TEXTILE INTELLIGENCE CENTRE
iBtex.
INFORMATION BUREAU
TEXPROCIL

TEXPROCIL
NEWS CLIPPINGS

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

# IBTEX No. 115 of 2017 June 07, 2017

USD 64.47 | EUR 72.61 | GBP 83.18 | JPY 0.59

| Cotton Market | | |
|---|---|---|
| Spot Price ( Ex. Gin), 28.50-29 mm | | |
| **Rs./Bale** | **Rs./Candy** | **USD Cent/lb** |
| 20031 | 41900 | **82.94** |
| **Domestic Futures Price (Ex. Gin), May** | | |
| **Rs./Bale** | **Rs./Candy** | **USD Cent/lb** |
| 20660 | 43216 | **85.54** |

| International Futures Price | |
|---|---|
| NY ICE USD Cents/lb ( July2017) | 77.22 |
| ZCE Cotton: Yuan/MT ( Sept 2017) | 15,625 |
| ZCE Cotton: USD Cents/lb | **6.94** |
| **Cotlook A Index – Physical** | **87.20** |

**Cotton guide:**

Cotton Market continued to hold near 76 cents per cents though it once broke down below 76 to make an intraday low of 75.91 cents. Likewise, the December also traded down. The December ended the session at 72.52 keeping the spread around 3.50 cents.

However, this morning both the contracts are trading up by quarter per cent along with Chinese ZCE September future trading positive at 15,380 Yuan up by 65 points from the previous close.

We believe it's the sheer positive move that is seen today in the early Asian session however, we believe market may remain under stress and any rise in the price should be a sell recommendation in the near term.

**FX Guide**: Indian rupee trades little changed near 64.45 levels against the US dollar. Rupee is choppy ahead of RBI's monetary policy decision today.

The general market expectation is that RBI will keep interest rate unchanged at 6.25% but market players want more clarity about future stance.

Easing inflationary pressure, disappointing GDP data and expectations of good monsoon make a case for less dovish tone. However, RBI is also pressurized by higher liquidity in the system post demonetization. However, weighing on rupee is weaker risk sentiment as is evident from choppy equity markets.

Rupee may trade in a range of 64.3-64.6 and bias may remain weak.

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

# NEWS CLIPPINGS

| | |
|---|---|
| | **INTERNATIONAL NEWS** |
| **No** | **Topics** |
| 1 | China's share in EU textile imports dips further in 2016 |
| 2 | USA: Nike most popular fashion brand on Instagram |
| 3 | Pakistan: Govt urged to address textile sector's issues |
| 4 | Zimbabwe expects cotton output to rise to 110,000 kg |
| 5 | USA: India top developing nation for retail investment: Report |
| 6 | Italy: 2017 kicks off with growing orders for Italian textile machinery |
| 7 | Pakistan: PM Package to exporters result in soaring exports trend |
| 8 | Bangladesh: Fears for Bangladesh GDP as RMG growth slows |
| | **NATIONAL NEWS** |
| 1 | Need to rejig export incentives |
| 2 | India, EAEU to soon begin FTA negotiations: Official |
| 3 | Gandhinagar to host Textiles India trade show |
| 4 | '5% GST on cotton fibre will not make textile expensive' |
| 5 | Mafatlal group to make foray into apparel business |
| 6 | Weaving a tradition |
| 7 | Late-sown cotton more prone to pest attack: PAU |
| 8 | Non Woven Tech Asia 2017 to be held in Mumbai from 8-10th June |
| 9 | Flipkart, Amazon India rain discounts to clear stocks ahead of GST rollout |

# INTERNATIONAL NEWS

## China's share in EU textile imports dips further in 2016

The leading position of China as the main supplier of textiles and apparel to the EU has continued to be eroded in 2016, by the increasingly vigorous entry of other production zones. Undeniably, the main beneficiary of this was the SAARC zone, which has grown slowly but steadily since 2010, according to the European Apparel and Textile Confederation.

Mediterranean countries have experienced the same scenario as China between 2010 and 2015, but import shares have stabilised or even improved in 2016, the European Apparel and Textile Confederation (Euratex) said in its bulletin no. 01/2017.

The Euratex report analyses the 2016 EU external trade for the textile and clothing sector as well as the main EU suppliers and customers, evaluates the weight of regions and sectors in total EU trade and includes detailed tables and graphs for the 33 main EU trade partners.

In 2016, four zones—China, Mediterranean, SAARC and ASEAN—accounted for over 86 per cent of total extra-EU textile and clothing imports. EU-28 imports originating from these groupings primarily related to clothing goods.

In terms of products, China prevailed as the main supplier of woven garments to EU last year. However, China's share continued to decline to the benefit of South Asian and Mediterranean countries. Concerning imports of knitted garments, China was overtaken by the SAARC zone, the report said.

Analysing EU-28 exports scenario, the report states that exports struggled to grow in a difficult global economy and faced issues in maintaining market shares, principally in made up articles.

Compared to last year, EU exports' shares remained stable for the four main defined country groupings: NAFTA, EFTA, the Mediterranean countries and the group of autonomous countries. These four groups accounted for 58 per cent of extra-EU textile and clothing exports in 2016.

Woven fabrics were the major textiles exported by the EU. The NAFTA zone and the Mediterranean countries were the biggest purchasers of textile goods, while EFTA and NAFTA areas made up the two main buyers of clothing articles. However, in absolute value, there was little growth in EU exports to these EFTA and NAFTA zones.

Source: fibre2fashion.com- June 07, 2017

HOME

*****************

## USA: Nike most popular fashion brand on Instagram

With over 72 million followers, Nike has become the most popular fashion brand on Instagram, says a recent survey. This has made Nike the fifteenth most popular Instagram account in the world, beating celebrities like Khloe Kardashian and Miley Cyrus. Swedish company H&M stands second in the list with over 21 million followers on Instagram.

Social media analytics firm Iconosquare had measured total followers and follower growth on Instagram during April and May 2017. In the top ten, Zara was the fastest-growing brand, managing an impressive 8.72 per cent growth over the April-May period. While, BooHoo and Schuh saw 0.67 per cent and 1.06 per cent follower growth respectively, making them among the slowest-growing brands analysed.

"The boundaries between Instagram and brands' shopping pages are becoming increasingly blurred. As the world's most popular visual social network, a quality Instagram presence is more than a 'nice to have' for high street fashion brands, it's essential to their success," Romain Ouzeau, CEO of Iconosquare, said.

Instagram is increasingly becoming an important marketing channel for retailers. The platform recently reached 700 million monthly active users, and its emphasis on visuals lends itself well to fashion brands. Instagram has been experimenting with shoppable posts recently, allowing brands to add product details and links to their photos.

Source: fibre2fashion.com - June 06, 2017

HOME

*****************

## Pakistan: Govt urged to address textile sector's issues

Textile sector representatives has urged the government to reduce high cost of doing business, clearance of refunds, extension of long term finance facility for garment plants, reduction in minimum turnover tax and exemption of five exporting sectors from further tax.

In a Joint press conference, the chairmen and office bearers of all textile industry associations pointed out that an immediate reduction in electricity tariff to Rs7/kWh without levy of surcharges and across the board supply of RLNG and system natural gas to industrial consumers both for captive and processing use at Rs400/MMBTU without levy of GIDC is an urgent need of hour for revival of textile industry.

APTMA Chairman Aamir Fayyaz said the government should also ensure an immediate payment of all refunds for which RPOs has been issued. All unprocessed refund claims should be processed and paid by August 14, 2017 to improve liquidity of the textile industry, he added.

The association pleaded for reduction in the Minimum Turnover Tax to 0.25 percent in order to improve liquidity of the textile industry. Besides, they have also demanded exemption from the levy of further tax to the five exporting zero-rated sectors.

The textile industry has witnessed unprecedented export decline in last two years due to high cost of manufacturing, liquidity constraints, and lack of technology upgradation. In order to arrest the continuous decline in exports of textiles and clothing the prime minister announced Rs180 billion export-led growth package on January 10, 2017, the officials said.

They said the packages envisaged payment of Rs7.29 billion per month deductible of tax of export proceeds but the government has released only Rs2 billion till May 2017.

They pointed out that the manufacturers/exporters are confronted with cancellation of exports, delayed investment initiatives due to non-payment of drawbacks and reversal of initiatives announced in the package.

In April 2013, they said, the oil Brent rate was $103 per barrel, which has been dropped to $52 per barrel in March 2017.

The industry leadership said the electricity tariff including all surcharges and fuel price adjustment was Rs6.67 per kWh in April 2013, which has gone up to Rs11.31 per kWh in March 2017.

In US dollar term, electricity tariff was $6.86 per kWh in April 2013, while in March 2017 it was $10.8 per kWh. At current oil prices, they said, the electricity tariff should have been below 4 cents per kWh but the export oriented textile industry is burdened with multiple surcharges, cross subsidies and system inefficiencies of theft and lesser billing collections.

On the stuck up refund claims, they said, the FBR has rolled back all claims of Refund Payment Orders (RPOs) for the tax period of July 2016 onward on the plea that the claimed amount exceeds certain bench marks. “We request payment of all pending sales tax refunds and duty drawbacks and incentive schemes,” they added.

Despite the fact that furnace oil, diesel and coal were zero rated on August 20, 2016 but zero rating has not been implemented as the Board has prescribed cumbersome procedure. Zero rating of all inputs (in true spirit) including packing materials, spares, coal and HFO etc should be announced, they demanded.

They said the indirect exports should be made eligible under the LTFF scheme. This will help increase in supply of basic textiles to the value added sector. This facility was earlier available in the LTF-EOP scheme.

The State Bank of Pakistan should issue circular enabling new investment initiatives.

Furthermore, the LTFF facility should also be allowed for building of infrastructure for garment plants. This will encourage investment for garmenting projects.

The association is planning to shift its head office to capital in coming days, The Nation learnt reliably.

Source: nation.com.pk- June 06, 2017

HOME

*****************

## Zimbabwe expects cotton output to rise to 110,000 kg

As the cotton marketing season 2017-18 has begun in Zimbabwe, the government is hopeful of production reaching 110,000 kg, compared to output of 30,000 kg last season.

Cottco, the country's sole authorised cotton buyer, has set aside $44 million to buy the crop.

Cottco has set up 433 buying points across the country where farmers can sell their produce.

The expected increase in production can be attributed to the steps taken by the government to revive the industry. To boost cotton production, the government provided $36 million worth of inputs free of cost to growers during 2016-17 cropping season.

The government has also taken over Cottco, the cotton company of Zimbabwe, in its effort to re-establish itself as a major player in production of the crop.

During the current buying season, Cottco would initially pay 40 cents per kg, and after grading the crop it will pay grade related additional grade related price adjustment of 15 cents for Grade A, 10 cents for Grade B and 5 cents for Grade D. It will not pay any adjustment price to Grade D cotton.

Thus, cotton growers can expect to receive price between 40 cents per kg to 55 cents per kg depending on the quality (grade) of their cotton, according to Cottco.

Source: fibre2fashion.com - June 06, 2017

HOME

*****************

## USA: India top developing nation for retail investment: Report

India is the top developing country for retail investment, says a recent report. India's strong GDP growth, growing middle class and a favourable regulatory environment over the past few years have played significant roles in attaining this ranking. China has been ranked at number 2 as it continues to be an attractive market despite slow economic growth.

A.T. Kearney's Global Retail Development Index (GRDI) titles 'The Age of Focus' has found that global retailers are facing high uncertainty amid a changing geopolitical environment and increasing nationalist sentiments expressed by Brexit and America First.

Faced with intensifying competition from local and regional retailers that have grown increasingly more sophisticated, and advancements in retail technology and e-commerce, retailers are being forced to pause and rethink their strategies.

As a result, the past year has seen fewer retailers entering new markets or expanding within existing markets, as well as many retailers examining their footprints and logistics network to reduce store counts or exit markets altogether, says the report.

"The 2017 GRDI is all about the geopolitical scene and how it affects business," said Hana Ben-Shabat, an A.T. Kearney partner and a co-author of the study. "Retailers are thinking twice about expansion into places where there is uncertainty about future government actions or high political risk."

The GRDI ranks the top 30 developing countries for retail investment worldwide. The Index analyses 25 macroeconomic and retail-specific variables to help retailers devise successful global strategies to identify emerging market investment opportunities. The study is unique in that it not only identifies the markets that are most attractive today, but also those that offer future potential.

This year's study includes a special section about the rise of mobile shopping and its impact on global retail expansion. In many developing markets, mobile retail is the primary form of online shopping.

"Mobile shopping is challenging the ways retailers think about global expansion, as well as about their role in the value chain," said Mike Moriarty, an A.T. Kearney partner and co-author of the study. "We are expecting more retailers to use mobile as part of their future expansions plans."

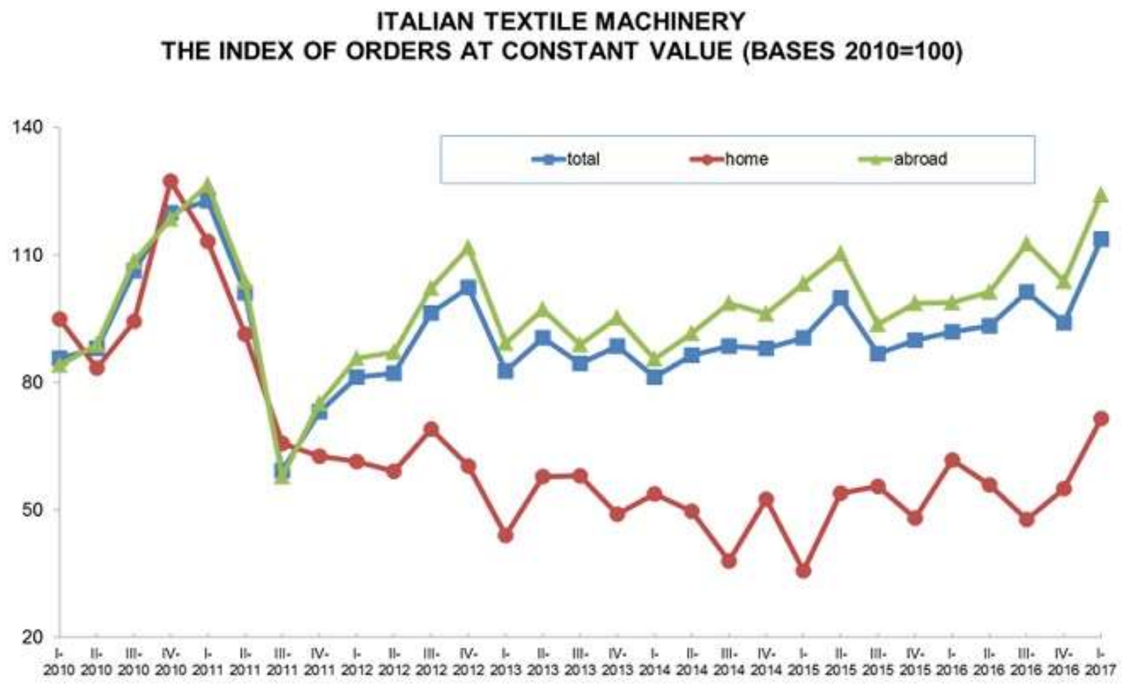
Source: fibre2fashion.com- June 06, 2017

HOME

*****************

## Italy: 2017 kicks off with growing orders for Italian textile machinery

This year has started off on a positive note for Italian textile machinery manufacturers, according to ACIMIT, the Association of Italian Textile Machinery Manufacturers. For the first quarter, orders have increased both in Italy and abroad.




“Orders for the start of 2017 confirm a positive trend in major foreign markets, and a climate of trust for Italy’s textile industry that is on the upswing,” commented ACIMIT president Raffaella Carabelli.

The orders index for textile machinery compiled by ACIMIT for the period from January to March, grew by 24%, compared to the same period in 2016. The index value stood at 113.7 points (basis 2010 = 100).

This growth regarded mostly markets abroad, where the index came in at an absolute value of 124.1 points (+26%). In Italy, the increase compared to the period from January to March 2016 was 16%, with an absolute value of 71.5 points.

"The index data for the first three months of the year confirm the positive signs ascertained by our businesses in various foreign markets," said Raffaella Carabelli. The dynamic trend for Italy's domestic market originates, on the other hand, with the National Industrial Plan 4.0.

"A renewed climate of enhanced trust is currently perceived in the textile sector, triggered by the government's commitment to enact a range of significant incentives for the Country's manufacturing system," said Raffaella Carabelli.

Source: innovationintextiles.com- June 06, 2017

HOME

*****************

## Pakistan: PM Package to exporters result in soaring exports trend

Minister for Commerce Engr. Khurram Dastgir Khan has said that a soaring trend in exports had been observed since the announcement of Prime Minister Package to the exporters. He further said that all the problems faced by the textile industry would be addressed in consultation with industry.

While chairing meeting of the Federal Textile Board (FTB) here Minister assured that measures would be taken in consultation with industry. Industry also desired to enter into Free Trade Agreement (FTA) with Turkey, US, Canada and Indonesia, to tap potential markets over there.

The Federal Minister informed the house that FTA with Turkey was at developed stage, whereas with Iran and Indonesia is under consideration. It was agreed to prepare proposals for market and brand focused exports.

Representatives of Ministry of Commerce, Ministry of National Food Security, Ministry of Industries and Production, Finance Division and APTMA, APTPMA, TMA, PHMA, PRGMEA, PTEA, APBUMA and other associations attended the meeting.

The representatives of textile associations appreciated efforts of Federal Minister for Commerce to solve various issues of textile industry at various forums. The Federal Minister for Commerce acknowledged that an increasing trend in exports is observed after the announcement of Prime Minister Package and hoped for further increase in coming days.

During the meeting Federal Budget 2017-18 and allocations made there under for various schemes of textile sector were discussed.

The industry showed reservations for less allocation for duty drawback under Prime Minister's Package of Incentives for Exporters. The senior officer of Finance Division assured that funds will be released for duty drawback from allocations under federal budgets as well as supplementary grant, based upon the claims submitted in State Bank of Pakistan.

The industry also requested to resolve the disparity issue of energy cost between north and south, and demanded to separate industrial feeders. The industry also requested to resolve the issue of pending refund claims. During the meeting misuse of DTRE scheme, smuggling and issue of worn clothing were raised.

Source: pakobserver.net- June 07, 2017

HOME

*****************

## Bangladesh: Fears for Bangladesh GDP as RMG growth slows

Of the total export earnings in the July-May period of FY 2016-17, the RMG sector grew by 2.16% to contribute $25.62 billion, or 80.59%

A fall in global demand for Bangladesh's lucrative ready-made garments (RMG) sector caused a slowing in the rate of export earnings growth in the last fiscal year, data from the Export Promotion Bureau (EPB) has revealed.

Although Bangladesh's overall export earnings rose 3.67% rise in the first eleven months of Fiscal Year 2016-17 to hit $31.79 billion, the growth in export earnings slowed to 1.39%, earning $3.07 billion against the target of $3.35 billion set for the month.

Trade analysts and leading sector figures have said the slow rate of growth highlighted by the EPB figures is due weaker demand in the RMG sector – the lifeline of Bangladesh's economy in terms of export earnings.

"Low demands in global markets caused slower growth in Bangladesh's exports earnings, which is even seen in other countries," Khondaker Golam Moazzem, research director at Centre for Policy Dialogue (CPD), told the Dhaka Tribune.

"It is a matter of concern as it may adversely impact backward linkage industry, production and even the Gross Domestic Product (GDP)."

Of the total export earnings in the July-May period of FY 2016-17, the RMG sector grew by 2.16% to contribute $25.62 billion, or 80.59%. The sector, however, failed to reach its target of $27.38bn.

Moazzem added that the government offered some incentives for the apparel sector in the proposed budget unveiled on June 1, but said it is not up to the expected level.

"Since the budget is proposed, the government should take measures that would help boost exports, especially in the non-traditional markets," he said.

Exporters Association of Bangladesh (EAB) president Abdus Salam Murshedy told the Dhaka Tribune that he thought the situation was "critical".

"The government should come up with comprehensive package in the budget for the next fiscal year, or else, the crisis in the manufacturing industry may linger," he warned.

"The growth rate is much lower than expected due to losing competitive edge in the global market to our competitors.

Bangladesh's production capacity in the RMG sector has also gone down due to the ongoing remediation, which may be another reason," he said.

Of the total export earnings in the July-May period of the current fiscal year, knitwear posted 4.91% growth to $12.5 billion, but woven garments witnessed negative growth and were 0.33 % down compared to the $13.16 billion revenue of the previous period.

Jute and jute goods posted a 9.84% rise to $903.69 million, while the home textile sector posted 6.72% growth to $737 million.

Leather and leather goods earned $1.12 billion, which is 9.17% higher compared to $1.02 billion in the previous year.

Among the major sectors, frozen and live fish witnessed negative growth by 1.89% followed by processed leather, which fell 10.31% to $225 million.

Source: dhakatribune.com- June 07, 2017

HOME

*****************

# NATIONAL NEWS

## Need to rejig export incentives

Minster of State for Commerce, Nirmala Sitharaman recently announced that the review of foreign trade policy will be completed prior to July 1 when GST will be rolled out. This review is especially important since it is being done in an environment where India is under some pressure to move away from post-export incentives that are increasingly not compatible with WTO rules.

Besides incompatibility with WTO, giving incentive to a firm that is already exporting somewhat counter-intuitive as it is essentially rewarding a successful and therefore competitive exporter. Logically, investment in developing firm or sector level competitiveness requires support at the pre-export stage. Pre export production related subsidies and government support measures are more compatible with WTO rules and extensively used across the world.

However, production level support or incentives are expensive since benefits cannot be limited to just successful exporters like in the current schemes, but are potentially open to all manufacturers and service providers. Thus, the burden on the exchequer due to either tax foregone or direct financial support can be substantive.

### Paradigm shift

An export development programme reliant on production-based subsidies therefore require targeting of specific sectors in a manner that helps develop competitiveness, but with some discrimination criteria that ensures that the scheme is not open to all.

Designing such programmes would require institutional capacity to develop the right criteria, transparent administration of such criteria in the distribution of benefits, and close cooperation with industry associations and sectoral export promotion councils.

The current administrative machinery is insufficiently prepared for such an exercise.

But radical overhaul is necessary not just to make our incentives more compatible with WTO rules, but also to address the serious challenge posed to Indian industry by industrialisation 4.0 and automation. India will not be able to replicate the low-wage-middle-skill manufacturing boom that worked for China and other SE Asian countries, given the current shifts in technology and consumer preferences. McKinsey analysis shows that over 235 million jobs in India are at risk from such changing dynamics.

Starting from this current round of foreign trade policy making cycle, policy makers need to give serious consideration to completely over-hauling the way exports are incentivised in India.

I would like to focus on three ideas for this article.

**Three pronged approach**

*Public-private venture capital to fund innovation and productivity*: New product development, financing strategic tie-ups with global partners or expansion of product line are all projects that have a certain amount of risk tied to it. Exporters, especially small and medium exporters find it difficult to find right kind of financing for such projects. Private venture capital is not interested in smaller projects. In many cases the risk is seen as too high.

One way to lower the risk and increase the appetite for the private sector is to create a public private partnership (PPP) venture capital fund with the government infusing about 25 per cent of the seed capital and private sector players the rest. Private sector would also bring in the professionalism of venture capital managers. The Irish government did this for their technology sector based exports with some success.

The Indian government too can create such venture capital funds for a few critical sectors with potential for future growth and employment generation. These could include the next generation of high-end textiles, machine tools, pharmaceuticals, or data analytics or remotely delivered health services for example.

To make such a scheme even more attractive, it can be supplemented by an ‘Angel Law’ modelled on an Israeli incentive programme that allows venture capital investors putting money in such higher risk projects to deduct a portion of their investment amount out of their taxable income.

***Funding performance pay based business development***: Larger firms benefit from professional help of consultants. In industrialised countries, highly evolved clusters provide hand-holding services to exporters on product development, marketing, and sourcing of inputs.

Most of these services are ‘performance based’; in other words, consultants charge a very low base fee, and take a share of actual profits made by the firm due to successful product or business development execution. The Indian export eco-system (except some large firms) is largely bereft of such a focused professional business development ecosystem. The government can run a special programme, in partnership with export promotion councils, to engage such professionals. The recruitment process should be through transparent global tenders, and the contract should be designed in a way that professionals get paid a majority of their fees based on their actual performance, i.e. export growth or export volumes.

Interested exporters can approach these professionals with proposals. The exporting house would be expected to bear a percentage of the professional’s fees, which would mean they also invest in the successful implementation of the project. The access to these services with the initial state subsidy would help level the playing field for Indian exporters’ vis-à-vis competition.

***Supporting recruitment and training of new skill sets***: The key to adaptation to new technologies and production methods that are rapidly replacing the old ways of the factory and office would be having the right kind of human resources with skills and know-how to work with artificial intelligence, big data, robotics, and factory floor automation. Such changes would not be confined to just technology intensive sectors like auto industry or IT enabled services, but extend to textiles and food processing.

One way to handle this transition would be for the government to bear a portion of the cost of hiring such skill-sets for SMEs and start-ups. Many countries provide indirect incentives for acquisition of skills that allow the firms to adopt new technologies and increase productivity.

A simple scheme is to give a certain percentage of salaries hired by MSME for such advanced talent as an incentive. Allowing a certain portion of such salaries paid as a deductible from net income would be another way, using the tax foregone method.

The key is for government to start considering the range of possibilities available and develop the institutional framework within the bureaucracy and industry. The country has no options but to incentivise competitiveness and productivity in line with the new industrial future. Hopefully, the foreign trade policy announced in June would provide the first step in that direction.

Source: thehindubusinessline.com- June 06, 2017

HOME

*****************

## India, EAEU to soon begin FTA negotiations: Official

The Government of India as well as the governments of the Eurasian Economic Union (EAEU) member countries will shortly begin negotiations for a free trade agreement (FTA), a senior official has said. The 5-member EAEU comprises Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Russia. India's annual trade with EAEU is currently at $8.4 billion.

India and the EAEU had decided to set up a Joint Feasibility Study Group on the India – EAEU FTA at St. Petersburg International Economic Forum (SPIEF) in 2015.

"This report has since been finalised and accepted by the Government of India and governments of the individual EAEU countries following which negotiations on the FTA are to be launched," Ramesh Abhishek, secretary, Department of Industrial Policy and Promotion, ministry of commerce and industry, said at the recent SPIEF in St. Petersburg, Russia.

Speaking at a session on 'Eurasian Economic Union (EAEU) – India: A Strategic Partnership' organised as a part of SPIEF, Abhishek said there was a need to promote connectivity between India and the EAEU region and the International North South Transport Corridor would be extremely critical for this purpose.

He also highlighted the role being played by the "Green Corridor" in promoting trade facilitation between India and Russia. He felt that this Corridor could be extended to the other EAEU countries in due course.

Speaking at the same session, Eurasian Economic Commission minister for trade Veronika Nikishina said that the EAEU has so far only concluded one FTA with Vietnam, and India would be the second. "This demonstrates the importance being placed on India by the EAEU."

A strong FTA between India and the EAEU will help strengthen the India – EAEU strategic partnership, noted Confederation of Indian Industry (CII) president Shobana Kamineni.

CII director general Chandrajit Banerjee said that the India – EAEU FTA will also provide a foundation for further deepening of ties between India and members of the EAEU.

Source: fibre2fashion.com - June 07, 2017

HOME

*****************

## Gandhinagar to host Textiles India trade show

India's traditionally strong textile sector is making a pitch to etch its rich and diverse creations in the itinerary of global buyers, consumers and trade with a mega event planned in Gandhinagar, Gujarat, from June 30 to July 2.

Textiles India-2017 will bring together the best of Indian textiles as well as global participants. To be inaugurated by Prime Minister Narendra Modi, the show hosted by the Ministry of Textiles, is being positioned as an annual textile trade show in India that would feature in the calender of global events also.

About 1,000 international and domestic exhibitors and 2,500 buyers from various countries are expected to take part, says Pushpa Subrahmanyam, Additional Secretary in the Union Ministry. It will showcase India's strength in the textile and apparel value chain, from farm to fibre and fibre to fashion, she told newspersons.

The ministry hopes the event will help establish India as a global sourcing and investment destination. Big players from the US, China, the UK, Japan, Germany, Australia, Brazil, South Korea, Bangladesh, Singapore, Malaysia, the UAE and Mexico are expected at the event.

About 65 players from the textile sector participated in the promotional show organised by the Ministry in Hyderabad on Monday.

Source: thehindubusinessline.com- June 06, 2017

HOME

*****************

## '5% GST on cotton fibre will not make textile expensive'

Fibre based Goods and Services Tax (GST) at the fabric or garment stage can result in a huge misdeclaration, according to Manikam Ramaswami, chairman and MD of Loyal Textile Mills Ltd. He is in favour of the GST Council imposing a 5 per cent tax on cotton fibre and said it will not make cotton textiles more expensive as all state taxes will get absorbed.

Imposing the 'one nation, one tax ' policy across India will be very good and although it is against the federal set up, the GST is good for India, stated the former Texprocil chairman.

Speaking about the effects of the lack of uniformity in tax rates of cotton and man-made fibres, he said, "There would be a lot of issues to reduce GST for polyester which has several non textile applications. However, at the garment stage the entire GST on the fibre can be fully absorbed."

As for the impact of GST on import-export of textiles and apparel, Ramaswami said that as long as GST is paid back 100 per cent within 7 days, working capital will not get blocked.

"Other non GST costs incurred by exporters need to be given back through MEIS/drawback, cross subsidy on power, taxes on petro products used (power generation , transports etc.), higher cost of interest (Rupee interest rate over and above Dollar prime rate plus forward premium) and taxes suffered in inputs of farmers not absorbed in GST as there is no GST at lose cotton stage," he added.

"If GST is given back immediately and the drawback/MEIS is given as per the extra costs incurred by exporters then it would not impact exports negatively. In fact it could help as certain states do not refund Form W refunds for a very long time," said Ramaswami.

The 18 per cent GST rate proposed to be levied on man-made fibres is likely to have a bad effect on the textile value chain, as per Ramaswami.

J. Thulasidharan, chairman of CITI has also urged the government to reconsider the rates of MMF products and bring it at 12 per cent. India is already suffering a huge competitive disadvantage in the global textile market as the MMF based textile products are attracting higher rates of import duty.

Keeping the GST rates at this rate will undoubtedly cripple hundreds of small and medium synthetic textile manufacturers, said CITI Chairman.

Source: fibre2fashion.com- June 06, 2017

HOME

*****************

## Mafatlal group to make foray into apparel business

Textile firm Mafatlal Industries today said it will make a foray into apparel business by introducing ready-to-wear fashion wear at affordable pricing.

"We want to make a strong foray into the apparel business and for this we have identified three-four anchor categories," Mafatlal Industries MD and CEO Aniruddha Deshmukh told reporters here today.

Mafatlal Industries was a popular and leading brand of yesteryears and now the company wants to restore the same old glory, Deshmukh said.

"Our main strength is fabrics. We are one of the large manufacturers of denim in the country, and we also supply to domestic brands and international brands," he said.

"The other large business we have is textiles, where we do basically shirting fabrics, whites and prints ... We are also doing school uniforms and the size of this business is about Rs 300 crore," he said.

On the company's foray into readymade segment, Deshmukh said, "As a fabric company, at some point of time it will need to make an entry into the readymade segment. It is sort of a relaunch for us because the brand has been around for some time, but somehow never got the traction or momentum."

"Our intention is that we convert our expertise and skill in fabrics into readymade," he added.

"In apparel business, there are two-three anchor categories we will focus on. Mafatlal countrywide is known for its whites and we want to bring it in readymade.

In denims, we are manufacturers for nearly 20 years. We have a medium-sized plant in Gujarat," he said.

He said the company has a good retail presence mainly in western region. "But we are now going to expand into regions including north, where we see a good scope."

"One thing we have seen is that the more well known the brands are their products are probably not as fashion forward as some of the products from the not so well known brands. So, our focus will be on high fashion products, we want to be a niche player, but very very affordable," he said.

He said another category which the company is looking at is T-shirts.

"All these things will be the focal points of our collection. We are starting off from the north region and then we will spread across," he said.

Mafatlal Industries is part of Rs 1,300 crore Arvind- Mafatlal group.

To another question, he said, "the real revenue targets will probably start one or two years down the line. Priority at the moment is to get our products and distribution right".

Sheeren Gupta, Vice President--Sales and Marketing of MIL said one of the key things which the company is focusing on is pricing of the products, which will be very competitive.

"We are not in the premium segment, but the products will definitely look premium. Our range will be Rs 899 to Rs 1499 for shirts, T-shirts will be priced at Rs 899- Rs 999 and denims for Rs 1499 to Rs 1699," Gupta said.

Source: business-standard.com- June 06, 2017

HOME

*****************

## Weaving a tradition

Cotton seems to be a time-tested discovery that has survived the onslaught of many other discoveries and inventions. The use of cotton in the Indian subcontinent can be traced back to as early as 6,000 BC. Newly developed varieties were introduced to Africa in the 18th century and later spread to India, Pakistan and China, where they replaced traditional ones. Later, Indian varieties took a backstage, giving way to exotic ones from abroad.

In recent years, there has been a change in the mindset of farmers, consumers and other enthusiasts, and as a result, the search for indigenous cotton has started, yielding some results. Since indigenous cotton varieties show tolerance to drought, they are suitable for rainfed areas. Each region in India has its own varieties like Karunganni cotton of Tamil Nadu, Kala cotton of Gujarat, Ponduru cotton of Andhra Pradesh and Jayadhar cotton of Karnataka.

### Local variety

In the past, Jayadhar cotton was found on every field in North Karnataka. At least 60% of the land that a farmer owned was set aside for growing Jayadhar cotton. This species of cotton was grown both as a single crop and as an inter-crop alongside potato, garlic and chillies. Both sowing and weed management are inexpensive. As it is a native strain, it has disease and pest-resistant qualities.

Unlike hybrid cotton varieties, Jayadhar does not require much water or chemical inputs while growing. Even in dry soil conditions, one can get moderate yield. Apart from Jayadhar, there are Suyodhar and Renuka varieties under Gossypium herbaceum. Under Gossypium arboreum, Pandharpur is grown in the Raichur region. Some of the American strains have also adapted well to Indian conditions.

Jayadhar cotton is mostly used to manufacture items such as denim, surgical cotton and bedsheets among others.

Karnataka is one of the major long staple cotton producers in the southern zone. Cotton is cultivated in either rainfed or irrigated condition in Raichur, Bagalkot, Vijayapura, Ballari, Dharwad, Belagavi, Shivamogga and Mysuru districts.

Most of the cotton-based industries are situated in the northern districts of the State, in the hinterland of cotton growing areas. Cotton is ginned after harvest to be used further. Therefore ginning units, where seeded cotton (kapas) is pressed between rollers to separate the seeds and lint, are found in large numbers. Lint needs to be pressed into a compact form for further use and such pressing units are also abundant in this part of the State.

Pressing also aids transport of lint to factories. Cotton undergoes processes like combing and cleaning before it is spun into yarn, which is used for weaving. Thus, spinning units also thrive in the region. Cottonseed oil extraction units have gained popularity as the oil is deemed to be economical and healthy.

In line with the recent trends, many organisations and activists are making efforts to popularise organic farming and heritage varieties. V Swaminathan of Sahaja Samrudha, one such organisation working towards the revival of heritage cotton varieties, says, compared to Tamil Nadu, which has almost lost its local variety of Karunganni, Karnataka is better placed as Jayadhar is still under cultivation.

“Farmers are showing interest in the cultivation of heritage varieties due to several reasons. The existing spinning machines are not suitable for local varieties as they are made for American long-fibre cotton. With little modifications in the machines, local varieties can be widely used,” he opines.

According to him, revival of heritage cotton is possible only with the cooperation of farmers, spinners and weavers, and with the patronage of buyers of finished products. “Nowadays, people are prefering local products, without bothering about the price. As a result, Jayadhar is widely used in khadi and weaving units. That brings some hope,” he says.

Handlooms in Karnataka have a glorious past and the remnants can be traced to the still thriving looms in parts of Karnataka, especially in the northern districts. However, efforts are being made to revive the once famous handlooms. Badanavalu village in Mysuru district is a living example of the handloom movement in the State, keeping alive the concept of khadi, propounded by Mahatma Gandhi. It has to be recalled that Mahatma had even visited this indiscreet village.

**Remnants of the past**

Surendra Koulagi, a Gandhian whose family is striving to keep alive the khadi tradition in Melkote, feels that khadi and handlooms have lost their direction. “Even in the units that claim to be handlooms, the yarn used for weaving is machine spun. It is a different issue that power loom products are sold as handloom products. There are only a handful of handlooms which use hand-spun and hand-coloured yarn.

In view of encouraging the yarn spinning mills that came up in large numbers across the cotton growing regions and also handloom weavers, the National Handloom Development Corporation has mandated the mills to provide at least 50% yarn in the form of hank, suitable for handlooms,” he says.

Weavers themselves have switched over to power looms for various reasons. Sathyaprasad, finance controller of Karnataka Handloom Development Corporation, says, “The number of cotton handloom weavers is on the decline, whereas the number of silk handloom weavers is gradually increasing. Some young artisans also have enrolled recently.” So far, about 10,000 cotton weavers and 2,000 silk weavers have registered with the corporation. Most of the cotton weavers are in the northern districts of Karnataka, while silk weavers are mostly in the southern districts.

Various schemes have been implemented by the corporation for the welfare of the weavers and also to enhance and hone their skills. The corporation has developed 25 colonies in different parts of Karnataka with complete infrastructure. Besides, to encourage young artisans, two types of skill development programmes are conducted — basic and advanced.

Though handlooms thrived in almost all the villages before the advent of the British, the trade is kept alive in some pockets, especially in Bagalkot district. Places like Uppina Bettageri, Guledagud, Gadag, Gajendragad and Koppal are known for their weaving tradition.

The corporation, which was established in 1975, is also taking steps to revive ancient designs and weaves, and integrate them into modern lifestyle.

Karnataka State Cooperative Handloom Weavers Federation (Cauvery Handlooms) is an older organisation, which was established in 1952. It deals with silk sarees, cotton bedsheets, towels, lungis, bedspreads, mosquito curtain cloth, etc.

Shanmuga, a weaver in Kodiyala of Mandya district, which was once famous for handlooms, feels that the purpose of making a machine is to ease manual work. "A loom is also a machine. When the handlooms came into existence, there was no electricity. But now we have changed to power looms for our convenience. What is wrong in switching over to power looms? Have we not adopted technology in other occupations also," he opines.

However, his father Subramanya disagrees. "Nowadays youth are not willing to work hard. They have many distractions. They spend little time on the looms and keep more time for entertainment. The commitment to produce good quality clothing is lacking in the youth," he adds.

Amidst contrasting views, one cannot undermine the significance of handlooms and how they improve the quality of clothes and the lives of those involved in the occupation.

Source: deccanherald.com- June 06, 2017

HOME

*****************

# Late-sown cotton more prone to pest attack: PAU

The late-sown cotton in Punjab is more prone to pest attack, according to Punjab Agricultural University (PAU).

The state agriculture department is concerned about pest infestation on the cotton, sown over 1.06 lakh hectares after May 15. A survey was carried out in various villages of Punjab to identify the intensity of pest attack on the crop.

The survey carried out by 50 supervisors and 500 scouts of the state agriculture department found out that the number of whiteflies is lower than the economic threshold level (6 whiteflies per leaf).

The farmers have been asked to avoid applying sprays on cotton without the advice from the experts, said PAU vice-chancellor Baldev Singh Dhillon, as reported by the media.

"So far there is no fear of pest attack on cotton. However, we are concerned about late sowing of the crop. The officials have been asked to maintain extra vigil on late-sown cotton and keep a watch on economic threshold level of pests.

They have also been asked to keep a check in Fazilka area in the state, where cotton has been sown near orchards, making it more prone to insect attack," added Dhillon.

"Reports of some packets of spurious cotton seed being sold in markets have also come up. We are keeping a watch that the crop may not get damaged due to such seeds.

Agriculture department officials have been asked to be on their toes to ensure smooth growth of crop," said Punjab agriculture commissioner Balwinder Singh Sidhu.

Source: fibre2fashion.com- June 06, 2017

HOME

*****************

# Non Woven Tech Asia 2017 to be held in Mumbai from 8-10th June

Non Woven Tech Asia 2017, The 4th International Exhibition & Conference of Nonwoven Industry organized by Radeecal Communications in association with gujNON Manufacturer Association of Nonwovens at Bombay Exhibition Centre, Goregaon (E), Mumbai, Maharashtra, INDIA.

Non Woven Tech Asia 2017 is supported by such as Indian Technical Textile Association, The Bombay Textile Research Association, Centre of Excellence for Medical Textile (Coe- Medical Textiles), The South India Textile Research Association, Ahmedabad Textile Industry's Research Association, Man-Made Textiles Research Association, The Synthetic & Art Silk Mills' Research Association And DKTE's Textile & Engineering Institute (DKTE COE In Nonwovens).

Non Woven Tech Asia 2017 is the only event in India that focuses exclusively on nonwovens, unlike other events which look at technical textiles as the sector with nonwovens being a subsector, thus eventually not getting the desired attention that it deserves. It is thus important to highlight a few points to reiterate this fact.

Non woven tech Asia 2017 has participation from industry's leading players like Sonali Polymers Pvt Ltd, Featherfeel Nonwoven Pvt Ltd, Prosper Choice Import Export, Flexography India Press, Vidhi Enterprise, Atlas Chemical Co., Littleberg Offset Co, Scap Technofab Pvt. Ltd.,Zhejiang Yanpai Filtration Technology Co.,Ltd, Fair Deal Engineers, Jk Non Woven Pvt Ltd, Bankey Bihari Packaging Pvt Ltd, Apex Non Woven Bag Pvt Ltd, Mdc Impex Associates Non Woven, Khosala Profile Pvt Ltd,Sahil Graphics, Rajshree Fabrics, Khosla Profil Pvt. Ltd, Kamtronics Technology Private Limited, Autoprint Machinery Manufacturers Pvt. Ltd. & many more...

Nonwovens are the Next-Gen products and hence looked at as the sunrise segment in the Global Textile Industry.

Nonwoven fabrics are sheet or web structures bonded together by entangling fiber or filaments (and by perforating films) mechanically, thermally or chemically. They are flat or tufted porous sheets that are made directly from separate fibers, molten plastic or plastic film.

Nonwoven fabrics are sheet or web structures bonded together by entangling fiber or filaments (and by perforating films) mechanically, thermally or chemically.

The Exhibition is an ideal platform to showcase the products and services of your company. The exhibitors can expect visitor participation from Andhra Pradesh, Delhi, Maharashtra, Gujarat, Rajasthan, Telengana, Kerala, Chhattisgarh, Karnataka, Tamilnadu, Madhya Pradesh, Uttar Pradesh, Haryana, West Bengal & many other international countries also such as Belgium, China, Italy, Japan, Iran and Switzerland. We expect a foot fall of around 8000 visitors during this event from the following segments:-

Medical and health care, Hotel Industry, Hygiene & sanitary products manufactures, Packaging industry, Schools, Luggage products, Textile and apparels, All retailers and corporates, Agriculture, Construction, Geotextile, Automobile, Filtration and separation, Shoes and leather material, Furniture and interiors, Traders and distributors, Government and public offices.

The Nonwoven Industry is set to move in only one direction that is North! Growth is inevitable. Hence there is a lot more interest generated by business houses in Nonwovens. Hence by exhibiting your products and services you are not only emphasizing your brand image in this sector, but also creating the awareness of the importance of nonwovens in contemporary life.

Radeecal Communications specializes in conceptualizing, planning, organizing/managing Industry Specific Events in tandem with various Associations and Industry leaders.

The objective is to create a neutral platform for the players of the Industry to assemble under one roof, share information and knowledge, both technical and trade oriented, understand the market dynamics – existing and future (short term, mid-term and in the long term) and thrash out the issues, and come to conclusions that shall benefit the Industry as a whole.

Non Woven Tech Asia 2017 is one of the endeavors of Radeecal Communications, with the potential goal of being the annual pilgrimage for the stake holders of the nonwoven industry.

Source: yarnsandfibers.com- June 06, 2017

HOME

*****************

## Flipkart, Amazon India rain discounts to clear stocks ahead of GST rollout

Apprehensive that they may lose out post the rollout of the goods and services tax (GST) from July 1, vendors on e-commerce platforms are trying to liquidate stocks estimated at around Rs 20,000 crore. Market watchers say sellers are looking to clear stock lying in warehouses, as they apprehend the new tax rates and rules might result in a loss for them post July 1.

They add there could be several sales held this month as vendors including WS Retail and Couldtail –the biggest vendors on Flipkart and Amazon India respectively — get rid of inventory.

Many of the sellers are expected to offer attractive discounts to tempt buyers. Emails sent to Flipkart and Amazon did not elicit any response till the time of going to press. Earlier this month, the GST Council raised the limit on input tax credit to 60% from the earlier 40%; this is for goods which attract a GST of 18% or 28% without excise payment receipts.

The input tax credit refund against excise paid on items which attract a tax rate lower than 18% would remain at 40% of the total GST liability.

Further, the GST council stated a 100% input tax credit against excise can be availed on high-value items above Rs 25,000 with a serial number. Compared to the rules proposed earlier, the final rules are more friendly.

However, online sellers claim that despite the new rules, they will have to incur a loss if current stock is sold post July 1. Instead, clearing the present stock would allow them to lower the tax burden, thus bringing down the losses.

“I would not get any input credit on stock which is more than a year old so it is better that I slash the prices and incur a loss rather than incur a loss of 10-20%, post July 1,” said Neeraj Johar, a Jaipur based online seller of IT products.

Bangalore based seller Gaurav Singh, who sells electronic and mobile accessories, pointed out that GST sellers can claim a100% input tax credit against excise that can be availed on high-value items above Rs 25,000 with a serial number and 60% on goods values less than Rs 25, 000.

“But there are many products in accessories like a mouse or a keyboard, a cover of a smartphone which do not bear a serial number and are valued less than Rs 25,000. I would not get any credit for these so I would like to sell of as much of the stock possible,” explained Singh.

Another apparel maker explained that as apparel and footwear products cost less than Rs 25,000, he would be able to claim input credit for 60% of the stock and pay tax for the rest 40%, or ask a brand to compensate him. For what seems like a cumbersome process, tax related solution providers like Cleartax call the sale of goods by sellers at a discounted rate, a logical move, as this would allow them to reduce tax burden.

“Despite the availability of input tax credit, it makes sense for sellers to offer discounts and clear their stock due to compliance burden if they carried the stock into July. To get input tax credit on the excise paid, the seller would have to identify the eligible stock and gather all the relevant documents to apply for input tax credit under GST.

It could turn out to be extremely cumbersome for many sellers,” said Archit Gupta, CEO and founder, Cleartax.com, a tax related solution provider.

Apparel, footwear, electronic accessories, mobile accessories, apart from premium watches, women handbag, leather products, health and beauty products – are some of the categories where sellers are hoping to reduce stock.

Source: financialexpress.com- June 07, 2017

**HOME**

*****************