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## INTERNATIONAL NEWS

### **China, Asia pacific a bright spot for apparel market growth**

The apparel market in the Asia Pacific (APAC) region is growing at nine per cent a year.

Brands have a growing opportunity in resale. The resale market is growing in popularity among APAC consumers with 27 per cent of shoppers intending to purchase clothing via resale in the next 12 months. While consumer-to-consumer resale platforms pose an increasing threat to apparel brands, they should leverage this interest and consider integrating secondhand products in their ranges or launch partnerships with platforms, which could be particularly lucrative for luxury players considering the strength of the sector in APAC.

APAC fared better than most regions during the pandemic as it was cushioned by governments offering support packages and China's continued economic growth. Online sales rose by 11 per cent during the period. The APAC apparel market is driven by urbanisation and growing regional wealth. The region's growth is something brands can look to capitalise on. Of the top ten APAC apparel markets, China dominates and is followed by Japan, India and South Korea.

Sportswear continues to present a significant opportunity with 54 per cent of APAC shoppers purchasing sportswear for everyday use, and an equal proportion also purchasing it for exercise, training and/or sports.

Source: fashionatingworld.com - Nov 03, 2022

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## **US Trouser Imports up 33 per cent**

Imports of cotton trousers into the United States grew by 33 per cent from January 2022 to August 2022.

Bangladesh is the top exporter of cotton trousers to the US. Cotton trouser imports from Bangladesh grew by 47 per cent. Imports from Vietnam grew by 24 per cent.

China's exports of cotton trousers were almost half of what Bangladesh shipped and this indicates buyers are moving their cotton product sourcing away from China. Pakistan, Mexico, Cambodia and Indonesia have also tapped a substantial chunk of the US' sourcing of cotton trousers. India's exports of cotton trousers to the US grew by around 56 per cent.

From January 2022 to August 2022 American imports of apparels from the world increased 37 per cent year-on-year. In the same period imports from China grew by 37 per cent and imports from Vietnam grew by 33 per cent. Imports from Bangladesh grew by 53 per cent. Bangladesh remained the third largest apparel import source for the US. America is Bangladesh's single largest export destination.

Among the top ten apparel suppliers to the US, imports from India, Indonesia, Cambodia, South Korea and Pakistan increased by 56 per cent, 56 per cent, 51 per cent, 42 per cent and 42 per cent.

Source: fashionatingworld.com - Nov 03, 2022

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## **Pakistan textile exports face multiple challenges, fall 16 percent**

Pakistan's textile exports fell 16 percent in October 2022. Resultantly, the growth rate of textile export has also declined, which had witnessed a 26 percent increase during last fiscal year.

With an uninterrupted supply of energy and gas, exports would have grown by more than 26 percent, as more than 40 allied industries of textiles had also excelled in growth and performance during last year. What's needed now is regionally competitive energy tariffs for both power and gas, release of sales tax refunds within 72 hours and uninterrupted supply of power and gas. Unhindered imports of raw materials and accessories, machinery and spare parts are expected to help in a big way.

Another major factor for the decline in textile export is discontinuation of DLTL. Continuation of DLTL and swift refunds of sales tax against exporters' claims hold the key to enable exporters to achieve their export target without facing any liquidity problems and pressure.

As of now Pakistan's value-added textile exports face further declines in the coming months. This is feared to ultimately have a negative impact on the economy, sustainability, and development of Pakistan. Exporters have appealed for immediate remedial measures to save the backbone of the nation's economy.

Source: fashionatingworld.com - Nov 03, 2022

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## **Bangladesh, Singapore to start talks to ink FTA this year**

Bangladesh and Singapore are expected to start negotiations soon to ink a free trade agreement (FTA) within this year, aiming to boost investment and trade between the countries.

As part of the move, Singapore's trade minister is likely to visit Bangladesh on November 15-17 next. Commerce minister of Bangladesh and the visiting Singaporean minister will sign a memorandum of cooperation (MoC) in this connection, officials said.

The two Asian nations have already formed a high-powered working group, according to an official of the commerce ministry.

Singapore is one of the important trade partners of Bangladesh - the developed country is important for technology transfer and product trade and as a supply chain hub, the senior official said.

"We will start necessary negotiations soon with an eye to signing an FTA between Bangladesh and Singapore," he mentioned.

However, the FTA deal is a bit complicated, said the official, adding that some issues, including revenue losses, are involved with FTAs as all products of both the countries enjoy duty-free facilities under FTAs. Bangladesh export to Singapore was US\$127.11 million in the last fiscal year of 2021-22.

Currently, the principal export products of Bangladesh to Singapore are knitwear, woven garments, agricultural products, engineering products, home textile, etc.

Singaporean firms have invested more than \$8.0 billion in the country since 2020.

There are 5.6 million people in Singapore. It is a key trade, transport and financial hub in Asia.

Source: thefinancialexpress.com.bd- Nov 03, 2022

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## **EU financial regulators disqualify 6 Indian counterparties**

Over the last 48 hours, all European banks in India have been thrown into a quandary and are left knocking on the doors of the regulators with the European Union financial markets authority and the Bank of England derecognising some of the key institutions like Clearing Corporation of India (CCIL), NSE Clearing Limited (NSCCL) and Indian Clearing Corp (ICCL) through which significant volumes of trades on foreign exchange, derivatives, government bonds and securities are settled.

According to banking circles, the decision to disqualify Indian market counterparty institutions stems from the stand-off between Indian and foreign regulators.

"We understand the Reserve Bank of India (RBI) and Sebi are not comfortable letting key Indian institutions come under the scrutiny and inspection of overseas market regulators. They think it's a jurisdiction issue, and boils down to a regulatory overreach," a senior banker told ET.

According to a communique by The European Securities and Markets Authority (ESMA) dated October 31, 2022, no "cooperation arrangements" (compliant with European Market Infrastructure Regulation) have been concluded between ESMA and each of the relevant Indian authorities, i.e. RBI, Sebi and IFSCA."

### **Trades Could be Impacted**

Under the circumstances, if the Indian and European regulators fail to strike a deal, all European banks in the country will either need a prohibitively high level of capital - about 50 times higher - to carry on trades involving the Indian central counterparties, or will have to unwind their positions (with these central counterparties) over the next six to nine months.

Source: [economictimes.indiatimes.com](http://economictimes.indiatimes.com) - Nov 04, 2022

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## **EU adds to GSP conventions for Pakistan**

Pakistan will not find it easy to obtain GSP Plus benefits from the European Union.

While Pakistan is struggling to comply with existing 27 EU conventions of GSP Plus, the EU plans to introduce some more conventions. These relate mainly to environment and social standards.

The GSP Plus status holds significant importance for Pakistan's economy as it has played a key role in the expansion of multilateral trade. EU-Pakistan relations have a strategic engagement that covers all areas including counter-terrorism, trade, climate change, GSP Plus status and various others. Continuity of GSP Plus is subject to ratification of more than five to six new conventions related to environment and social standards including the remaining 27.

The existing GSP plus scheme is confined to the textile sector. The EU is the biggest market for Pakistan's goods and accounts for about one-third of all exports from the country. GSP Plus has increased EU-Pakistan trade, which increased by 78 per cent in 2021 as compared to the year earlier. So GSP Plus has been very beneficial for Pakistan's economy. It provides duty-free access to the huge EU market for textile and apparel and also provides an incentive structure to undertake reforms in the industry and country.

Source: fashionatingworld.com - Nov 03, 2022

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## **Nigeria to stop outsourcing garment making**

Nigeria is set to stop outsourcing garment making from the United Arab Emirates, Senegal, Mauritania, and Cote D'Ivoire.

Instead Nigeria will work with small and medium scale entrepreneurs to revive the collapsed ginneries, particularly of Gusau, Funtua, Zaria, and Sokoto. There will be skill development training and empowerment of 100 youths in modern methods of tailoring and fashion design.

Some young men and women of northern Nigeria were outsourcing tailoring and garment making from Senegal, Mauritania, Cote D'Ivoire and even in the United Arab Emirates due to non-utilization of appropriate new and emerging tools in the occupation in Nigeria.

Nigeria's textile and apparel industry covers the entire clothing value chain, and has a strong potential for growth due to availability of cotton and the country's large market-size represented by over 170 million inhabitants, who provide a natural market for textiles and apparels. Nigerian exporters have come together to form a fashion training facility.

The center has over 150 sewing machines, pattern making and cutting tables. It has the primary objective of promoting garment making skills, creating job opportunities and upgrading technical skills to improve quality, productivity and efficiency levels in the garment industry. Nigeria is awash with creative talents in the fashion industry, whose designs can compete anywhere globally.

Source: fashionatingworld.com - Nov 03, 2022

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## **Philippines interested in resuming talks for FTA with EU**

The Philippines is interested in resuming negotiations for a free trade agreement (FTA) with the European Union (EU), according to the former's department of trade and industry (DTI), which recently said trade secretary Alfredo Pascual spoke at the European Parliament last month on the monitoring process for the renewal of the generalised scheme of preferences plus (GSP+).

Pascual delivered a strong message of commitment to the EU-Philippine partnership in trade and investment before the EU Parliament committee on international trade, DTI said.

GSP+ is an incentive arrangement that grants the Philippines zero tariffs on 6,274 products or 66 per cent of all EU tariff lines.

“The Philippines is an attractive investment destination given its solid macroeconomic fundamentals, enabling policy environment, and young and trainable workforce. With a stable and predictable political regime, our country is well-positioned in the Indo-Pacific to become a regional hub for manufacturing, innovation, training, and education,” Pascual was quoted as saying by Philippine media reports.

DTI also emphasised that the GSP+ has benefited EU companies as well, as they invest in manufacturing facilities in the Philippines to take advantage of the country's extensive and expanding domestic market.

Source: fibre2fashion.com- Nov 03, 2022

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## **S. Korea-Israel FTA to take effect next month**

The free trade pact between South Korea and Israel will take effect next month, Seoul's trade ministry said Thursday.

The two nations signed a free trade agreement (FTA) in May last year after they struck the deal in 2019. South Korea's National Assembly ratified the deal in September.

The pact will come into force on Dec. 1 to make South Korea the first Asian country to have a free trade deal with the Middle Eastern nation, according to the Ministry of Trade, Industry and Energy.

The FTA is expected to boost their trade of such advanced goods as semiconductors. South Korea is also expected to see its exports of cars, auto parts, textiles and cosmetics grow under the agreement, the ministry said.

The Seoul government held a briefing session Thursday regarding the trade pact, which brought together Israel's Ambassador to Seoul Akiva Tor, officials from related ministries and domestic companies interested in making inroads into the Israeli market.

"The FTA is expected to create new chances of growth for the countries and businesses amid heightened global uncertainties. In addition to greater market access, expanded technology cooperation is also expected to allow the two countries to secure a competitive edge in the global market," ministry official Kim Jeong-hoe said.

Source: en.yna.co.kr - Nov 04, 2022

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## NATIONAL NEWS

### **DGFT to soon notify norms for export sops on rupee receipts**

The Directorate General of Foreign Trade (DGFT) may soon notify norms for permitting exporters to avail incentives under the foreign trade policy, even on realisation in rupee, an official said. The DGFT, under the commerce ministry, has already allowed invoicing, payment and settlement of exports and imports in Indian rupee, a move aimed at facilitating trade in the domestic currency.

In July, the Reserve Bank of India (RBI) had asked banks to put in place additional arrangements for export and import transactions in Indian rupees in view of increasing interest of the global trading community in the domestic currency.

"To permit exporters avail incentives under the foreign trade policy, norms will have to be notified for that," the official said.

The DGFT has stated that settlement of trade transactions in INR may also take place through special rupee vostro accounts opened by authorised dealer banks in India.

Source: [economictimes.indiatimes.com](http://economictimes.indiatimes.com) - Nov 03, 2022

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## **India, UK working sincerely on free trade agreement: MEA**

"As we have said earlier, the matter of negotiations is best left to the trade ministers and their teams of officials. I cannot comment on the status. I certainly do not have any target date," External Affairs Ministry Spokesperson Arindam Bagchi said.

India on Thursday said it is working "sincerely" with the UK for finalisation of the proposed free trade agreement, days after Prime Minister Narendra Modi and his British counterpart Rishi Sunak agreed on the "early conclusion" of the deal. "Both sides are working sincerely on the free trade agreement," External Affairs Ministry Spokesperson Arindam Bagchi said.

His comments came when asked about the FTA during a media briefing.

"As we have said earlier, the matter of negotiations is best left to the trade ministers and their teams of officials. I cannot comment on the status. I certainly do not have any target date," Bagchi said

The issue of the FTA figured in the first telephonic conversation between the two prime ministers on October 27. In a tweet on his talks with Sunak, Modi said: "Congratulated him on assuming charge as UK PM.

We will work together to further strengthen our Comprehensive Strategic Partnership. We also agreed on the importance of early conclusion of a comprehensive and balanced FTA.

In April, the two sides had set a Diwali deadline for concluding the FTA but the deal could not be finalised in view of differences over certain issues. It is learnt that External Affairs Minister S Jaishankar and British Foreign Secretary James Cleverly took stock of the ongoing negotiations for the FTA during their talks here last week.

Cleverly visited India to attend a United Nations meet on counter-terrorism. To a question on the US not having a full time ambassador to India, Bagchi said "we would hope the position would be filled soon". The Biden administration had in July 2021 announced the nomination of Los Angeles Mayor Eric Garcetti as the next US Ambassador to India.

However, Garcetti's nomination is yet to receive confirmation from the US Senate.

Source: [economictimes.com](http://economictimes.com)- Nov 03, 2022

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## **Textile stock declares 200% dividend, check record date and Q2 performance**

With a market valuation of ₹2,219.06 crore, Siyaram Silk Mills Ltd. is a small-cap company that engages in the textile industry. Siyaram Silk Mills Pvt. Ltd. is a well-known textile company in Sri Lanka, the Middle East, and India. The company's product lines include textiles, apparel, home furnishings, retail, exporting, and yarns. The firm announced its Q2 results and the Board of Directors approved a 200% dividend for the eligible shareholders on November 3, 2022.

The company said today in a stock exchange filing that "This is to inform you that our Board at its meeting held on Thursday, 3rd November, 2022, has inter alia Considered and declared 1st Interim Dividend of Rs.4/- (200%) per equity share on the Paid up Equity Shares of Rs. 2/- each, for the Financial Year 2022-23. The Interim Dividend will be credited/paid/dispatched on or after 23rd November, 2022 as per applicable provisions of Companies Act, 2013, to such shareholders as on Record Date i.e. 14th November, 2022."

In Q2FY23, the company reported net revenue of ₹636 Cr compared to ₹480 Cr in Q2FY22 and ₹399 Cr in Q1FY23, representing a YoY growth of 32% and a QoQ growth of 59%. The net revenue climbed 45% YoY from ₹714 Cr in H1FY22 to ₹1035 Cr in H1FY23. The company reported an EBITDA of ₹129 Cr in Q2FY23 compared to ₹91 Cr in Q2FY22 and ₹59 Cr in Q1FY23, representing a YoY growth of 41% and a QoQ growth of 117%. The EBITDA surged 47% YoY from ₹128 Cr in H1FY22 to ₹188 Cr in H1FY23. The EBITDA margin climbed to 20% in Q2FY23 from 19% in Q2FY22 and 15% in Q1FY23.

Siyaram Silk Mills Ltd declared a net profit of ₹80 Cr in Q2FY23 compared to ₹53 Cr in Q2FY22 and ₹41 Cr in Q1FY23, representing a YoY growth of 52% and QoQ growth of 94%. The profit after tax (PAT) or net profit climbs 70% YoY from ₹65 Cr in H1FY22 to ₹111 Cr in H1FY23. Revenue from the fabric business grew by 30% YoY to INR 736 Cr in H1FY23. Fabrics' contribution to overall revenue dropped from 77% in H1FY22 to 70% in H1FY23. Revenue from apparel was up 92% YoY to INR 216 Cr in H1FY23. Apparel accounted for 21% of total revenue, up from 15% in H1FY22.

Siyaram Silk Mills in a statement that, all-around performance in the fabric and apparel business led to this strong revenue growth. Domestic market demand remains buoyant with increasing traction from export market as well.

Commenting on financial results, Mr Ramesh Poddar, Chairman & Managing Director, Siyaram Silk Mills, said, "The financial performance for H1FY23 has been quite encouraging. Our both Fabric and Apparels businesses are performing well. On the Fabric front, both Trade and Retail have witnessed an encouraging trend led by higher secondary sales and strong retail footfalls in MBOs. Our volumes and realisation both have seen robust growth. Doubledigit volume growth testifies to our marketing and product positioning strategy to reach a more extensive customer base.

The higher realisation is a result of our premiumisation benefits. Delivering customer needs of quality and fashionable products at a price is aiding our roadmap of premiumisation. The Company's Apparel division has been exhibiting strong performance. Its continued focus on Tier II & III cities and its positioning among aspiring Indians have made the brand more reachable and acceptable among the masses. The Company's tactical decision to reduce EOSS has helped in improving profitability. Along with profitability, it has also led to stability in earnings. Overall, medium to long-term growth opportunities are encouraging, and we expect demand to remain buoyant going ahead in the current fiscal year".

The shares of Siyaram Silk Mills Ltd closed today at ₹479.50 apiece, up by 0.30% from the previous close of ₹478.05. On a YTD basis, the stock has gained 10.23% so far in 2022.

Source: livemint.com - Nov 03, 2022

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## India Cotton Outlook: Rising or Falling in the Year Ahead?

After a tough year for cotton production, India is expecting a rebound in 2023.

The world's largest cotton producer has upped its estimates by 15 percent for the Oct. 1, 2022 through Sept. 30, 2023 year, according to Indian industry sources.

India is expected to account for 23 percent of global production this season.

Cotton output is expected to grow to 34.4 million bales, with a greater investment in production area by farmers, as well as in terms of yield. One of the factors behind the higher expected cotton growth has been the soaring prices seen most of this year, which almost doubled within the first five months, from \$725.20 per candy (1 candy = 356 kilograms) in January to \$ 1,329.53 per candy by May.

The rising prices incentivized farmers to turn towards cotton once again, with a bigger push in the states of Gujarat and Maharashtra.

“The yield is also expected to increase due to excellent weather conditions,” said Arjun Dave, deputy general manager, Cotton Corporation of India (CCI).

The additional cotton yield is expected to benefit local consumption, which is high in India, as well as cotton exports. According to CAI, the Cotton Association of India, domestic consumption is projected to reach 32 million bales—an addition of 2 million.

One of the effects of the 2021-22 shortfall in cotton has been lower stocks for the coming season, down to 3.18 million bales from the previous year's 7.18 million bales.

Source: [sourcingjournal.com](http://sourcingjournal.com) - Nov 03, 2022

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## **Apparel Industry Sustainability Action (AISA) launched in India**

Apparel Industry Sustainability Action (AISA) 2022-23 has been launched by India's Apparel Export Promotion Council (AEPC) with an aim to encourage textile companies which are working with sustainability.

The country's textile & apparel industry can reduce its footprint on environment and can bring economic viability through sustainability of its processes.

The initiative aims at evaluating the existing status of Indian garment industry, encourage wider penetration of these measures amongst the MSMEs, hand holding these units with demonstrations and solutions, enhance the brand visibility of sustainable companies on global platform, and brainstorm necessary policy focus towards wider and smooth adoption of sustainability measures amongst Indian garment units.

AEPC will encourage sustainable companies which will be showcased on the dedicated sustainability social media platform for wide publicity and will finally culminate as Sustainability Awards.

The Award-winning Indian companies will finally get an opportunity to showcase their collection in specially curated 'Sustainability Corner' of India Pavilion in 2023 Pure London, UK and Who's Next, Paris, the world's biggest fashion hub.

The textile industry is one of the major polluting industries, accounting for 4 per cent of greenhouse gas emissions and 20 per cent of industrial water pollution globally. It is estimated that about 50 per cent of the fabric is wasted during the manufacturing process and the fast fashion trends leads to 81 per cent of all manufactured garments getting dumped as landfills either due to short life cycle after consumer use or due to excess stock.

"This problem not only concerns the environment but also represents missed economic opportunities. Experts advocate that sustainability and circularity can not only reduce footprint on our environment but also can bring economic viability," AEPC said.

Narendra Goenka, chairman, AEPC, said that the textile companies have to comply with the provisions of sustainability to pursue their business.

Source: fibre2fashion.com - Nov 03, 2022

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## Is Bt cotton a success in India?

With the Genetic Engineering Appraisal Committee (GEAC) allowing environmental clearance for GM Mustard, it is time to look at how the earlier approval for Bt cotton – the first GM crop to be introduced in India – had performed. There are lessons to be drawn, and no amount of white-washing by the scientific community can divert attention from the growing need for a tighter vigilance.

While the dominant clamour – and that includes the hype created by media, seed companies and the policy makers - has been to paint the entry of genetically-modified cotton as a silver bullet, the scientific opinion is clearly divided. The 'myth and reality' kind of scientific analysis has been completely missing, as the reality lies buried much deeper under the excessive hype that has been generated.

In a report, The Hindustan Times (Nov 2, 2022) quoted a study published in the globally-acclaimed scientific journal Nature in 2020, which should set the balance right. That Bt cotton was not a silver bullet as the scientific community made us to believe was always known. But when the scientific journal Nature acknowledged it, corporate media couldn't pass it as a reaction coming from luddites, which it often brands experts and activists questioning the imperfect technology. It is therefore important for the GEAC to reopen the can and have a public dialogue on the outcomes and lessons learnt. After all, this is what science-based research and analysis is all about.

This is what Nature writes: "The changes in inputs to Indian cotton production in the early 2000s are not only important because they largely explain the surge in yields that has been uncritically attributed to Bt seed ... it now appears that Bt cotton's primary impact on Indian agriculture will be its role in this rising capital-intensiveness rather than any enduring agronomic benefits."

In other words, the introduction of half-tested Bt cotton seeds only resulted in "agrarian capitalism" that Aniket Aga, Associate Professor at Ashoka University and author of Genetically Modified Democracy: Transgenic Crops in Contemporary India had talked about.

Why I said half-tested is because when the GEAC had initially called for a public dialogue at the time of the proposed release of Bt cotton seed in 2001, I had questioned the faulty yield claims made by the promoter company. The company had claimed that while the seeds were grown two months late, the

yield of the cotton crop was 50 per cent higher. I had stood up and challenged this, asking that if it is true why a similar advisory is not sent to farmers to plant the crop two months late. Farmers can also save time and effort if they have to sow the crop two month late and still get a higher yield as claimed.

The Monitoring Committee chairman said this is not possible. My question to him was then why has such an exception been allowed for the company, and what scientific basis such claims have. This is not what I as an agriculture student was taught at the university, and had therefore called for three years of more research trials. In its wisdom, the GEAC postponed the introduction of Bt cotton by just one year to enable the company to perform more tests.

Anyway, when all the drum beating by the powerful pro-GM scientific community began, singing virtues for the Bt cotton technology, Dr K S Kranti, the then Director of the Central Institute of Cotton Research (CICR), the premier institute for cotton research in India, had acknowledged: "No significant yield advantage has been observed between 2004-2011 when area under Bt cotton increased from 5.4 to 96 per cent."Further, while the scientific claims were that Bt cotton would reduce the use of chemicals, the reality is just the opposite. The Pesticide Atlas 2022 now tells us that since the release of Bt cotton in 2002 the cost of pesticides for farmers had gone up by 37 per cent per hectare.

This acknowledgement in itself should have made the GEAC to withdraw the seeds from the market, asking the companies, which by then had proliferated, to stop selling the genetically-modified seeds of cotton. Why I say this is that the GEAC's role is not only to releases the varieties and then forget about how it performs. The environmental and health crisis that GM crops unleash should also be its responsibility. It is therefore important to expand the composition of the committee, to also include health and medical professionals, nutritionists, environmentalists and respected civil society representatives.

In a Fact Checker for India Spend (Mar 6, 2018), Rohit Parakh, a young researcher and activist, had drawn from available data to show how the cotton yield had stagnated over the years. He quotes the 301st report of the Parliamentary Standing Committee on Science & Technology, Environment and Forests, which concluded: "The Government agencies have made attempts to portray a rosy picture with regard to the success of Bt cotton in the country which actually is not the case. The committee further learns that India's cotton yields increased by 69 per cent in the five years (2000 and 2005) when Bt cotton was less than 6 per cent of total cotton area, but by

only 10 per cent in ten years from 2005 to 2015 when Bt cotton grew 94 per cent of total cotton area."

Several studies, including that by Dr Kranti, have pointed to increased use of fertilisers, pesticides, and expansion in area under irrigation, to be the factors responsible for the increase in cotton production. In addition, the first decade of Bt cotton release was also marked by a drought-free decade. Needless to say, the weather too was helpful.

Subsequently, the Bt cotton was rendered ineffective as the insects that it was supposed to control, developed resistance. Also, Bt cotton saw the emergence of secondary pests on cotton. In Punjab, white fly attack a few years back on Bt cotton variety (with desi cotton escaping the pest attack) proved to be disastrous with nearly 75 per cent of the standing crop affected, with many farmers re-ploughing the fields and a large number of farmers committing suicide. From a compensation of Rs 8,000 per acre for the crop loss, the previous Congress government had agreed to increase the compensation amount to Rs 17,000 per acre, besides 10 per cent relief to the farm labourers involved in picking cotton.

It is not understandable why the State governments have to use public money to compensate farmers for the losses they suffer resulting from seed failure. Why can't the polluter pays principle be applied in case of seeds of private seed companies failing to conform to the claims made? Secondly, while the media and policy makers always ascertain that technological introductions in agriculture should always be based on scientific principles, what I fail to understand is that why do scientists themselves refrain from science-based public debates?

Source: bizzbuzz.news - Nov 03, 2022

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## **Economic slowdown, Ukraine war spirals down on Tiruppur Garment Hub**

Tiruppur, the fifth largest city in Tamil Nadu and India's main knitwear hub, contributes about 90 per cent to knitwear exports. Standing strong, this city has experienced many challenges in the past but has emerged stronger than ever – from the global financial market crash in 2008 and the Chennai High Court ruling against the city's effluence dump into river Noyyal in 2011 to the government's demonetization of bank notes in 2016 and the pandemic in 2020-21. Tiruppur has seen it all.

However, in 2022, it is hurting at the core. As soon as markets started reopening post-pandemic, the manufacturing hub got a blow with escalating yarn costs. For example, 30-count yarn typically cost Rs 220 per kilo but since April 2022 costs Rs 440 per kilo! This resulted in the multitude of MSMEs in Tiruppur curtailing purchase of yarn from mills and their own production lines, as they were unable to meet the expectations of foreign importers.

Raja M Shanmugam, President, Tiruppur Exporters' Association (TEA) confirmed the critical situation by stating that whilst factories ran eight hour shifts six days a week earlier, now most run four to five hour shifts and that too on alternate days. Some units are now running only four days week whilst some have temporarily suspended operations. Shanmugam estimates the decline during summer of 2022 was 40 per cent.

### **Government steps in**

Assessing the seriousness of the looming fiscal crisis which will hurt the state, chief minister MK Stalin has requested the PM to provide fiscal aide to tide over this challenging period. Stalin pointed out due to the Ukraine war and the impending recession that is about to hit Europe and later in 2023 US, importers from these regions have become conservative with their new orders as their existing inventories are stockpiled with previous imports. He reiterated the interest of the state government to not let this successful industry fall apart over this temporary crisis and the central government can help avoid it. Stalin was confident Tiruppur's resilient nature would see the hub weather this storm too.

## **Impact on the domestic front**

Established domestic brands such as Lux, Amul and Dixcy that manufacture knitted innerwear and outerwear worth Rs 10,000 crores are currently dealing with a slow-moving inventory. However, that has not deterred the Rs 2,300 crore innerwear king Lux Industries to turnover its flagship brand Lux Cozi from Rs 700 crores to Rs 1000 crores by 2025. The brand has seen an uptake on e-commerce platforms such Myntra, Flipkart and Amazon – from Rs 5 crores in 2020 to Rs 8 crores in 2022. Saket Todi, Executive Director, Lux Industries stated that the company is experiencing around 12 per cent growth annually. Lux Industries is now eyeing the untapped and lucrative market for boys' innerwear.

## **A silver lining**

Meanwhile, latest media reports suggest, orders from global brands like Primark and Walmart have started to come in for garment makers in Tiruppur. This, after three months of continuous slide from global markets as their prices have become competitive due to fall in cotton and yarn prices.

Experts say, competing countries like Vietnam, Thailand and Bangladesh have been quoting much lesser prices compared to India. Indian exporters were facing problems over rising cotton and yarn prices in the domestic market and small and medium units who are into garments exports suffered from a liquidity crisis.

As per Subramanian, export situation has started improving a little with yarn prices in India have dropped 10-15 per cent and this benefits India more. Currency depreciation is also in India's favor. So, there is optimism with big global brands placing orders. Tiruppur has 3,000 garment manufacturing units that employs 18 lakh people. The annual exports of Tiruppur are in range of ₹33,000-35,000 crore.

Source: fashionatingworld.com - Nov 03, 2022

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## **Textile sector grabs big bucks, to create 36K jobs in Bengaluru**

The textile sector attracted Rs 4,292 crore in investments from the state's players, with Manjushree Garments committing Rs 340 crore and Shahi Exports Rs 150 crore, at the Invest Karnataka-2022 Global Investors Meet (GIM). The sector is expected to generate 36,457 jobs. Textiles Minister Shankar Patil Munenakoppa attributed the achievement to the government's textile and apparel policy for 2019-2024, which helped beat the Covid-19 pandemic situation.

Department secretary Pankaj Kumar Pandey said initiatives such as 5 per cent interest subsidy to mega industries and MSMEs, incentives and concessions up to 100 per cent, enhancement of wage subsidy from Rs 1,500 to Rs 3,000 in Kalyana Karnataka region, and Rs 1,000 to Rs 2,000 in the rest of the state, contributed to its success. Four textile parks on the PPP model have been planned in places beyond Bengaluru, for which tenders will be called shortly. The central government is expected to grant one of seven mega parks to Karnataka, that may come up either at Kalaburagi or Vijayapura, Pandey said.

But experts on the panel such as T Ramalingam, while appreciating the government for its policy, observed that the industry has a long way to go as all machinery, including sewing and knitting machines, are imported.

"We are missing the bus on technological improvement, and are not using artificial intelligence to develop the textile sector. None of the textile machines, except the spinning ones from Coimbatore, are made in India, and we are paying huge amounts to import them. Unfortunately, all raw materials, especially dyes, are from China," he remarked. "We are only talking about textiles when major exporters from Europe are setting up their backend offices in Bengaluru.

"Naseer Humayun, another expert, observed that it is only the garment industry that gives back 30 per cent of its revenue to the communities, and hoped the state takes a big leap in becoming the garment capital of the country. Koushaldendra Narayan of Silver Spark presented environmentally and economically sustainable practices adopted by the industry.

Source: [newindianexpress.com](http://newindianexpress.com) - Nov 04, 2022

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