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. 93 of 2018 May 07, 2018

USD 67.10| EUR 80.19 | GBP 90.88 | JPY 0.61

Cotton Market

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

Rs./Bale	Rs./Candy	USD Cent/lb
19744	41300	**78.78**

Domestic Futures Price (Ex. Gin), May

Rs./Bale	Rs./Candy	USD Cent/lb
20750	43404	**82.79**

International Futures Price

NY ICE USD Cents/lb (July 2018)	86.90
ZCE Cotton: Yuan/MT (May 2018)	15,010
ZCE Cotton: USD Cents/lb	**91.39**
Cotlook A Index – Physical	**93.2**

Cotton guide: Price action on Cotton: Eventually the cotton market has cleared the long standing strong resistance of 85 cents. This has pushed price higher to 87.50 cents. The trend is now apparently very clear in the short term. We are heading 90 cents very soon while cotton price becoming $1 per pound in medium term cannot be ruled out. Cotton futures finally made a move and it was a contract high move, including at settlement for the week. July settled at 8690, up 239 points for the week. December contract settled at 8057, u up 130 points for the week. The subsequent contracts have also posted positive close.

However, among the contracts July has gained the most. With near record unfixed on-call sales in July and 7 weeks to July's first notice day (Monday June 25th), a bit of panic has been building. When mills have started to get interested in fixing, July has popped back up. Additionally the growing inversion of July over December has not invited shorts to roll. There aren't any good exits for July shorts so far. In the meanwhile, there has been good buying by the speculative positions. Total open interest has increased in 9 of the last 10 sessions; up a net of 17,137 contracts to hold at 275,892 contracts.

The most part of the gains in ICE was noticed in the second half of US session on Friday. Hence the effect is not seen on domestic futures price. Last week the both spot and future price of Indian cotton continued to trade steady.

Currency Guide:

Indian rupee depreciated by 0.3% to trade near 67.05 levels against the US dollar. Weighing on rupee are concerns about impact of higher crude oil price on trade deficit and inflation. Crude oil has tested $70 per barrel for the first time since November 2014 on back of supply concerns relating to Iran.

Also weighing on rupee are concerns about investor outflows amid higher interest rates in US. The US dollar index has however come off recent highs on mixed US non-farm payrolls data and Fed's gradual rate hike stance. Rupee may continue to remain under pressure in face of higher crude oil price. USDINR may trade in a range of 66.8-67.25 and bias may be on the upside..

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

Indicative Prices of Overseas Ring Spun Cotton Yarn in Chinese market:

Indicative Prices of Cotton Yarn in China Date: 06/05/2018	***Prices in US$ FOB***	
Country	**20s Carded**	**30s Carded**
India	2.75	3.05
Indonesia	2.56	2.85
Pakistan	2.38	2.77
Turkey	3.10	3.30
Source: CCF Group		

China yarn

Cotton yarn market basically showed stable with some low-end offers in some places rising. Polyester yarn and blended yarn showed stable while rayon yarn slightly firm.

International yarn

The cotton yarn market has remained lackluster in Pakistan.Downstream manufacturers have complained of squeezed margins. Export demand has been sluggish. Low demand in Turkey has prompted some mills to operate well below capacity. The recent weakening of the yuan should benefit Chinese textile and Garment exporters.

Source: CCF Group

NEWS CLIPPINGS

INTERNATIONAL NEWS

Egypt's exports of readymade garments jump 17% in Q1

Egypt's exports of readymade clothes jumped 17 percent in the first quarter (Q1) of 2018, recording $385 million (LE 6.77 billion), compared to $330 million during the same period of 2017, the Ready Made Garments Export Council revealed.

The United States of America allocated 48 percent of Egypt's ready-made garments exports in Q1, recording $185 million, compared to $160 million in the same period of 2017, with a 16 percent increase.

On a monthly basis, the exports in January 2018 increased to $129 million, compared to $104 million in the first month of 2017.

The exports in February climbed 21 percent to reach $133 million, compared to $110 million. Furthermore, they recorded $123 million in March, compared to $116 million in the same month of the previous year.

Executive Director of the Ready Made Garments Export Council Sherin Hosny said earlier that the council aims at increasing ready-made clothes' exports 20 percent by the end of 2018 to record $1.8 billion. She anticipated that the sector's exports will exceed $1.8 billion in case the rate of exports continues on the same trajectory as the first quarter of the current year.

Hosny added that the sector's exports to African countries do not exceed 2 percent, but activating trade agreements, especially the African Continental Free Trade Area, will increase the export of Egyptian products to specific markets such as South Africa, stating that South Africa's demands for readymade clothes are increasing.

She clarified that not having a specific trade agreement with South Africa, in addition to the high tariffs, are considered to be obstacles in the way of exporting to South Africa, hoping that these obstacles will be solved by the African Continental Free Trade Area agreement.

Through this agreement, Egypt can import accessories used in manufacturing ready-made garments from African countries, and African countries can rely on Egypt's textile sector, Hosny said.

She added that such an agreement creates opportunities for cooperation between Egypt and African countries in the field.

The African Continental Free Trade Area (CFTA) agreement aims to ease the trade exchange between the countries that signed it according to a scheduled timeline and not through an immediate activation of the agreement.

The CFTA is considered to be the biggest deal ever signed since the World Trade Organization (WTO) was established as it was signed by 43 countries.

Source: egypttoday.com- May 06, 2018

HOME

****

Sri Lanka Thailand to begin talks on FTA from May

Sri Lanka and Thailand will begin talks on setting broad parameters for a free trade deal from May 2018, officials said.

The scheduled for May 16, the 'scoping' meeting set out the agenda and the areas covering the free trade deal.

Sri Lanka has expanded protectionism over the last decade or so, which kept the country's production and exports below potential while growth was driven by government debt, which are now becoming increasingly difficult to service.

Sri Lanka also has restrictions on investment including the movement of people with new skills and business process which is keeping the country back, unlike East Asian nations. Sri Lanka recently signed a FTA with Singapore which will allow the firms investing in Sri Lanka to bring a few executives with less difficulty.

Both Singapore and Korea have been top investors in Vietnam driving its exports. Sri Lanka however is not planning an FTA with Korea at the moment, International Trade Minister Malik Samarawickreme said.

Source: economynext.com- May 07, 2018

HOME

****

Vietnam's Textile and Garment Exports Continue to Grow

In 2017, Vietnam's textile and garment industry earned US$31 billion from exports, a year-on-year increase of over 10 percent. This growth momentum will continue in the next few years, with exports predicted to reach US$34-35 billion this year, and US$50 billion by 2020. Garment manufacturing accounts for the majority of businesses, at 70 percent.

In 2017, garment exports reached US$25.9 billion, an increase of 8.7 percent year-on-year, while textile exports reached US$3.5 billion, an increase of almost 20 percent compared to 2016. However, Vietnam's imports for textile production are almost half of their exports, at US$15.48 billion, highlighting the need for increased domestic sourcing to minimize trade surplus. Industry growth is not only limited to exports, but also the domestic market, which has seen a year-on-year growth of 10 percent in 2017.

Growing exports

In Q1 2018, Vietnam's textile and garment's export value reached US$7.83 billion, an increase of 15.4 percent over the same period in 2017. This was the highest first-quarter growth since 2014.

In Q2, the export value is estimated to reach US$8.5 billion, while the growth rate for the first six months is forecast to go up 14 percent compared to same period last year. Overall, in 2018, the industry can achieve a growth rate of 10 percent, with export value reaching US$34-35 billion.

Key markets

In addition to the US, the major market for Vietnamese textile exports, exports to China, Japan, and South Korea have been growing consistently. In Q1 2018, exports to the US reached US$3.14 billion, an increase of 13.2 percent compared to Q1 2017, its highest in three years.

Exports to Japan, South Korea, and China during Q1 2018 grew by 27 percent, 22.3 percent, and 26 percent year-on-year respectively. Exports value stood at US$958 million, US$896 million, and US$832 million respectively. On the contrary, exports to EU grew by a modest 1 percent to US$1.13 billion in the first three months of 2018.

Growth factors

Increased market access through free trade agreements and technology are the major growth drivers for the textile and garment industry. Vietnam's bilateral and multilateral FTAs continue to provide Vietnamese manufactures access to new markets, minimizing the effect of growing trade protectionism.

With new FTAs to be in effect such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and Vietnam-EU FTA, new markets will lead to higher exports and push manufacturers to develop the industry's supply chain so that they can take full advantage of the preferential tariffs and increase the competitiveness of their products.

Going forward, market access alone will not be enough to generate growth and Vietnamese manufacturers would also need to invest in technology to increase productivity, quality, and remain competitive, especially Industry 4.0 technologies.

FDI

Between 2012 and 2016, the industry has attracted over US$5 billion in foreign direct investment (FDI). FDI for this year until April 2018 stood at US$1.1 billion, with majority directed towards yarns and textiles.

China, Taiwan, Hong Kong, Japan, South Korea, Thailand, the US, the EU, and Russia continue to lead in investments in the textile and garment industry.

Industry forecast

According to the Vietnam Textile and Apparel Association, the industry's exports value will reach US$34-35 billion this year, and around US$50 billion by 2020.

Between 2016 and 2020, production capacity is expected to grow 12-14 percent, while export potential will annually grow by 15 percent during the same period.

Looking ahead

Although exports are predicted to grow, Vietnamese manufacturers need to focus on value addition. Vietnam continues to depend on raw imports, which makes it harder for firms to take full advantage of the free trade agreements with tough "rules of origin" conditions.

In addition, rising labor costs in China are pushing firms to countries like Cambodia, Bangladesh, and Vietnam which has been beneficial for the industry. However, Vietnam needs to continue investing in technology and training if it wants to remain competitive in the region.

Source: vietnam-briefing.com- May 06, 2018

HOME

****

Bright future for jobs in Australian cotton sector: Report

Australia's cotton industry could benefit from growth in jobs, according to the latest future job openings research report from the country's National Centre for Vocational Education Research (NCVER), which forecasts growth in total job openings between 2017 and 2024.

From 570,600 managerial jobs to be created in this period, 80,900 will be of farm managers.

Future demand for farmers and farm managers could accelerate opportunities for the growth of Australia's cotton industry, particularly in the New South Wales southern valleys, said Cotton Australia general manager Michael Murray commenting on the report.

"An ageing farm leadership demographic combined with the expansion of the sector as a whole will create fantastic opportunities for people to enter the cotton industry," a press release from Cotton Australia quoted Murray as saying.

Source: fibre2fashion.com- May 06, 2018

HOME

****

Bangladesh & Thailand boosting bilateral trade

Bangladesh and Thailand are working towards boosting bilateral ties and the trade between the two countries is expected to touch $2 billion by 2021.

Bangladesh has also requested a Thai delegation led by Kobsak Pootrakool, investment and economic reforms affairs minister, to consider a free trade agreement (FTA) to encourage bilateral trade.

A meeting was held between the Thai delegation and Bangladesh representatives led by Tofail Ahmed, commerce minister of Bangladesh. Ahmed made the request to sign an FTA as Thailand already offers duty-free access to many Bangladeshi products.

He has also asked the delegation to provide duty-free access to some other items including garments, leather goods and jute products.

The commerce minister also invited Thai entrepreneurs to invest in Bangladesh, according to Bangladeshi media reports.

The country is willing to provide a special economic zone as well as business facilities to foreign investors, added Ahmed.

Bangladesh-Thailand trade currently amounts to $800 million, with the latter's export amount standing at $781 million.

Ahmed also said that Bangladesh is now concentrating on signing FTAs as it is slated to graduate out of the least developed countries (LDCs).

The country will sign FTAs with Cambodia and Sri Lanka by the end of this year and is also considering similar agreements with some other nations.

Source: fibre2fashion.com - May 07, 2018

HOME

****

Bangladesh's textile industry holds big lessons for Nigeria

At a time Nigeria's total non-oil export is less than $2 billion, Bangladesh, once among the poorest countries in the world, is raking in $28 billion just from textile export.

Bangladesh's oil is the textile industry, which accounts for over 70 percent of export revenue and 13 percent of the country's gross domestic product.

One big reason why Bangladesh got its textile industry right was policy.

Bangladesh is reputed for having more investor-friendly policies than many of its neighbours and has cheaper skilled labour. According to Reuters, the country has tax-free access to 37 countries, including the European Union, Canada and Australia. This is different from Nigeria, which has continued to get its trade polices wrong and serially adopts protectionist policies that make free trade hard.

In fact, around 2011, Bangladesh wooed some investors in Pakistan, who discovered that it was easier to do business in the country.

After liberation in 1972, Bangladesh had opted for a socialistic economic policy by nationalising all big industries, including large textile mills, according to Mazharul Islam Kiron, textile consultant and researcher.

However, the country took a more capitalistic view of development by not only opting for a market-oriented economic policy but also handing over these mills to the private sector in phases.

This signalled a breakthrough in the industry, which today provides 4.5 to five million jobs for the people of the country.

The country today is an export-oriented economy, thriving on cotton and ready-made garments.

Last year, Bangladesh came up with a textile policy, targeted at expanding the export market.

One of the focal points of the policy is to strengthen the primary textile sector to fulfil the local demand of textiles and promote a medium and high value added export oriented garments industry.

Knitting industries in the country are self-sufficient. Bangladesh and Nigeria have things in common. The country has 163 million people and Nigeria's population is 193 million. Two, both countries have energy challenges, with shortage of gas hurting many factories in Bangladesh. Nigeria too is hard hit by high energy cost, which raises expenditure of many manufacturers. However, Bangladesh has found a better way to manage its gas and electricity shortages.

More so, some raw materials needed by the textile industry are still imported, just like in Nigeria. This is draining the country's foreign exchange just as it does in Nigeria. Local manufacturers in Nigeria constantly scramble for dollars with which to import inputs.

Both are also low middle-income countries.

However, the big difference is in the area of policy and business environment.

Bangladesh has a strong spinning, weaving, power loom, knitting, dyeing and finishing industries. Today, many factories are drooling to set up plants in the country to enjoy economies of scale.

Nigeria was a hub of textile manufacturing in 1970s and 1980s with companies such as Asaba Textile Mills, Aba Textile Mills, Kaduna Textile Mills, Afprint Nigeria Plc and Enpee Industries, among others, now rested, owing to unbridled smuggling of Asian textiles, high cost of energy, poor patronage, as well as lack of cotton to feed the mills.

There is a N100 billion Cotton, Textile and Garment Fund by government but players say funding is not the major challenge. Much of this fund has been disbursed yet the industry is at its lowest ebb.

According to the Textile Manufacturers Association, about 85 percent of the $1.4 billion worth of textiles that flood the country's market is smuggled, mainly from neighbouring countries.

"What we need is the enabling environment. We cannot compete with the level of smuggling and counterfeiting going on now. We used to have about 127 textile firms in Nigeria but that has come down to two or three now," said Grace Adereti, president of the Nigerian Textile Manufacturers Association (NTMA) in Lagos, at a Made-in-Nigeria stakeholders' meeting recently.

"We had the revival loans but this didn't work because our biggest problem has never been money," Adereti said.

About 60 percent capacity utilisation was achieved in Nigeria's textile industry in 1996, but this deteriorated to 28 percent in 2002.

The textile industry today is worse than it was in 2002 as only African Textile Manufacturers (ATM) Limited, Angel Spinning and Dyeing Limited, and Spinners and Dyers Nigeria Limited can be called textile firms. In fact, industry sources say only two are in operation.

Even at that, fabrics production makes up less than 30 percent of their business. Most of what is called textile firms today are fashion designers. This does not constitute full-fledged manufacturing.

"It is inconceivable how a textile sector that is so viciously exposed to smuggling hawks can survive and grow, unless there are deliberately put-in-place measures to protect the industry," a research report conducted by Martin Ike-Muonso, a professor, on 'Discriminatory Margins of Preferences for Selected Manufacturers Association of Nigeria (MAN) Sectors' said.

Source: businessdayonline.com- May 07, 2018

HOME

****

Ethiopia ups textile sector in industrialization bid

18 international textile firms in industrial park in southern Ethiopia to expand operations

Ethiopia is largely an agrarian economy but the country is working hard to change this by upping its game in the textile sector.

Eighteen leading apparel and textile companies from the U.S., China, India, Sri Lanka and six local manufacturers have set up factories at an industrial park in Hawassa -- a lakeside resort city 170 kilometers south of the capital Addis Ababa.

Buoyed by medium term prospects for growth, the textile and apparel companies are all set to expand their operations.

The state-of-the-art park in the regional capital is part of Ethiopia's second growth and transformation plan (GTP II).

Ethiopia with a young labor force of 45 million people has a huge potential in the manufacturing sector.

The annual manufacturing growth which is currently 25 percent, is projected to increase gross domestic product (GDP) fourfold and its share in exports to 50 percent.

Of the companies intent on tapping this potential is Chinese manufacturer JP Textile, that is currently expanding its production at the park.

“We are planning to inject $22 million and expand our production here,” Danny Leung, JP Textile general manager told Anadolu Agency.

"That would be doubling up our existing investment of $22 million," Leung said, pointing at the piles of machinery imported from China.

“The prospects of this country advancing to a medium level of industrialization is very much within sight.

"Ethiopia's textile industry is picking up now and fast catching up with the likes of Vietnam, Indonesia, Cambodia and other Far East countries," he said.

- The park

The Hawassa Industrial Park -- a trailblazer offering a model for five other industrial parks in the making -- has been designed to employ 60,000 people at full capacity to generate export revenue amounting to $1 billion.

It has 37 factory sheds and its own renewable electricity source. Spread over 1.3 million square meters, the park offers one-stop government services to ease what otherwise would have been a time taking procedure.

It also employs zero liquid discharge (ZLD) enabling it to recycle 90 percent of sewerage disposal.

The government also provides various incentives in the form of tax holidays, duty free imports of factory machinery and other equipment, and cheaper transportation of products to the port through a multibillion dollar electric railway line.

Despite that some challenges remain to be tackled.

Leung said problems related to foreign currency, raw materials sourcing and skilled human power are unresolved issues.

"We import cotton from China as the quality produced in Ethiopia does not meet the required standards," he said, adding availability of best quality cotton from local sources could have reduced production cost.

While JP Textile is in the process of doubling production by the end of this year, Leung is not sure of getting skilled labor.

He said inexperienced labor may slowdown the company's expansion bid as available workforce will need training.

"I am not complaining about this though, because I acknowledge that the country has embarked on industrialization only recently; so it is something to expect," he said.

"When we started operations here, we sent 28 fresh graduates to China. All of them returned and they are the ones who are managing production lines," he said, adding they will continue hands-on training.

The company currently produces 36,000 yards an hour while operating at 50-60 percent of its capacity.

- FDI growing despite unrest

The flow of foreign direct investment (FDI) stood at $2.2 billion in the country over the six months since last June, the Ethiopian Investment Commission said in a statement.

"The figure shows a 22 percent increase compared to the same period the previous year," the commission said.

It attributed the rise in FDI to government and private industry parks.

Half a dozen government parks in the capital Addis Ababa, Jimma in Oromia region, Debre Berhan and Bahir Dar in Amhara region have either gone operational or are under construction.

Two private industry parks Huajian and George industrial parks have gone operational and they created employment for nearly 50,000 Ethiopians.

"The two private industries alone have brought a foreign currency earning amounting to $42 million in a period of six months," the commission said.

Source: aa.com.tr- May 06, 2018

HOME

****

Pakistan: Economic policies of the last decade

Economic development in an underdeveloped country like Pakistan is held hostage by a lack of basic social and economic factors

After listening to Mr Salman Shah — a former caretaker Finance Minister — speak at a talk show, I decided to peruse the economic policies followed in the country over the past ten years.

The process of development in an underdeveloped country like Pakistan is held hostage by a lack of basic social and economic factors such as schools, technical institutions and research institutes, hospitals and railways, roads, ports, and bridges, etc. To provide these facilities requires significant investment.

Such investment leads to external economies of scale, which in turn provide incentives for the growth of private enterprise in the field of industry as well as agriculture. Investment in these economic overheads requires huge expenditures of capital which are usually beyond the capacity of private enterprise. Hence, it becomes the responsibility of the government to build up the necessary infrastructure.

Now follows a historical analysis of the economic policies followed over the last ten years.

The turbulent years of the PPP government:

When the Pakistan People's Party government took charge in 2008 after nine years of military rule, Pakistan was on the brink of defaulting on its current account payments. Terrorism, floods, economic disability and several other catastrophes marked the five years of the PPP's rule.

While both the US and Saudi Arabia refused to bail out Pakistan, China too offered little more than assistance in developing two nuclear power plants and promises of future investments. The central bank's currency reserves, as a result, dipped to $4 billion, barely enough to cover payments for oil and other imports for two months. This phenomenon led to the Rupee slumping to a record low.

Pakistan was then forced to ask the International Monetary Fund for assistance in solving Pakistan's balance of payments problem. In a $11.3 billion multi-year loan package, Pakistan received a $7.4 billion loan for 2008-10. The IMF stipulated stringent reform conditions, which included rebuilding the tax structure and privatising state enterprises.

The 'Dar' doctrine:

Reports of default emerged once again when the PML-N government took charge in 2013. Things slowly and gradually started changing for the better, however. The Pakistani army launched operations in Karachi, KP, FATA and some areas of Punjab to eliminate terrorism.

Mr Ishaq Dar took charge of the Finance ministry in 2013 and announced long term policies for the improvement of the economy. Presented below are some accomplishments of Mr Dar's doctrine.

On 31st January 2014, the Japan External Trade Organisation described Pakistan as the 2nd best destination for investment.

Moody's improved Pakistan's outlook from negative to stable to positive. In April 2016, it published a report titled, 'Government of Pakistan – B3 Stable'.

The International Bank for Reconstruction and Development, commonly known as the World Bank, resumed financing for Pakistan after Pakistan's reserves increased.

The WTO's Trade Policy Review of Pakistan in March 2015 noted Pakistan's resilient economy and highlighted the fact that despite facing a plethora of challenges, Pakistan had managed to post positive growth during the review period.

Pakistan's economic turnaround was also acknowledged in a research report published by Morgan Stanley on 30th January, 2015.

Pakistan was also reclassified as an Emerging Market by MSCI in June 2016, and therefore included in the MSCI Emerging Markets Index.

Forbes also acknowledged Pakistan's economic turnaround in its report titled, 'A global Turnaround Story'.

According to a Bloomberg report on 14th June, 2016, the Pakistan Stock Exchange (PSX) was declared Asia's best market.

According to a Bloomberg report on the 28th of December, 2016, KSE-100 was declared the 5th best performing stock index globally in 2016.

According to an Atlantic Media Company report on the 22nd of July, 2016, Pakistan was described as one of the top emerging South Asian economies.

Barron's Asia, a financial magazine, described Pakistan as the flag bearer of the positive changes taking place in the South Asia.

Pricewaterhouse Coopers, moreover, projected in February 2017 that Pakistan would become the 20th largest economy by 2030 and the 16th largest economy by 2050.

Pakistan was also taken off the black list and put on the grey list in 2014, and eventually on the white list by the Financial Assistance Task Force in 2015.

As Pakistan's macroeconomic indicators stabilised and foreign reserves reached their highest level in Pakistan's history, the Rupee also attained stability against the US Dollar. Thus, Pakistan's economic performance was satisfactory between 2013 and 2017, and Pakistan attained a sustained trajectory of growth.

It has not been an easy ride for both governments since 2008, but I am confident that a continuation of democracy will bring stability at the economic front as well. Moreover, we should all support our armed forces in wiping out terrorism from Pakistan, while encouraging them to support the democratic elite in order to make Pakistan a peaceful and prosperous country.

Source: dailytimes.com.pk- May 06, 2018

HOME

****

NATIONAL NEWS

Industry bodies studying export subsidy schemes

Move follows U.S. disputing some of the schemes at WTO

Textile and clothing export promotion councils and associations related to exports have started taking up studies on the export promotion schemes implemented by the government. This comes in the wake of the U.S. challenging some of the Indian export subsidy schemes at the World Trade Organisation.

"We have appointed an agency to give recommendations. We expect a report in three to four weeks. As of now, there is no concrete opinion on any of the schemes," said A. Sakthivel, vice-chairman of Apparel Export Promotion Council.

Supportive schemes

The focus will be on strengthening the whole sector. The apparel sector is at an important milestone and the council is looking at schemes that will support the sector for another 10 to 20 years, said Chandrima Chatterjee, advisor — research and policy advocacy, of the council.

According to Siddhartha Rajagopal, executive director of Cotton Textiles Export Promotion Council, the export schemes that are being studied are for all sectors and not just textiles. So, various organisations and government departments are examining these schemes. "They want inputs from the industry.

If alternative schemes are to be there, those should be rolled out this year. The government is reviewing the existing duty drawback and Rebate of State Levies too," Mr. Rajagopal said. We need to see how fast the schemes can be developed and operationalised at the industry level. Each industry has its own requirements too," he added.

Source: thehindu.com- May 06, 2018

HOME

****

Relax labour laws to promote India as preferred sourcing destination for textiles: Report

The country needs to relax labour laws and enhance incentives in order to become the preferred sourcing destination in textiles sector, a report submitted to the government said.

The study, commissioned by the textiles ministry and conducted by the Indian Institute of Foreign Trade, suggested strengthening the eco-system for textile exports, integrating fragmented textile value chain and investing in skill upgradation as measures needed to boost India's sourcing potential. "Outdated labour laws within the textile sector hampers India from becoming labour competitive. India is not perceived to be a low cost labour destination," the report said.

The incentives offered in India are far below that offered in China, thereby making Indian products lose out on being price competitive in the global markets, it further suggested. The report also called for innovation in terms of new products, new business models and collaborations; digitisation of entire supply chain from product development to delivery and ensuring compliances related to quality and legal issues, so that India is recognised for producing world class products.

"IIFT also believes that key to success is encouraging product as well as market diversification for varied textiles & apparel products and clear positioning of Indian Textiles in International Markets," it said.

According to the study, the poor state of roads and connectivity around weaver hubs have led to reduced number of personal visits by buyers, leading to greater dependence on buying agents.

Moreover, it said, the high import cost of latest machines deter many small manufacturers from upgrading to the latest technology, thereby contributing to compromises on quality.

"India levies a total tax burden to the tune of 23.5 per cent, which includes basic duty, CVD (countervailing duty) and special CVD on the imports of machines in addition to landing charges and additional cess," the study noted.

On the other hand, governments in China, Vietnam and Bangladesh promote the investments in modern technology by either government investing themselves or by levying duty of around 1-2 per cent, while in Vietnam it is zero per cent, said the report.

Besides, it observed that India’s carpet sector faces a growing threat of depletion of skills and forward dissemination of knowledge to the next generation.

“Low per day wage rate despite the hard work of hand weaving is making this sector financially unviable to the younger generation,” said the report, suggesting to ensure adequate wages by increasing the designer-weaver-buyer connect.

It also suggested setting up vocational courses in carpet weaving so that the craft and skill of Indian handmade carpets is kept intact. The report also flagged the key issue of poor knowledge about international quality compliances.

“Regular training and skilling about quality issues related to dyes, colours, etc.., must be imparted so that even the most remote weaver or designer is trained with the mindset of being quality conscious for the products developed locally and globally,” the report suggested.

It said the focus should be on promoting niche areas that cover indigenous artisans, weavers and craftsman as they provide a unique identity to the country's textile output.

Source: business-standard.com- May 07, 2018

HOME

****

India remains Sri Lanka's major trading partner followed by China in 2017

Sri Lanka's exports surpassed US $1 billion for the fifth time propped up by apparel which topped $5 billion and considerable growth of 42 per cent in seafood, the Central Bank (CB) said in its 2017 report. However a year-end increase in imports hiked the trade deficit to over $1 billion for the first time since 2012, CB sources said.

India remained Sri Lanka's major trading partner last year, followed by China and the US – all these three countries contributed to around 40 per cent of total trade with island nation. Trade between Sri Lanka and India surpassed $5 billion in value in 2017 recording a share of 16.1 per cent of the country's external trade, CB statistics showed.

Trade with China and the US exceeded $4 billion and $3 billion respectively during the same period. In addition trade with countries like UAE, Singapore, the UK and Japan exceeded $ 1 billion.

Trade between Sri Lanka and countries like India, Singapore, the UAE, Japan and the US increased in 2017 compared to the previous year while trade with China and UK declined.

Continuing the trade patterns observed in previous years, western countries especially the US and the UK continued to be the main destinations for Sri Lankan exports, while India and China in Asia dominated local exports.

Despite a double-digit growth in exports surpassing $1 billion for the fifth time in the year, Sri Lanka's trade deficit also widened to exceed $2 billion mark in December 2017, according to the CB data released in its External Sector Performance Review.

On a cumulative basis, exports earnings during 2017 was up by 10.2 per cent (year-on-year) to $11.36 billion, with higher earnings from tea, rubber, garments, seafood exports, spices, petroleum products and minor agricultural products.

Last year the trade deficit increased by 8.4 per cent to $9.62 billion from $8.87 billion recorded for 2016.

Despite earnings from exports rising at a higher rate, the increase in import expenditure has resulted in a widening trade deficit in December 2017 by 7.5 per cent to $1.029 billion.

Earnings from exports increased by 18.7 per cent in December 2017 to $1.02 billion from $ 859 million in December last year. Earnings from textiles and garments exports contributed largely for this growth.

Revenue from textiles and garment exports continued to increase significantly in December 2017 with increased exports to the European Union (EU) following the restoration of the GSP+ facility in May 2017.

Source: sundaytimes.lk- May 06, 2018

HOME

****

Rupee's dancing to more tunes this year

Menacing threats include rupee overvaluation, rising CAD, an ebb in capital flows and macroeconomic populism

The Indian currency has been facing some selling pressure for the last 4-5 weeks, chiefly on the back of rising crude price. The rupee fell against the U.S. dollar by a little over 2.5% in April, and 4.3% since the beginning of the year, making it the worst-performing Asian currency.

Compared to the position as of end-March 2017, the rupee is now about 3% weaker *vis-a-vis* the U.S. dollar. RBI is reportedly intervening in the market to cushion the rupee's fall.

After nearly four years of subdued and benign oil prices and the consequent improvement in the country's terms of trade, India once again faces its age-old vulnerability to high cost of oil import.

U.S. dollar recovering

And this has come at a time when the U.S. dollar seems to be on a cyclical recovery path against other major currencies on the relative strength of the U.S. economy. On all such occasions in the past, the rupee as well as the capital account of the country's Balance of Payments came under pressure.

But this repeat of history now has other elements that compound the overall external sector vulnerability: overvalued rupee, rising current account deficit, sudden ebb in capital inflows and certain developments in the domestic political economy policy front.

Going by its 36-country trade-weighted real exchange rate index, the rupee is currently overvalued by more than 17% relative to 2005. The movement of this index over the last few years provides some interesting insights: the real effective exchange rate of the rupee has gone up by about 4.73% since 2015-16, but it remained flat in 2017-18, although the nominal effective exchange rate of the U.S. dollar fell by about 9% during that period.

The table alongside illustrates this point. This highlights the structurally higher inflation in India not just in relation to the U.S., but *vis-a-vis* all its major trading partners and competitors as well.

RBI expects CPI inflation to lie between 4.4%-5.1% during the current fiscal year, with higher inflation expected in the first half. For the purpose of this estimate, RBI has assumed an average oil price of $68 per barrel.

If global prices turn out to be higher than this, then the inflation will be higher. With the benchmark Brent having already touched a high of $75 per barrel, the possibility of inflation crossing 5% in the coming months is high.

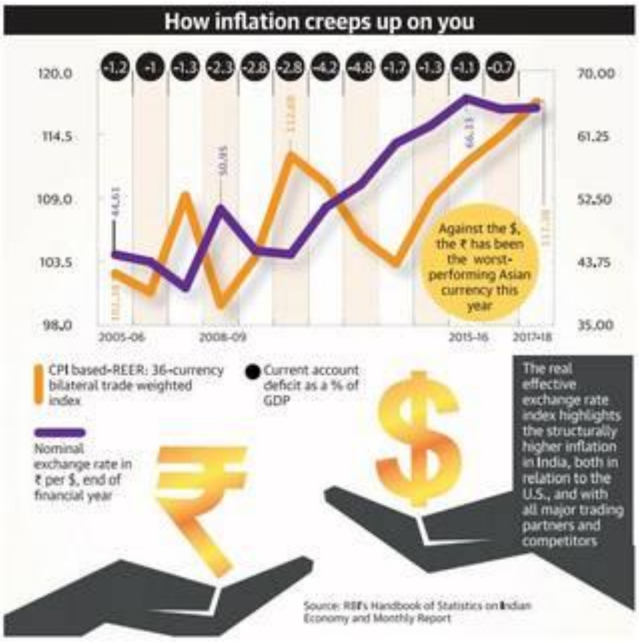
The moot point here is that the inflation differential between India and most of the major trading partner countries is close to 3%, which explains the sustained real appreciation of the rupee.

In the past, real exchange rate appreciation would lead to abrupt and large changes in the nominal exchange rate of the rupee against the U.S. dollar, often triggered by domestic macro/political and global economic developments, the latest example being the burst of sharp depreciation of the rupee in August-September, 2013 caused by the so-called 'taper tantrum' announcement by the Federal Reserve to curtail its quantitative easing programme.

Rising wages

The significant real appreciation of the rupee calls for a deeper probe as regards its causes and consequences for trade competitiveness. First, labour productivity has increased at an average rate of 6.3% annually since 2005, which is way higher than the annual average of 3.3% recorded in the previous 12 years.

We need further research to determine if the consequent wage rise led to higher inflation, real appreciation and increase in current account deficit within the theoretical framework of Balassa-Samuelson Effect.



As regards the consequence of the real appreciation of the rupee, it needs to be ascertained if any increase in factor productivity in the tradeable sector has cushioned its adverse impact on the competitiveness of the country's goods and services. This is crucial for the purpose of guiding exchange rate policies of RBI and the government. India's current account deficit increased to 1.9% of GDP in April-December 2017 from 0.7% in the corresponding period of 2016-17 on the back of about 44% widening of the trade deficit during this period.

While the country's imports relative to its GDP is now much lower than the peak level reached in 2012-13, the performance of exports continues to be lacklustre. In the financial year 2013-14, exports were 17.2% of GDP and by the financial year 2016-17, the ratio fell to 12.4% of GDP.

In the traditional areas of exports, such as garments and textiles, where India was second only to China, the country now occupies third position in textiles and fifth position in garments.

The case of garments exports is interesting as in 2000 the share of clothing exports as a percentage of total global clothing exports of Bangladesh, Vietnam and India was 2.6%, 0.9% and 3% respectively. By 2016, while India's share of global clothing exports has increased marginally to 4%, Bangladesh has improved its share to 6.4% and Vietnam's share is a stellar 5.5%.

This is a pointer to India's inability to gain market share in a global business which is consolidating among the top ten countries. Despite the claims of 'Make in India', India does not yet figure among the top ten exporters of manufactured goods. China now exports manufactured goods worth $2 trillion (almost equal to India's GDP) and its share of global exports of manufactured goods increased from 4.7% in 2000 to 17.9% in 2016.

The silver lining in India's current account in the past has been the export of services export. Indian IT services companies, which followed a low-cost global delivery model with success in the past, have not succeeded so far in graduating to the new world of artificial intelligence, machine learning and robotics.

In the first half of the financial year 2017-18, growth in IT services exports compared to the corresponding period in 2016-17, was a meagre 2.3%. Growing trade protectionism in the West will certainly slow down the growth of exports of IT and IT-enabled services, unless Indian companies move up the value chain. Tourism and transfers from migrant workers in the Gulf have remained robust.

India's gold import, which was $56 billion in 2011-12, declined 52% to $27 billion in 2016-17. However, a rising trend of gold import is now being seen, with the import in 2017 at 855 tonnes — a 67% rise over the previous year,
The other worrisome trend is the rapid growth in imports of electronic goods, which was $3.4 billion in 2011-12 and $42 billion in 2016-17 — a massive 12-fold increase in five years.

There is a distinct possibility that imports of electronic imports, mostly from China, will surpass oil imports in the near future.

The rising trend of import of gold and white goods could very well be a manifestation of the rupee's overvaluation.

The FDI and portfolio flows in the first nine months of 2017-18 remained robust. But, a decline in portfolios flows is taking place now, as evidenced by an outflow of $2 billion in April. Foreign exchange reserves at $424 billion, with another $22 billion in forward purchase, look formidable to be able to quell any market volatility.

But, as before, the leeway to spend the reserves is not unlimited and decline in foreign currency assets is already happening. Further, applying IMF's metric of reserves adequacy, the safe level of foreign exchange reserves for India turns out to be $496 billion.

Disagreements with IMF?

Curiously, India's annual Article IV consultation with the IMF staff, which usually takes place in February, has not yet happened this year. As per its office in India, the earliest it is going to happen is in July, 2018. One wonders if the delay is due to any disagreement between Indian authorities and IMF staff on macro issues.

Typically, in the last ten years, sharp currency movements have happened in years of political transition. Macroeconomic populism has already led to fiscal slippage; and uncertainty around the extent of RBI's commitment to an inflation-targeting regime amid rising inflationary pressures and external sector vulnerability will make 2018-19 a challenging year for Indian policymakers. Higher oil prices mean tough choices, especially on the fiscal front. In fact, there are no easy options left on any of the major macroeconomic policy front in the lead-up to the next general elections.

Source: thehindu.com- May 06, 2018

HOME

****

View: India must tread carefully on free trade agreements

Trade theory has consistently been a strong proponent of free trade of goods, services, capital and labour. However, a growing wave of protectionism has dominated global trade of late. While it is difficult to assess whether this will lead to a significant shift in the global trade paradigm, a review of India's existing free trade agreements (FTAs) before negotiating new ones is necessary.

India is a fairly open economy with overall trade (exports plus imports) as a percentage of GDP at around 40%. Its exports have diversified both in terms of markets and products in the past two decades. Indian exports have gradually found their way into new markets and the export sector has moved up the value chain, leading the way with high-value products like industrial machinery, automobiles and car parts, and refined petroleum products.

Indian exports are sensitive to price changes, global demand and supply-side bottlenecks. Estimates suggest that a 1% increase in the country's international relative export price could reduce export volume growth by about 0.9% for all industries, and by about 1.1% for the manufacturing sector. However, global demand operates with a factor slightly above 1.5, suggesting that, given the composition of our export basket, increase in global demand drives India's exports much more than price cuts.

India's exports to FTA countries have not outperformed overall export growth, or exports to rest of the world. Both have grown at a commensurate rate of 13% y-o-y. FTAs have led to increased imports and exports, although this has widened the trade deficit. For example, India's trade deficit with Asean (Association of Southeast Asian Nations), South Korea and Japan has doubled to $24 billion in FY2017 from $15 billion in FY2011 (with the signing of the respective FTAs) and $5 billion in FY06.

Also, India's exports are much more responsive to income changes as compared to price changes. So, a tariff reduction or elimination does not boost exports significantly. Utilisation rate of regional trade agreements (RTAs) by exporters in India is very low. Most estimates put it at less than 25%. Lack of information on FTAs, low margins of preference, delays and administrative costs associated with rules of origin, non-tariff measures, are major reasons for under-utilisation.

When it comes to the India-Asean FTA, there is a deterioration of the quality of trade. Apart from the surge in total trade deficit due to tariff cuts, sectorwise trade flows also paint a grim picture. As per the UN's Harmonised System of Product Classification, products can be grouped into 99 chapters, and further into 21sections like textiles, chemicals, vegetable products, etc. India has experienced a worsening of trade balance (deficit increased or surplus reduced) for 13 out of 21 sectors.

This also includes value-added sectors like chemicals and allied, plastics and rubber, minerals, leather, textiles, gems and jewellery. Sectors where trade balance has improved include animal products, cement and ceramic, arms and ammunitions. Sectors where trade deficit has worsened account for approximately 75% of India's exports to Asean.

So, there are genuine concerns of trade asymmetry when India signs up new FTAs because of past FTA experience. However, FTAs are instrumental in creating seamless trade blocs that can aid trade and economic growth. Here are some suggestions while going forward with future FTA negotiations.

Before getting into any multilateral trade deal, India should review its existing FTAs in terms of benefits to various stakeholders like industry and consumers, trade complementarities and changing trade patterns in the past decade. Negotiating bilateral FTAs with countries where trade complementarities and margin of preference is high may benefit India in the long run.

Also, higher compliance costs nullify the benefits of margin of preference. Thus reducing compliance cost and administrative delays is extremely critical to increase utilisation rate of FTAs. Proper safety and quality standards should be set to avoid dumping of lower quality hazardous goods into the Indian market.

Circumvention of rules of origin should be strictly dealt with by the authorities. Well-balanced FTA deals addressing the concerns of all the stakeholders is the need of the hour.

Source: economictimes.com- May 07, 2018

HOME

****

Indian denim fabric units to keep on facing margin pressure

India's denim fabric industry will continue to face margin pressures during fiscal 2018-19 due to oversupply, with 15-20 per cent of the total capacity remaining underutilised, according to estimates by India Ratings and Research (Ind-Ra). Garment making capacity will grow at a slower pace than fabric capacity and softening cotton prices may cushion margin.

Additionally, competition will intensify as several players have undertaken capacity additions to add another 100-150 million metres per annum (mmpa) by that fiscal, the organisation said in a press release.

India is one of the leading denim fabric manufacturers in the world, with a manufacturing capacity of about 1,500 mmpa.

The long-term demand potential for the segment remains intact due to denim's versatile fashion appeal among young populace, rising disposable income and untapped semi-urban pockets of the country. However, Ind-Ra expects denim fabric capacity additions to outpace garmenting capacity additions over the short term, translating into a continued denim fabric surplus in the market.

Though the denim fabric industry is cyclical in nature and is characterised by periods of excess capacity, Ind-Ra expects the present downturn to be relatively prolonged, partly on account of the regulatory disruptions that the industry underwent in the last two fiscals.

The sector's operating margins are expected to remain in the range 10-11 per cent in the current fiscal.

Cotton forms over 35 per cent of the total raw material requirement for denim manufacturers. With farmers switching from soybean to cotton, the 2017-2018 season has witnessed about 19 per cent rise in cotton acreage.

However, the overall cotton production is likely to rise by only 10 per cent due to bollworm attack. The higher production may soften cotton prices during this fiscal and help curtail margin contraction for denim fabric manufacturers.

Ind-Ra expects the impact of regulatory disruptions to linger on during the first half of this fiscal for small scale market participants involved in stitching, washing, garment manufacturing and sewing, resulting in demand headwinds for the sector growth.

The credit profile of denim fabric manufacturers is likely to moderate over this fiscal amid the continuing contraction of operating margin and debt-funded capacity expansions.

Source: fibre2fashion.com- May 07, 2018

HOME

****

Need to streamline logistics bottlenecks

Shipments from China and even Pakistan reach Bangladesh speedily compared to those from India, said Navneet Bhagat, MD of Bangladesh-based Simba Fashions, a leading garment producer and an importer of fabrics.

Lack of speedy clearance by Customs authorities is one of the key bottlenecks why importers choose countries like China and Pakistan over India, say industry players.

"We hear trucks are awaiting clearance at border by Customs authorities. For Ban-gladesh-based importers, getting raw materials from China and even Pakistan is faster than getting from India," Bhagat said on the sidelines of Farm To Fashion, an expo organized by Gujarat Chamber of Commerce and Industry (GCCI) and Maskati Market Kapad Mahajan in city.

While the expo aimed at developing entire value chain in textile sector in India, Bhagat suggested that if logistics bottlenecks are streamlined, importers from Bangladesh would choose fabrics from India rather than from China or Pakistan.

Gujarat government and GCCI wants Gujarat to be a hub for manufacturing garments as it has all the basic building blocks needed. "Gujarat is the largest producer of cotton.

There are spinning units but the fibres to Tamil Nadu to manufacture fabrics and it comes again to Gujarat for processing. This is a huge cost. If everything is done locally, there is huge potential to set up a robust garment industry in Gujarat," said Shailesh Patwari, president of GCCI.

Gujarat government has come out with a Textile Policy, which seems to be attractive, said Bhagat and his company will go through it in detail, based on which it can even set up a garment manufacturing unit in Gujarat. "I just knew the provisions of the policy in Gujarat.

The 'Plug and Play' system seems to be very lucrative. There is also financial assistance for workers. We will study in detail and may even invest. Initially, it could be on a smaller scale," said Bhagat. Bangladesh imports both fabrics and electricity from India and if the policy is lucrative, it makes sense to manufacture in Gujarat.

ISSUES GALORE

Lack of speedy Customs clearance is one of the key bottlenecks why importers choose countries like China and Pakistan over India, say industry players. If these bottlenecks are streamlined, importers from Bangladesh would choose fabrics from India.

Source: dnaindia.com- May 06, 2018

HOME

****

Centre’s textile industry sops will help start-ups: CS

Highlighting the importance of skilled manpower in the textile industry, chief secretary J N Singh hailed the Union government’s budgetary provision for textile industry and said it will help start-ups flourish. Singh was present at a discussion at the Indian Textile Global Summit 2018, on Saturday.

“Skilled manpower is of utmost importance in the textile industry. The recent provision in the Union budget with the government providing subsidies for new employees in textile industry, will help start-ups in the textile industry grow,” said the state chief secretary. Singh also spoke about the garment policy and said it has been designed in a way to help the industry.

"The GIDC has already created necessary infrastructure with plug and play sheds to aid garment conversion industry. We are facilitating necessary infrastructure support for the garment manufacturers to be in the state. In fact, the state has a natural advantage with the entire textile value chain present here," said Singh.

"We hope that Gujarat also becomes a garment hub apart from being a textile hub. We will continue to support initiatives around this," he added.

He also spoke of several garment manufacturing units eyeing to set up facilities near Vapi and Ahmedabad. "Six months down the line, these companies will be going around in a big way, thus aiding the industry at large," Singh said.

Source: timesofindia.com- May 06, 2018

HOME

****

Thread of hope: Weaver community in India continues to languish in obscurity

The most troubling of the issues is the wide pay gap they face when fashion houses fail to remunerate them fairly for their work. But help has come from unexpected quarters, ensuring not just fair pay, but a voice for the community as well.

India's handloom story goes back thousands of years. Archaeological surveys, in fact, show that people of the Harappan civilisation knew how to weave. References to weaving and spinning materials can also be found in Vedic literature. It's no wonder then that, over the years, the Indian handloom industry has taken major strides.

Sadly, however, the same can't be said of weavers in the country, who continue to face hardship not just because theirs is an unregulated sector, but also because they suffer at the mechanised hands of industrialisation (read: power loom products). But most troubling is the huge pay gap they face, wherein mass producers of fashion acquire their exquisite works for a paltry sum, selling it, in turn, at exorbitant rates.

So grim is the scenario, in fact, that many weavers today encourage their children to take up other professions. “I’m a fourth-generation karigar (artisan). This (weaving) is what I have done all my life, but I would never ask my sons to choose this profession,” says 56-year-old Abid Siddiqui, who makes a living as a weaver of Benarasi silk saris in Varanasi to support a family of seven. Siddiqui’s story could be of any weaver in the country.

But help can come from unexpected quarters, like some entrepreneurs who are doing their bit to bring weavers into the mainstream and ensuring that they get remunerated fairly for their work. One of them is Udyan Singh. A Banka-based social entrepreneur, he founded Banka Silk, a non-profit organisation, which works for the betterment of weavers across Bihar, in 2012.

A civil engineer by qualification, the 35-year-old says he founded Banka Silk to develop a handloom cluster (several weavers working under the same umbrella, which ensures fixed wages, supply to mass producers, etc) and an ecosystem to support handloom research, design and creation, as well as to train and empower local artisans and craftsmen in Bihar. “I wanted to make a change to the lives of hundreds of weavers in Bihar. With exposure through events like exhibitions, they could earn more for their hard work,” says Singh.

Recently, in fact, the NGO joined hands with Avinash Pathania and Kiran Kheva, the organisers of the fashion week, India Runway Week, which was held in the national capital in April. As part of the collaboration, over 40,000 weavers who work with Banka Silk got the chance to sell their work directly to fashion designers at prices deliberated by them. As a result, the weavers made a direct profit without the involvement of any middlemen.

“The authentic handloom fabric, acquired from Banka Silk through weavers in Bihar, was bought at the weavers’ price,” explains Avinash Pathania, founder, Indian Federation for Fashion Development (IFFD), which organises India Runway Week. Founded in 2012, the IFFD is aimed at facilitating action and inspiring growth in the fashion industry. The collaboration with Banka Silk, says Pathania, bridged the gap between designers and weavers—it promoted local artisans, while providing quality handloom fabrics to fashion designers without them having to visit any stores. That’s not all. Banka Silk also signed agreements with around 30 participating fashion designers, giving them access to pure handloom fabrics at weavers' price for the designers' future works.

Another social entrepreneur working towards the uplift of weavers is Mumbai-based costume designer and stylist Nikhat Mariyam Neerushaa, who, earlier this year, founded the Roots in India initiative for weavers across India with the aim to provide them financial support, work, etc. Neerushaa's programme, however, goes beyond buying, selling and providing market access to artisans by helping them in other ways as well.

In Rajasthan, for instance, Neerushaa ensured that the weavers received water for dyeing clothes. "The welfare of artisans can't be ensured by solely selling their wares. They have other needs too," says the 44-year-old, adding, "Every state has a different set of problems... If the Rajasthanis have a water crisis, others suffer from poor access to sanitation, healthcare, education, etc. One can't just buy their craft and pretend to help them. A focused effort from the government is what they really require."

The costume designer, who condemns the way local artisans are overcharged for setting up stalls in exhibitions and trade fairs (upto Rs 1.5 lakh per stall), suggests allowing them to set these up free of cost to promote their craft.

Talking about the germination of Roots in India, Neerushaa says after working for 18 years, she decided to take a year-long break in 2017, during which time she met handloom weavers from across India. And that's what led to the genesis of Roots in India. "I had reached a point of saturation, which became worse when I lost my mother. That's when I knew it was time for me to give back," says Neerushaa, who plans to present a project report to the Union government soon with extensive data on Indian weavers collected during her hiatus. "I am not against the efforts of the government, but I want them to participate in this more proactively," says Neerushaa, who was awarded the Dada Saheb Phalke Award this year titled 'Heritage Indian Textile Reviver'. She was recognised for her contribution towards the revival of Indian textile heritage.

Then there is the Pollachi-based husband-wife duo of Mani Chinnaswamy and Vijaylaxmi Nachiar. From encouraging farmers to set up the country's first organic cotton farm in Pollachi, Coimbatore, to creating a sustainable fashion brand, the duo is making all the right noises with their venture Ethicus. One of the most significant aspects of their sustainable fashion brand is how each product (mainly saris and blouses) carries a tag with details of where the cotton was grown, who the artisans were and how many days it took them to complete the garment. This is especially significant, given the fact that the textile value chain is hard to track, as the material goes through the hands of hundreds of people before the final product is ready. That's one of the main reasons why they wanted consumers to attach an identity to the nameless, faceless weavers, says Nachiar. "We want people to wake up and recognise the effort that artisans put into creating each product," says the sexagenarian, who established Ethicus (an amalgamation of 'ethics' and 'us') with Chinnaswamy in 2009.

Hailing from a family that has been rooted in the cotton business (they have owned cotton mills in Tamil Nadu for over three generations), Nachiar made use of her master's degree in textiles and clothing to back Ethicus. A 'Made in India' brand, their ethos is firmly based in reviving the traditional textile heritage of India. Taking pride in the fact that they got into the business when 'sustainable fashion' was not even a rage, Nachiar says, "Our fascination with textiles was inherent. Even then, we were keenly aware of the resources we used and our carbon footprint. After the switch to organic cotton, our process may be slow, but our products are of the highest quality, and our designs are timeless."

Nachiar ensures that a minimum of two collections are brought out every year under Ethicus—for summer and winter. These are available through exhibitions in India and abroad, and retailed from select stores across the country, as well as online. "We would like to foray into ready-made garments in the future and are also looking at expanding our business online," says Nachiar, who wants Indian women to rediscover the joy of wearing a sari. "Through Ethicus, we are trying to bring the humble cotton to the forefront of sustainable fashion by taking it to boardrooms, parties, social events and even to weddings," she says.

But nowhere is the plight of artisans as grim as in conflict-ridden Jammu & Kashmir. Famous for their own style of intricate embroidery and winterwear, Kashmiri handloom artisans need not just an outlet for their work, but for their voice as well. And channeling some of their concerns through her work is fashion designer Leena Singh (of the Delhi-based fashion label Ashima Leena), who, in March this year, brought out a collection to pay tribute to the weavers of the state.

The Kashmir-centric collection, 'The Reversible Shawl' (which consists of shawls, suit pieces, etc, made from Jamavar silk), was created after visiting the artisans' homes several times over the course of the past year, says Singh. Several months went into the exhaustive research, and in the designing and creation of each shawl, with Singh closely supervising the cuts and patterns for the Jamavar silk she sourced from J&K.

The fabrics used in the collection carry Singh's designs, with hand-embroidered beadwork and tassels by Kashmiri weavers. The term, 'reversible shawl', with a rough side and a glamorous one, is, in fact, a metaphor for the artisans who toil with the designer to shape every creation. "With this collection, we wanted to move beyond the glamourous world of films and cinema to mirror the dark world of artisans and craftsmen, especially from the Valley," says Singh.

Her brand Ashima Leena, which has been around for close to three decades now, is known for its fashion-forward approach, but Singh now wants to dial it back a few notches to be able to resonate with regional artisans. She also plans to continue working with Kashmiri weavers and is hopeful that her customers would commission several pieces in the coming winter.

These pieces will carry her design/motifs and the artisans' handiwork, resulting in them being remunerated for the same. "You can't take their art away from them by reproducing it in a factory," says Singh.

Source: financialexpress.com- May 06, 2018

HOME

****

Indian investments in South Africa touch $4 billion

Around 140 Indian companies have invested close to $4 billion in South Africa, creating direct employment for 18,000 people, according to a report. Sectors where Indian companies have made significant investments include healthcare and pharmaceuticals, IT, automobile industry and finance.

Leading Indian companies that have invested in South Africa are Wipro, Coal India, Cipla, HCL Technologies, Tata Motors, Zomato and Mahindra and Mahindra.

The report, 'Indian Industry's Inclusive Footprint in South Africa – Doing Business, Doing Good', released by the Confederation of Indian Industry (CII) and PwC, stated that Indian companies operating in South Africa are not just investing funds and creating jobs, but are actively contributing to the upliftment of the communities in which they operate.

Indian companies are taking steps to transfer skills to South Africans, particularly in the IT sector. This is aimed at equipping South Africans with the skills necessary to deliver locally instead of employing a large expatriate population from India.

Indian companies have set up training centres to facilitate exchange programmes between India and South Africa for IT graduates .

Source: thehindubusinessline.com- May 07, 2018

HOME

****