachi
37.324kg	**6,650**	**135**	**6,785**
Equivalent **40**kg	**7,127**	**145**	**7,272**

The ongoing spell of rains across the country has raised some concern as it could cause damage to the standing cotton crop which is semi-draught crop and needs little water for its growth.

The Karachi Cotton Association kept its spot rates unchanged at pre-Eid level.

Trading activity on the ready counter remained extremely slow. Some small-lot deals did take place but were not officially notified, brokers said.

Source: dawn.com- June 29, 2017

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Pakistan: APBUMA sought industrial zones for upholstery sector

The All Pakistan Bedsheet and Upholstery Manufacturers Association (APBUMA) sought dedicated industrial zones across the country for the upholstery sector. The association said that the people from these sectors had approached finance and commerce ministries and requested them to take interest in early establishment of industrial zones.

The APBUMA was willing to share cost of setting up industrial zones if the government selected and provided suitable land for the purpose.

The Ministry for Textile Industry and other government departments concerned should start work on modern lines on this project in order to boost exports of the sector.

The upholstery manufacturers lamented that the sector remained unable to meet demand of buyers and held increase in the cost of production responsible for the purpose.

The cost of production had increased further due to 39 percent increase in gas and other tariffs. Earlier, the government had announced Rs170 billion for textile exporters. Higher cost of production and lack of competitiveness had also been hurting Pakistan's exports.

The APBUMA said that establishment of cottage industrial zones could help promote hand looms industry, carpet, hosiery and embroidery sectors. With these measures, exports by these sectors could be enhanced to the tune of $3.5 billion annually in the next five years.

The association urged the prime minister to make early payments of refund claims. They hope the prime minister will fulfill his commitment to restore the confidence of exporters. If concrete measures are not taken in time, the industry will collapse.

Japan, China and many other countries had established cottage industries to provide a strong base for industrial development with great success. Speedy development of these countries was only due to industrialisation and encouragement to entrepreneurs.

Source: yarnsandfibers.com- June 29, 2017

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Iranian handwoven carpet exports rise 18.4% last year

The exports of handwoven carpets from Iran increased by 18.4 per cent year-on-year to $345.7 million in the last Iranian year that ended on March 20, according to Iran Chamber of Commerce, Industries, Mines and Agriculture. In terms of quantity, Iran exported 5,700 tons of handwoven carpets during the year, registering a growth of 7.5 per cent.

The increase in handwoven carpet exports was mainly due to the resumption of exports to the US post-implementation of the Joint Comprehensive Plan of Action (or the nuclear deal signed by Iran with world powers in 2015). Traditionally, the US is the biggest market for Persian carpets.

Iran also exported 55,500 tons of machine-woven exports valued at $306.5 million during the 12-month period, indicating a decrease of 8.9 per cent and a rise of 4.3 per cent, respectively.

The exports of other textile items weighed 98,500 tons and were valued at $278.3 million, showing a year-on-year growth of 8.6 per cent and 1.7 per cent, respectively.

Some 3,800 tons of apparel worth $46.2 million and 8,100 tons of leather products valued at $61.3 million were also exported during the year.

Thus, Iran earned over $1.13 billion in revenue from exports of textile items during the year, which was 1.7 per cent decline compared to the earlier year.

Source: fibre2fashion.com - June 30, 2017

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Avantex Paris to offer high tech solution to fashion sector

Avantex Paris, a trade show dedicated to high tech fabrics for fashion and to research in that field, the show will take place this September in Paris where it will offer international visitors an aspirational selection of solutions dedicated to the ready-to-wear and fashion accessories sectors.

With over 30 exhibitors, the event is expanding to offer a vast range of textiles, which are becoming ever more technical and innovative and are showcased against a backdrop designed by the show's artistic directors.

In September, it will be two years since Avantex Paris first proposed some decidedly high-tech solutions for clothing and fashion accessories aimed at designers and professionals from the textiles branch.

The show in September 2017 will focus on innovative fabrics in particular, thanks to a partnership that has been established with Matéri'O, the specialist for independent monitoring of innovative materials and technologies, said Michael Scherpe, President of Messe Frankfurt France.

Avantex Paris will build on activities that are crucial in developing new technologies in the textiles, clothing and accessories sector with a competition reserved for start-ups and launched on Wirate: the Avantex Fashion Pitch.

The trade show will attest to the diversity of research and development thanks to Matéri'O with some technical materials, which are likely to be seized on by the fashion sector, the Korean Textile Development Institute, which is at the forefront of technical textiles for clothing, and a space dedicated to colleges, start-ups and research centres, organisers report.
Textile collections from Taiwan and an increased presence from component manufacturers (Korean and Chinese) will be fundamental at Avantex.

A meeting place and place for inspiration, the agora at Avantex Paris will have a wall of images to highlight the activities taking place there and will aim to demonstrate the links between technology and clothing through a series of presentations and round tables moderated by experts on the inherent issues in the market and which make up the exhibition: Materials & Components / Clothing & Accessories / Prototype Studio / Smart Retail.

Since innovation is driven by start-ups, Avantex Paris also wants to serve as a catalyst for innovative talent and to promote creative projects with the Fashion Pitch competition. This will allow the winner to exhibit ideas at the show in February 2018 and to promote it using a video presentation worth 1200 euros offered by Wirate, partner of the contest.

Avantex Paris is a 4 day event being held from 18th to 21st Sep 2017 at the Paris Le Bourget in Paris, France.

Source: yarnsandfibers.com- June 29, 2017

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Toung Loong Textile launching fabrics made with lycra, coolmax

Taiwan's Toung Loong Textile is launching a new line of fabrics consisting of a blend of INVISTA's popular COOLMAX AIR technology with LYCRA fiber. A move aimed at capitalizing on the strength of the expanding sportwear sector. The new fabrics will be one of the highlights of the Toung Loong stand at the upcoming Outdoor Retailer Summer Market in Salt Lake City, Utah which is designed to meet the needs of brands focused on women's fitness wear.

The activewear sector is expanding quickly and making its presence felt in consumer spending. According to research from Euromonitor, sportswear grew twice as fast as the overall industry in 2016, and is showing no signs of slowing down in 2017.
Richard Yu, chief of marketing of Toung Loong Textile said that as interest in health and fitness continues to gain ground, demand for performance activewear is accelerating. In addition, market intelligence organizations agree that womenswear will continue to account for the highest per capita spending, as female consumers invest in the latest fashion trends including athleisure and make more frequent purchases.

Launching new fabrics specifically designed to work best in women's fitness wear, using INVISTA's industry-leading COOLMAX AIR technology with LYCRA fiber, represents a tremendous opportunity to stand out in a crowded market and win new business, said Yu.

Since it was originally rolled out in 2013, INVISTA'S COOLMAX AIR technology has been a huge hit in the fitness and performance wear sector. Today, it is the fabric technology of choice for some of the world's biggest apparel brands, as well as yarn producers like Toung Loong, that are keen on capturing a bigger slice of an expanding market.

In the highly competitive global marketplace, the challenge for the apparel and textile industry is to exploit growth opportunities through well-differentiated offerings. That's where INVISTA is playing a role – offering technologies, consumer insights and collaborative business models that can genuinely help leading mills, brand owners and retailers to capture these opportunities and create value for customers, said Huw Williams, INVISTA global segment director, activewear and outdoor.

COOLMAX AIR technology with LYCRA fiber are made from high-performance fibers engineered to maximize consumer comfort with excellent moisture-management performance, breathability and faster drying times. The high air permeability results in the exchange of the microclimate, adding the potential for additional cooling.

COOLMAX AIR technology with LYCRA fiber is perfect for fabrics aimed at women's fitness applications. Its combination of fit, freedom of movement, moisture management and increased air permeability helps improve drying time so that women can always perform at their best.

Their breakthrough texturizing yarn technology enables them to create high-performance fabrics with beautiful aesthetics that meet the needs of consumers and brands operating in the women's fitness sector.
According to Huw Williams of INVISTA, this focus on quickly translating fiber innovation into fabrics for apparel, and on connecting brands with retailers and end user consumers, has become a hallmark of their business and a key INVISTA differentiator.

INVISTA is currently working with dozens of strategic fabric mills in Asia, including Toung Loong, to develop new, performance-oriented fabrics.

Source: yarnsandfibers.com- June 29, 2017

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NATIONAL NEWS

PM to inaugurate Textile India-2017 on Friday

AHMEDABAD: Prime Minister Narendra Modi will inaugurate Textile India 2017, country's first ever mega trade event for the textile sector, in Gandhinagar on Friday. Textile industry stalwarts from India and abroad, central and state ministers and other industry stakeholders are expected to participate in the 3-day event.

Kumar Mangalam Birla, chairman, Aditya Birla group, B K Goenka, chairman, Welspun Group, Sanjay Lalbhai, chairman and managing director, Arvind Ltd and Gautam Singhania, CMD, Raymond Group are going to attend the inaugural ceremony at Mahatma Mandir tomorrow. Union textile minister Smriti Irani, minister of state for textiles Ajay Tamta along with Gujarat chief minister Vijay Rupani and deputy CM Nitin Patel will also attend the inaugural ceremony. Senior ministers of textiles, finance, commerce and industry, road transport and highway and agriculture are scheduled to participate in the 3-day event, which is being held at Mahatma Mandir and Helipad group. A mega exhibition has also been organised .

Experts, policy makers and industry players from within and outside India will deliberate on various aspects and challenges concerning textile industry at the event. Textiles India-2017 is being organized by Union ministry of textiles with support from Union ministry of commerce and in association with all textile export promotion councils. As many as 1,500 exhibitors, 20,000 participants including 2,500 foreign buyers and sellers, have already registered for the mega event. Countries such as USA, China, UK, Australia, Germany, Bangladesh, South Korea, UAE, Vietnam and others are participating in the event.

Source: timesofindia.indiatimes.com- June 30, 2017

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India 2016/17 cotton exports seen down 17% to 6 million bales: Trade body

The world's biggest cotton producer is likely to have harvested 33.63 million bales of cotton in the 2016/17 season that started on Oct. 1, slightly down from 33.78 million bales a year ago, the Cotton Association of India said in a statement.

India's cotton exports in 2016/17 are likely to fall 17 percent from a year ago to 6 million bales, a leading trade body said on Thursday, as an appreciating rupee dented the competitiveness of the Indian fibre in the world market.

The world's biggest cotton producer is likely to have harvested 33.63 million bales of cotton in the 2016/17 season that started on October 1, slightly down from 33.78 million bales a year ago, the Cotton Association of India said in a statement.

Pakistan, Bangladesh, China and Vietnam are the major buyers of Indian cotton.

Source: cottonyarnmarket.ne- June 30, 2017

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Textile bandh ends in Nizamabad

The three-day textile bandh protesting against the imposition of Goods and Services Tax on the cloth and unfinished garment sales came to an end on Thursday.

Sales and purchases of cloth came to a grinding halt following the closure of shops for three days. Poosalabasti where the textile shops are located wore a deserted look.

The town cloth merchants' association president and general secretary A. Dasharath and E. Venkatesh strongly condemned the slamming of the GST on cloth business terming it as detrimental to the textile industry and business.

They also said that they would continue the protest till the Centre withdraws its decision.

Source: thehindu.com- June 29, 2017

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Traders continue with their protest, demand exemption from tax purview

Textile traders from different parts of the country continued to stage protests on Thursday to oppose the imposition of Goods and Services Tax (GST) from July 1.

Traders across Gujarat persisted with their agitation against 5% GST on textiles for the third day on Thursday. As many as 50,000 textile dealers in Ahmedabad shut their shops seeking an exemption for their industry from the tax regime.

In Surat too, the diamond and textile industry hub, the traders observed a bandh.

Gujarat trade union leaders said nearly three lakh traders have extended support to the bandh call across the state.

“As much as 80% of the textile industry depends on small units. How can a person, who sells saris on a two-wheeler or a bicycle, be able to follow the GST norms?” asked Mahendra Ramolia, president Sachin Weavers Association of Surat.

Source: hindustantimes.com- June 29, 2017

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Surat: Small textile players are afraid of GST but big companies are not

Businessman fear smaller units will become more expensive as tax is paid out at each level Rajesh Mehra is desolate.

A big-boned man in his mid-fifties, he is a trader in women’s blouses.

Until ten years ago, Mehra used to take orders from garment wholesalers in big cities like Mumbai, Kolkata and Bengaluru, buy the cloth and thread he needed from garment clusters like Silvassa, and get the blouses stitched in Amritsar.

But this business model ran into trouble when blouse-making units came up in Surat, one of India’s biggest synthetic fabric and sari-making clusters. Enjoying advantages like proximity to cloth- and thread-makers, these units made cheaper blouses than their counterparts in Amritsar.

In response, Mehra made a hard call. He left his family behind in Amritsar and moved to Surat, working on the assumption that having a perch in that city would help him sell better.

Now, as India readies to overhaul its tax regime for businesses, replacing a welter of sales and income taxes with a single tax called the Goods and Services Tax, Mehra has run out of ideas. “Kya hoga?” he asked. “Kaise chalega yeh sab?” What will happen? How can this business continue?
Anxieties about how GST will impact their businesses have prompted textile traders to go on a nationwide strike over three days this week. But not everyone in Surat’s textile hub is worried.

No more than 20 minutes away from Mehra's shop in the basement of a building opposite Surat's old Ratan Cinema, in the heart of the town's textile market, lies the soot-blackened industrial estate of Pandesara. This is where Sanjay Saraogi works.

Saraogi, who looks far younger than his 46 years, is the managing director of Rs 450 crore Laxmipati Saris.

Described by his peers as one of the sharpest minds in the Surat textile industry, he entered the family business at 14 when his father fell very ill – he would go to school in the morning and spend the rest of the day in the shop. Over the last ten years, he has steered Laxmipati beyond trading into sari manufacturing.

When it comes to GST, he is relatively unconcerned. It will be good for businesses like ours, he said.

The contrasting responses of Mehra and Saraogi offer a picture of how GST will affect people and companies in India's manufacturing economy.
An introduction to Surat

Lying midway between Ahmedabad and Mumbai, Surat is India's largest producer of synthetic fabrics. Around 40% of all manmade fabrics produced in India come from here. The city, located in South Gujarat, especially dominates the polyester sari market. Buy one anywhere in India – the glitziest metropolitan mall or a rural haat – and chances are it came from Surat.

One way to understand GST's impact on this city is to study how it affects the makers of Surat's biggest product – polyester saris. As the chart below shows, sari production involves six stages.

The industry producing Surat's saris is part-formal economy, part-informal economy.

Only two companies, Reliance and Indo-Rama, make purified terephthalic acid or PTA. No more than three companies convert PTA into polyester chips, said Hashim Dada, who works in a "fancy yarn" manufacturing company called Eastern Enterprise in Surat's old city. According to Saraogi, India has about 25-50 companies that convert these chips into yarn.

Those units are mostly located in Silvassa, Daman and Mumbai. Once the yarn is made, however, most production shifts to Surat. Here, the value chain fragments into thousands of large and small enterprises. More than 100 dealers sell this yarn. About 10,000 weavers, ranging from small units with a few powerlooms to large businesses with dozens of modern shuttleless looms, weave that yarn into grey fabric. This then goes to 400-450 mills and processing factories in and around Surat. Beyond them lies another maze of small units – people who decorate the saris with embroidery, diamonds or by sticking borders ("pattas", they're called locally) to them.

A quick look at Surat's sari manufacturing industry reveals two contrasting philosophies towards manufacturing. A small number of companies – no more than 25, according to Saraogi – are vertically integrated. They do most of the production inhouse. Saraogi's Laxmipati, for instance, buys yarn from outside but does the weaving, printing and post-production work like embroidery in its factory. The rest are far smaller. Strapped for cash, they focus on no more than one or two of the production stages. Take VK Tex. Working out of a long, narrow room in Pandesara's Unity Estate, it only makes grey fabric.

These companies – thousands of weavers, printers, processors, embroiders and more – work as outsourcers. These units cluster around traders like Mehra. Surat has about 65,000 such traders, working out of 250 or so large textile markets in the heart of the city. They collect orders from wholesalers – who, in turn, pick up orders and signal customer preferences from shopkeepers – and get the garments manufactured, guiding them through this thicket of companies towards completion.

Mehra, for instance, bought thread from Silvassa and sent it to Amritsar for stitching.

Most of these companies – traders and manufacturers alike – are small in size. Most will have an annual turnover, as Saraogi said, of between Rs 1 crore to Rs 5 crore. Stacking them up according to their function produces the informal economy's equivalent of a vertically integrated unit.
Surat's reaction to GST is split along this formal/informal axis. Composite units are unconcerned while smaller ones are in despair. The reasons go beyond loose chatter about these units wanting to avoid taxes, worrying

about a jump in paperwork, or running a business that is too cash-strapped to employ accountants.

How GST affects Surat

India's corporate tax collections are very similar to the country's income tax collections.

Most businesses do not pay taxes. This is because most are they are too small to qualify under the tax net. Others fudge accounts and pass themselves as smaller than they really are. The ones that pay taxes are relatively larger businesses, which pay a welter of state and central taxes pegged to their sales and profits.

That will change with the GST. It replaces the current taxes with a single, countrywide tax levied on all goods and services. Scroll.in has previously reported on GST's implications for state autonomy – since state government taxes get subsumed by GST, they become more dependent on central government allocations. This article focuses on its implications for businesses.

GST differs from the previous system in two important ways. It is pegged to the value each rung adds to the product. If Hashim Dada's company buys polyester chips from Reliance at Rs 100 and sells its yarn at 130, it will pay a tax on that Rs 30. This has big implications. If Reliance has not paid its tax, then Dada's company will have to pay a tax on the entire Rs 130. In this manner, GST introduces a strong incentive for companies to buy only from businesses that have paid their taxes. Second, in the past, traders like Mehra only had to pay a service tax. But now, since GST treats goods and services on par, they will have to pay GST as well.

Both these measures have adverse implications for disaggregated value chains – in textiles and elsewhere. As the chart below shows, they will pay tax at more points than a vertically-integrated company, which will pay at the end of the production process.

These charts are based on a letter submitted by Surat's textile industry to the central government which shows a disaggregated value chain might end up paying as much as 20% more tax than a vertically-integrated company.

This deserves a larger explanation. The garment-making process is much the same. The tax rate is the same. How does it matter whether the tax is collected at the end of each production stage or at completion? Larger companies will partly benefit from their scale – they have more efficient equipment, they get raw material at lower rates, and they spread their administrative and manufacturing costs over a larger volume of production. The disaggregated value chain would lose out partly because traders are covered under the GST as well. As Saraogi had said, they are the "centrepoint" of the disaggregated value chain. They buy yarn and send it to weavers. Then collect the grey fabric and send it to mills for processing. And then take the finished fabric and sell it to wholesalers. GST will be levied on each of these intermediary transactions as well.

Put both factors together and it is no surprise that the disggregated chain ends up paying more tax than its formal economy equivalent. The result? Once GST comes into play, with its 18% tax for yarn and 5% for subsequent value addition, its cost structure will be heavier than that of vertically-integrated units. Agreed Saraogi, "Composite units will get more support. Disaggregated units will get more costly."

The fallouts are predictable. As customers move towards lower prices, both manufacturers and traders in the disaggregated chain will see a drop in volumes. Even the retail trade will be hurt, said Saraogi. Bigger retailers, he said, now have even more reason to bypass distributors and buy directly from manufacturers. Smaller shops will continue to buy through wholesalers/distributors but given their margins and taxes, these shops will end up with a sale price that is higher than what the big retailers sell at. “They will get affected as well,” he said.

As such, there is a risk that some of the businesses, desperate to survive, might start working in black. There is also a risk that India might see an intensification of Inspector Raj as the government tries to ensure compliance.

These are businesses with wafer-thin margins, said MS Sriram, a professor of Public Policy in IIM Bangalore. “We do not know what the outcomes will be,” he said. “GST should be introduced in a nuanced, calibrated manner, responding to the results we see.”

There is a bigger question here. GST is being rolled out at a time when Surat’s disaggregated value chain was already ceding ground to larger units.

As the next article in this series will show, over the last ten years, Surat’s smaller textile units have been hammered by changing customer preferences, rising imports of Chinese fabrics, and the entry of businessmen from Saurashtra and elsewhere into the textile trade. Between them, these changes have pushed units in Surat towards modernisation and expanding their production capacities. The first to keep in sync with changing customer demands, the second to protect margins. Smaller units, with weaker financials, are dropping out.

The combined fallout? Dhirubhai Shah, the managing director of Shahlon Industries, a company in real estate and yarn manufacture, has a dire prognosis for Surat’s businesses. Even as the city’s production capacity rises, he said, it was going to see the shuttering of many units. At this time, he said, “Surat has 700,000 looms operated by 10,000 companies. In five years, that will come down to 2,000 companies. We have 400-500 companies in processing. We will see similar consolidation there as well.”

With GST, that trend looks like it will accelerate further.

Source: business-standard.com- June 29, 2017

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ICRA revises India's cotton outlook to stable from negative

New Delhi, Jun 29 () Favourable weather conditions and remunerative prices are expected to improve the cotton supply situation in India in the next one year, ICRA said today, revising its outlook for cotton to stable from negative.

The rating agency estimates the domestic cotton output to increase by around 6 per cent to 36 million bales in 2018.

"A few initial weeks of the cotton sowing season have already witnessed increased acreage vis-a-vis last year and the trend is expected to sustain. This is likely to be complemented by the forecast for normal monsoons, with the possibility of El Nino formation gradually waning," ICRA said.

India's cotton-spinning industry has been facing twin challenges of subdued demand and high cotton fibre prices as a result of tight cotton availability since the July 2016. Amid a decline in exports to China and subdued domestic demand following the demonetisation drive, the growth in total spun yarn production declined to a five-year low in 2016-17.

"The expectations of higher output in the upcoming cotton season supported by increased sowing and a favourable monsoon forecast is likely to create a downward bias in cotton prices from Q2 FY2018 onwards, vis-a-vis the peak levels witnessed during the past one year. This augurs well for the domestic cotton spinning industry," said Jayanta Roy, Senior Vice-President and Group Head, Corporate Sector Ratings, ICRA.

According to the rating agency, despite the weakness in production and sales volumes, domestic cotton yarn prices continue to be firm following the high cotton prices. However, the possibility of a further increase in cotton yarn prices is low due to weak export prospects
Source:timesofindia.indiatimes.com- June 29, 2017

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Five things to watch out for today

The Centre will roll out the much-awaited Goods and Services Tax at a special midnight meeting in Parliament today in the presence of President Pranab Mukherjee. The Congress, TMC and CPI, however, have decided to keep away from the meeting.

Prime Minister Narendra Modi is to open the country's first mega trade fair for the textiles sector in Gandhinagar today. Textiles India 2017 will showcase the nation as a global sourcing hub and investment destination for manufacturers worldwide.

Central Depository Services (India) will make its stock market debut today after successfully concluding its initial public offer last week. The IPO of BSE's depository arm received an overwhelming response, being oversubscribed a staggering 170.16 times during June 19-21.

Presidential hopeful Meira Kumar, who has been fielded as a UPA candidate supported by 17 Opposition parties, will commence her election campaign by visiting Sabarmati Ashram in Ahmedabad today.

India will look to take a 2-0 lead against the West Indies in the third ODI of the five five-match series, in Antigua today. The visitors lead the rubber 1-0 after winning the second game in Port of Spain by 105 runs. The opening match of the series was rained off after only 39 overs of play at the Queen's Park Oval.

Source: thehindubusinessline.com- June 30, 2017

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Textile traders lose Rupees 6-crore worth business due to bandh

Srikakulam: Textile traders shut down their shops as part of their second phase of agitation for three days from June 27 to 29 which had affected the trading considerably.

The garments business is being run in the district with more than 1,000 shops in Srikakulam district headquarters, Amudalavalasa, Rajam, Palakonda, Palasa, Narasannapeta, Itchapuram, Sompeta, Tekkali, Ponduru, Ranastalam and other mandal mandal headquarters.

Every day customers within the district and adjacent Odisha state purchase garments at various shops in the district, but due to bandh Rs 6 crore worth trading was affected. Garments manufacturing and trading is the second biggest employment source after agriculture with the GST it would be affected severely and most of the people will lose their livelihood,

Source: thehansindia.com- June 30, 2017

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GST roll-out: Traders greet tax with nationwide protests, strike on Friday

Even as the Prime Minister Narendra Modi-led government at the Centre rolls out the goods and services tax (GST) on Friday midnight, it will be greeted by protests and strikes across the country.

The Bharatiya Udyog Vyapar Mandal, which claims to represent 17,000 traders' associations and small and medium enterprises, said it would observe a daylong Bharat Bandh (countrywide strike) on Friday, demanding changes in the GST regime.

Over the past week, its affiliate associations, especially in the textile sector, have been protesting against some provisions in the GST. Traders, small and medium entrepreneurs, and farmers have planned a series of protests through July and August.

“We have several issues with the GST system and rates. The tax on some of the items will be fatal for SMEs,” Bharatiya Udyog Vyapar Mandal Secretary General Vijay Prakash Jain said. If its protests do not get a satisfactory response from the government, the association's core committee will meet on July 6 to decide on the course of action.

Not all traders' organisations, however, are on the protest path. For instance, the Confederation of All India Traders has decided to undertake consultation with the government.

"The GST is a new system. There is scope for amendments in the next six months. But the government should take cognisance of the issues being raised by other traders' bodies," CAIT chief Praveen Khandelwal said.

Protests of farmers' and traders' unions are likely to be more intense than any the Bharatiya Janata Party-led National Democratic Alliance government at the Centre has faced since being voted into power in 2014. These could reach a crescendo in the run-up to the general elections in 2019.

Over a hundred farmer organisations will stage protests and take out marches from Mandsaur in Madhya Pradesh, where six farmers were killed in police firing on June 6, to New Delhi and other parts of the country.

Farmers' outfits have decided to mark August 9, the anniversary of the Quit India Movement of 1942, with protests in state capitals and New Delhi. The monsoon session of Parliament, which starts on July 17, will be on then.

A march, supported by 130-odd farmer organisations, to highlight agrarian distress will begin from Mandsaur on July 3 and reach New Delhi on July 18.

A farmer leader, who did not want to be identified, said tillers' outfits of all political hues, including those associated with the RSS, were coming together for these protests and to demand the implementation of the Swaminathan commission's recommendations.

All central trade unions, except the Rashtriya Swayamsevak Sangh (RSS)-supported Bharatiya Mazdoor Sangh, are scheduled to meet in New Delhi on August 8. They will strategise on how to protest against the Modi government's economic policies, including disinvestment of public sector units such as Air India and privatisation in the Indian Railways.

Lok Sabha member Raju Shetti, chief of the Swabhimani Shetkari Sanghatana, has committed his support to the protests. Shetti's party is part of the NDA governments at the Centre and in Maharashtra. Protests have also been planned outside the NITI Aayog on July 3.

The monsoon session of Parliament is likely to be a stormy one, with the Opposition raising issues of farmer distress, mob lynchings, and the GST impact on SMEs.

Source: business-standard.com- June 30, 2017

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SWOT analysis of Indian textiles and apparel industry

The current National Textiles Policy (NTP), framed in 2000, is hopelessly outdated, given three major international developments: the phaseout of the Multi Fibre Agreement (MFA), the emergence of China in global trade particularly in the field of textiles and apparel, and the 2008 global financial crisis. The industry now awaits the new NTP.

The world has changed considerably since 2000. Automation is in, printing has gone digital and e-commerce has changed the way money is made in the 21st century.

Any NTP that replaces the hopelessly-outdated one of 2000 will not just have to maintain a balancing act among planet, people and profit, it will have to be a jigsaw puzzle that has been solved for good and is future-proof. A policy after all cannot be a mere status report about a sector of the economy; it needs to ascertain the future and chart out a path towards it. It was for this reason, among many others, that the 2000 policy looks not just jaded, but embarrassingly anachronistic.

As the ministry of textiles works overtime to draft the NTP, Subir Ghosh does a SWOT (strengths, weaknesses, opportunities, threats) analysis of a few select sectors and aspects of the Indian textiles and apparel industry.

Source:fibre2fashion.com- June 30, 2017

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HC reserves order in PIL seeking GST Act deferment

The Bombay High Court on Thursday reserved its order on the Goods and Services Tax Act on grounds that it was a policy decision.

A Division Bench of Justices V.K. Tahilramani and S.S. Shinde was hearing a public interest litigation filed by a retired professor, Dr. KS Pillai, which challenging the government's decision to introduce the tax reform in the middle of the financial year. Dr. Pillai is an assistant professor at KEM Hospital in Parel and runs a NGO called, 'My integrating Society India Net.'

The PIL seeks to defer the implementation of the proposed GST Act till the 2018-2019 financial year beginning April 1, post the Budget sanction by Parliament. He argues that this will give adequate time for the government to conductawareness among the people. And with this additional time, people will adopt the major constitutional change in tax reform without any difficulties, such as essentials like medicines, drinking water and food being easily available.

Dr. Pillai informed the court that he is not opposing GST, but was only opposed to the time of its implementation. He asked if it is not the duty of the government to approach Parliament for a proper legislation in the Budget proposal after finalising the rates on items.
Additional solicitor general Anil Singh said over 6.5 million taxpayers have already migrated to the GST network. He said 30 States have passed the GST Act, "necessary rules have been framed", and the Centre has trained 60,000 officers across States in the GST law.

Source: business-standard.com- June 30, 2017

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