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IBTEX No. 173 of 2018 — August 20, 2018

USD 69.82| EUR 79.77 | GBP 88.97 | JPY 0.63

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

Indicative Prices of Cotton Yarn in China Date: 19/08/2018	***Prices in US$ FOB***	
Country	**20s Carded**	**30s Carded**
India	2.80	3.10
Indonesia	2.56	2.85
Pakistan	2.47	2.85
Turkey	3.10	3.30
Source: CCF Group		

China yarn

With PSF price rising further, prices of polyester yarn, polyester/cotton yarn and polyester/rayon yarn increased again. Price of rayon yarn also climbed up affected by polyester products. Cotton yarn price remained stable on falling ZCE cotton futures, while cotton/rayon yarn price declined due to poor demand.

International yarn

The cotton yarn market has been in bearish mood in Pakistan, in reflection of the physical market. Asking prices have been under pressure and generally export demand has failed to improve. Bangladesh's garment export earnings during July were considerably above the same month in 2017. Cotton yarn demand was lacking in Vietnam.

Source: CCF Group

NEWS CLIPPINGS

	INTERNATIONAL NEWS
No	**Topics**
1	Jeans imports of US increase in H1
2	CSIRO in Australia working on next generation cotton
3	China Brand Show to be reintroduced at Canada's apparel sourcing exhibition
4	Egypt's Trade Minister Courts Private Sector For Cotton Production
5	Australian wool production to fall 5.7% in 2018-19
6	Sri Lanka-Bangladesh FTA negotiations likely to begin end of September
7	Sri Lanka to participate in Apparel Sourcing Paris in September
8	Pakistan: Manufacturers want urgent plan to boost exports
9	Pakistan: Exporters demand tax exemption certificates on machinery imports
	NATIONAL NEWS
1	Merchandise exports from job-intensive sectors contract
2	RCEP and beyond
3	If trade wars continue, it will be tough for India to keep export competitiveness high
4	What's ailing the textile sector?
5	CBDT defers till March 2019 GAAR, GST reporting under the new tax audit form
6	Trade expansion likely to boost India-Vietnam ties
7	EU, 11 Others Back US Stand Against Indian Subsidies
8	Cotton Corporation to store purchases in CWC warehouse
9	Minimum Support Price: Centre's move to hike MSPs makes industries dependent on agrarian produce vulnerable
10	Aditya Birla to unveil linen-based fabric brand
11	Lifestyle to invest up to Rs 200 cr in India, open 20 new outlets

INTERNATIONAL NEWS

Jeans imports of US increase in H1

The US imported more jeans in the first half of 2018 compared to last year due to the closure of US denim manufacturing and open trade.

According to the data from the Office of Textiles and Apparel, OTEXA, overall denim jeans imports of the country increased by 9.2 per cent to reach $1.66 billion in value for the first six months.

The countries from where US sourced its jeans include Vietnam, China, Mexico, Bangladesh, Cambodia and several Central American countries. China shipped the most women's and girls' product, increasing 2.88 per cent to $291.89 million, while its men's and boy's shipments rose by 6.35 per cent to $98.97 million.

Among the Asian countries, Vietnam, Bangladesh and Cambodia are establishing themselves as major suppliers of jeans to the U.S. market. In the first half, Bangladesh's shipments in the men's and boy's category increased by 16.88 per cent to $132.75 million, while in the women's and girls' category, it rose by 16.19 per cent to $104.17 million.

Vietnam's shipments of women's and girls' jeans increased by 46.9 per cent to $75.43 million in the period, while men's and boys' rose by 33.3 per cent to $32.23 million.

Imports of Cambodia's women's and girls' jeans grew 32.7 per cent to $40.2 million, as the country's shipments of men's and boy's product were up 35.19 per cent to $9.64 million.

Pakistan's shipments of women's and girls' blue jeans increased by 24.1 per cent to $61.54 million, but imports of men's and boy's declined by 0.47 per cent to $40.97 million.

Source: fashionatingworld.com- Aug 19, 2018

HOME

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CSIRO in Australia working on next generation cotton

Scientists from Australia's national science agency Commonwealth Scientific and Industrial Research Organisation (CSIRO) have started work on a cotton with many of the properties of synthetics, such as being stretchy, non-creasing and even waterproof, while retaining its natural fibre feel. The research could lead to cotton shirts that do not need to be ironed.

The team is first working to better understand what determines the length, strength and thickness of cotton fibres.

"We're looking into the structure of cotton cell walls and harnessing the latest tools in synthetic biology to develop the next generation cotton fibre," a CSIRO press release quoted scientist Madeline Mitchell as saying.

Every time synthetics like polyester and nylon are washed, thousands of tiny micro-fibres of material are pulled free and enter our waterways. These are not degradable and can build up in the food chain.

But while washing cotton, fibres are also shed but these are biodegradable and break down naturally in the environment.

Australia produces three times more cotton per drop of water than any other country, Mitchell said.

The next generation cotton research is part of CSIRO's Synthetic Biology Future Science Platform, a $13 million investment in science that applies engineering principles to biology.

SynBio projects aim to provide societal benefits and opportunities for a wide range of industries.

Source: fibre2fashion.com- Aug 20, 2018

HOME

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China Brand Show to be reintroduced at Canada's apparel sourcing exhibition

China Brand Show to be reintroduced at Canada's apparel sourcing exhibition The popular China Brand Show will be introduced again at 2018 Apparel Textile Sourcing Canada (ATSC) exhibition Monday, according to ATSC.

The three-day international trade show ATSC is to begin Monday at the International Center in Toronto where China Brand Show occupies roughly one third of space with a range of high-quality and environmentally-friendly "Made in China" goods. Chinese models provide a wonderful fashion show at the center Tuesday

China Brand Show made its Canadian debut as part of the Apparel Textile Sourcing Canada (ATSC) exhibition last year, drawing thousands of visitors from a wide variety of industries. China Brand Show has also seen huge success in the United States after launching in 2002.

2018 ATSCT show will double in size from 2017 to include additional categories such as accessories, giftware, home electronics, footwear, luggage and housewares and general merchandise.

Almost 600 booths, including will line the show floor, featuring the latest and greatest trends and unique offerings in apparel and textile from more than 20 countries, including Canada, China, Bangladesh, India, Pakistan, the U.S., the U.K., Turkey, Switzerland, Spain, Nepal and Ukraine.

The event provides the thousands of expected attendees with unprecedented networking and business opportunities with international suppliers on Canadian turf.

It is also a major feat for local businesses that are poised to benefit from making unprecedented connections and securing deals with top-rate international suppliers.

During the exhibition, more than 20 lectures and forums will be held, and world-renowned industry experts expected to explain business knowledge, fashion trends and trade trends to the audience.

In a good will gesture, ATSC has teamed up with leading Chinese clothing manufacturer Changshu Garment Town to donate at least 500 pieces of winter outwear to Brands for Canada - a national organization that provides new, donated clothing, personal care and houseware items at no cost to Canadians living in poverty - during the show.

Show managers have also announced their involvement in the first China Import EXPO, which takes place November 5-10 in Shanghai.

"This event provides an unprecedented opportunity for Canadians to introduce their brands into the Chinese market," said Jason Prescott, CEO of JP Communications, ATSC producer and North America's leading publisher.

ATSC is supported by many international governments and associations, headed by the China Chamber of Commerce for Import and Export of Textile and Apparel (CCCT). n

Source: xinhuanet.com- Aug 20, 2018

HOME

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Egypt's Trade Minister Courts Private Sector For Cotton Production

Egypt's Trade and Industry Minister Amr Nassar said that cooperation is underway between the Agriculture Ministry and the business sector to develop Egypt's cotton industry further, diversify its uses in the industry and thus improving the quality of products manufactured by Egyptian cotton, making it more appealing to global markets.

Nassar stressed the importance of placing Egyptian cotton in its proper position as among the finest type of cotton in the world.

On Saturday Nasser met with the chairman of the Cotton Egypt Association (CEA), Wael Olama. Nasser then expressed how important the CEA's efforts are in protecting the quality of Egyptian cotton, which includes follow-ups of its DNA through careful sampling, analysis and identification of violations.

The CEA conducts global awareness campaigns in major retail chains in the United Kingdom, as well as the Europe, the United States of America, India, Turkey, China and Pakistan.

Olama said that the CEA is currently implementing a comprehensive plan to increase the rates of production and exports of cotton, ready-made garments and textiles.

He explained that since utilizing careful DNA tests to ensure the cotton is pure Egyptian, the export demand for Egyptian cotton has seen a significant increase. Olama added that the association contracted with an international company to conduct examination of Egyptian cotton samples globally.

Source: albawaba.com- Aug 19, 2018

HOME

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Australian wool production to fall 5.7% in 2018-19

Shorn wool production in Australia is likely to fall by 5.7 per cent year-on-year in 2018-19 to 322mkg greasy, the Australian Wool Production Forecasting Committee has said in its updated forecast.

The continuing dry conditions across most of the country is expected to lead to a lower number of sheep to be shorn and a reduction in average wool cut per head.

The committee estimates that Australian shorn wool production in 2017-18 was 341 mkg greasy, 0.3 per cent higher than the estimated level for 2016-17 and higher than the committee's forecast in April.

It reflects an increase in the number of sheep shorn (+3.3 per cent) last season compared to 2016-17, which is mostly offset by an estimated 2.9 per cent decline in average fleece weights.

"Adverse seasonal conditions in many sheep producing areas across Australia have resulted in a high turn-off of sheep and lambs. It will also mean lower average fleece weights in several states," committee chairman Russell Pattinson said.

The impact of the season can be seen through a 10 per cent increase in sheep and lamb turn-off last season compared to 2016-17 (sheep 28 per cent increase year-on-year and lamb 5 per cent increase), an Australian Wool Innovation (AWI) press release said.

"The Committee's first forecast for the 2018-19 season made in April at 333 mkg assumed that normal seasonal conditions would prevail.

That has obviously not been the case with conditions worsening in many wool producing regions across Australia," Pattinson said.

As a result, wool production is expected to fall in all states except Tasmania with the largest reductions expected in NSW (down 8.9 per cent) and South Australia (down 6.0 per cent).

How the season progresses over the next couple of months will be very important for overall production levels this season.

The dry seasonal conditions over much of the second half of the season resulted in lower than expected fleece weights in 2017-18.

Wool production reductions were greatest in WA (down 8.5 per cent) and Queensland (down 3.0 per cent), while Victoria showed the largest increase (+ 8.9 per cent) with increases also in SA (+2.7 per cent) and Tasmania (+1.5 per cent).

The estimated 0.3 per cent increase in production in 2017-18 is consistent with AWTA test weight data for the season (+0.6 per cent) and AWEX first-hand offerings (+2.2 per cent).

Source: fibre2fashion.com- Aug 19, 2018

HOME

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Sri Lanka-Bangladesh FTA negotiations likely to begin end of September

Negotiations on the proposed Sri Lanka-Bangladesh Free Trade Agreement are likely to commence by the end of next month, as the joint feasibility study on the FTA is nearing completion, Bangladesh High Commissioner to Sri Lanka Riaz Hamidullah said.

Addressing a seminar organised by the Shippers' Academy Colombo in collaboration with the Bangladesh High Commission in Sri Lanka last Friday, Hamidullah said the scope of the agreement could be much wider than initially anticipated, which could potentially become an economic partnership agreement.

Bangladesh has been attempting to ink an FTA with Sri Lanka since 2013 and the Bangladeshi Prime Minister Sheikh Hasina and Sri Lankan President Maithripala Sirisena had earlier decided to sign the FTA in 2017, during President Sirisena's visit to Bangladesh.

However, FTA negotiations are yet to be commenced despite several joint working group meetings between the two countries. Sri Lanka and Bangladesh earlier this year commenced a joint feasibility study for a potential FTA between the two countries.

The committee comprising of trade experts from both countries has been tasked to look into all potential areas, which includes goods, services, investments and economic cooperation. Bangladesh Commerce and Industries Minister Tofail Ahmed recently blamed Sri Lankan counterparts for the slow progress pertaining to the FTA. Hamidullah noted that Bangladesh could assist Sri Lanka to realise its aspiration of becoming the maritime and logistics hub of the Indian Ocean given the Bangladesh's location in Bay of Bengal combined with its vast economic potential.

He noted that the cost of transportation remains high for trade within the region. He pointed out that transporting goods is cheaper to Brazil from Bangladesh than to Pakistan. Hence, he stressed that cost of transportation is a major obstacle for enhancing intra-regional trade. He noted that Colombo port could facilitate trade between Bangladesh and Western India.

Hamidullah also said the two countries need to review the current shipping routes, which are based on point-to-point cargo movement and suggested that two countries should re-commence coastal passenger shipping services to mobilise movement. The CEO of Shippers' Academy Colombo Rohan Masakorala said that the global CEO of Marsek, the largest container ship and supply vessel operator is expected to visit Bangladesh to participate in the South Asia Maritime & logistic Forum 2018, which is to be held in Dhaka.

Masakorala noted that a global CEO of Marsek is yet to visit Sri Lanka, and pointed out that the visit of Marsek's CEO signifies the global shipping giant's recognition of Bangladesh's vast economic potential.

Source: dailymirror.lk- Aug 20, 2018

HOME

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Sri Lanka to participate in Apparel Sourcing Paris in September

A total of 6 Sri Lankan apparel manufacturers and 2 designers will participate in Texworld/Apparel Sourcing Paris, which will be held in Paris from September 17-20, 2018.

The 2017 edition of the exhibition recorded a total of 1,660 exhibitors and 14,581 visitors from 108 countries. The visitors included buyers from UK, France, Turkey, Spain, Italy and Germany.

The 2018 edition will display a global range of fashion products from the major manufacturing countries of Bangladesh, China, Cambodia, Korea, India, Indonesia, Sri Lanka, Taiwan, Thailand, Turkey and Pakistan.

Sri Lanka will be having its 2nd national pavilion under the banner of Export Development Board of Sri Lanka (EDB) at Texworld/Apparel Sourcing Paris September 2018. The exhibition will be held alongwith Leather World Paris that will display tannery as well as finished leather goods. These will range from leather garments to accessories such as bags, shoes and other fashion products.

Source: fashionatingworld.com- Aug 18, 2018

HOME

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Pakistan: Manufacturers want urgent plan to boost exports

Pakistan Readymade Garments Manufacturers and Exporters Association (PRGMEA) Chief Coordinator Ijaz A. Khokhar on Sunday underscored the need for widening the tax net aimed at reducing the burden of existing taxpayers in the country.

At present, the existing taxpayers were bearing extra burden which is unjust and under the prevailing situation there was a great need of hunting the new eligible taxpayers across the country he pointed out.

Talking to reporters, he expressed confidence that the new government would surely focus special attention on resolving the longstanding issues of the business community.

Ijaz suggested that the new government should formulate short and long term policies to cope with sharp decline in exports of the country and try to develop close liaison with stakeholders for making the policies.

The PRGMEA Chief Coordinator stressed the need for establishing sector specific export promotion councils and special task forces for the considerable increase in exports of the country, adding that all concerned stakeholders should be taken on board for the betterment of specific sectors and minimizing the role of bureaucrats.

"We understand that there is a need of formulation of high powered Export Monitoring Committee under the supervision of Prime Minister to keep an account of all policies to be formed and their implementation, he said. The committee, he said should also identify the problems related to export and recommend possible remedies and solutions for overcoming the issues.

In this regard, special attention should be focused on export and import policies, he pointed out. Ijaz further stated that stakeholders should be taken on board instead of bureaucrats for attaining the fixed target.

He underscored the need for establishing Research and Development (R&D) Support Fund for SMEs enabling them to adopt new technology, adding that garment industry as 97 percent units fall in SME sector.

Ijaz suggested that the government should take drastic step for establishing Garment Export Council in public-private sector to monitor production and export performance as well as to formulate appropriate policy for Textile apparel sector. The proposal of garment export council had already approved and the government should expedite the process of setting up council.

Ijaz said the formulation of sector wise policies would not only help in increasing exports but also supportive in minimizing the problems confronted by the business community. The policymakers must establish close liaison with stakeholders for making the policies, he added.

Source: nation.com.pk- Aug 20, 2018

HOME

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Pakistan: Exporters demand tax exemption certificates on machinery imports

Value-added textile exporters on Saturday urged the government to expedite release of tax exemption certificates on machinery imports as the delay in such issuance is costing them demurrage.

The exporters have been availing exemption from withholding tax on machinery imported under government's balancing, modernisation and replacement (BMR) initiative since 2008. They need to apply online for tax exemption on the Federal Board of Revenue's (FBR) system, IRIS.

"A large number of our member exporters have complained that after lapse of several days, Commissioner Inland Revenue, Zone-VI, Corporate RTO (Regional Tax Office), Karachi is not providing / issuing exemption certificate despite requests have been submitted online through IRIS," Pakistan Hosiery Manufacturers and Exporters Association (PHMA) said in a letter available with The News.

The association, in the letter to FBR Chairperson Rukhsana Yasmin, said the facility to apply for exemption certificate online was introduced to save time and expedite the process, enabling the exporters to import machinery for BMR without hassle to enhance their export efficiency.

"It appears that such delays have been deliberately caused for some ulterior motives to fail the automated system as the commissioner also demands the hard copy of such request which is not understood as the IRIS is a centralised system providing access to FBR officials," it added.

PHMA said exporters fall under final tax regime and they often pay excess tax and apply for refunds. They apply for tax exemption to avoid further tax deduction.

"Due to excessive delays (of exemption certificates) and since demurrages are charged, the exporters are compelled to pay the input tax to get their machinery released."

The association urged the FBR chairperson to look into the matter and direct the Commissioner Inland Revenue to promptly respond to the genuine and legitimate requests of exporters and do not cause unnecessary hassle to genuine taxpayers in future.

Textile exports, accounting for more than 60 of the country's $23 billion exports, have a minute 1.7 share in the world's market. The share stood at 2.2 percent a decade ago.

Analysts said the textile industry is reluctant to enhance its production capacity as energy shortage and tariffs structure have already left them uncompetitive in the international market.

Exporters called rupee depreciation as a stopgap measure to stimulate industrial cycle.

Rupee lost around 20 percent since December last year and was seen as a step to improve international competitiveness of Pakistan's sagging exports.

They said rationalisation of energy tariffs at par with regional competitors would give a genuine leg-up to imperiled industrialisation.

Source: thenews.com.pk- Aug 19, 2018

HOME

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NATIONAL NEWS

Merchandise exports from job-intensive sectors contract

Merchandise exports may have risen 14.5% in the first quarter of this fiscal, against 8.5% a year earlier, but the headline numbers mask a disturbing fact: Supplies from labour-intensive sectors dropped 1.6% between April and June to $31.4 billion.

In fact, in the two years through FY18, growth in exports from employment-sensitive sectors — such as textiles & garments, gems & jewellery, leather, stone, cement, ceramic, farm, plantation, marine and other allied segments — continued to slow (See chart). Consequently, the share of such sectors in merchandise exports came down to just over 38% in Q1FY19 from close to 44% in FY17, official data showed.

Discounting the farm and allied sector, where elevated local prices have rendered exports in certain segments unviable, supplies from other jobs-intensive segments witnessed even a sharper contraction—3.5% in the three months through June.

With hefty hikes in the minimum support prices of a range of commodities this year to ensure farmers get a 50% premium over costs, our exports from agriculture and allied sectors could get hit further, so also sectors like textiles and garments that heavily rely on farm produce like cotton.

Of course, a rise in oil prices has aided the rally in overall goods exports, but even non-oil and non-bullion exports have witnessed double-digit growth in Q1FY18. This makes the contraction in job-intensive sector look even worse.

The fall presents a new worry for policy-makers already grappling with options to contain the fallout of an escalating global trade war, and also partly explains why not enough jobs are being seen to have been created.

Although a weak rupee is expected to offer some cushion, analysts say the domestic currency is still over-valued by over 17% vis-à-vis a basket of 36 export-sensitive currencies; so the benefit tends to be limited. A further depreciation of the rupee will help only if the currencies of competing exporting countries hold up against the dollar.

As such, thanks to its handicap in several segments—elevated expenses on logistics (as much as 15-16% of consignment value) and growing costs of raw materials and labour—India has been beaten by countries like Bangladesh and Vietnam in capturing markets in segments like textiles and garments where China intends to trim its dominant exposure.

Pronab Sen, former chairman of the National Statistical Commission, said the note ban continues to haunt employment-sensitive sectors. “Most of these sectors have a fairly large component of non-corporate sector in production. I suspect, a lot of it (drop in exports) could be due to the supply problem—that such units are simply not able to produce much,” he said.

“All these sectors are very sensitive to the informal financial sector that was badly bruised by demonetisation. And the banking sector — which could have possibly replaced it (in terms of lending) — is struggling with a balance-sheet problem. So these sectors are squeezed from both sides,” he added.

While overall non-food credit grew 11.1% as of June 22 from a year earlier, loans to micro and small units, and medium units rose just 0.7% and 2.7%, respectively, even on favourable bases.

Aurodeep Nandi, India economist at Nomura, said: “Typically smaller-scale exporters face amplified risks from external and internal policy shocks. The past two years have been tumultuous, with the rough-and-tumble of demonetisation, GST, trade finance pangs, and stronger effective exchange rate.

Looking forward, faltering global growth prospects make for a hostile environment as exporters recuperate from domestic challenges.”

FIEO president Ganesh Kumar Gupta said although some of the labour-intensive sectors such as carpets, handicrafts, cotton yarn/fabrics/made-ups, etc, have done relatively well, most of these MSME exporters are reeling under a liquidity crunch.

As such, banks have tightened lending, while refunds under the GST have been delayed. The ban on credit guarantee instruments like letters of undertakings/comfort in March has choked trade financing further.

Amid demand from exporters to let the rupee fall further, an earlier Nomura report suggested that every 1% depreciation in the real effective exchange rate raises export growth by just 0.9 percentage point in the same quarter, whereas every 1% of global GDP growth drives up export growth by 2.7 percentage points with a lag of one quarter.

Although global economic growth is expected to rise a tad to 3.9% in 2018 and the year after, against 3.7% in 2017, the International Monetary Fund also warned of rising protectionism and pegged world trade growth at 4.8% for 2018 and 4.5% next year, lower than 5.1% in 2017.

Gautam Nair, managing director at Matrix Clothing, one of the largest garment exporters, said a spurt in yarn prices has inflated costs of garment makers.

On top of that, growing imports from Bangladesh — which is buying cheap fabrics from China and converting into aparrel—have dented our ability to stay competitive.

India Ratings chief economist DK Pant said: “Weak rupee alone can’t help exports simply because we are not competitive in many segments. Wage cost is higher than in countries like Bangladesh that have beaten us in garments.

Global demand isn’t picking up as fast as anticipated. Growing protectionism is going to hurt trade prospects further.”

Source: financialexpress.com- Aug 20, 2018

HOME

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RCEP and beyond

India should carefully weigh the pros and cons of exiting the trade bloc

The Centre does not appear to be comfortable with the general drift of negotiations in the 16-member Regional Comprehensive Economic Partnership (RCEP). The reasons are not too far to seek. The RCEP is led by China, with the 10 ASEAN countries, Australia, New Zealand, India, Japan and South Korea as partners.

India's trade engagement with these countries has not been favourable, when seen in terms of the trade deficit. A recent NITI Aayog "note" on Free Trade Agreements and their "costs" points out that India's trade deficit with the RCEP group (it already has FTAs with the ASEAN, South Korea and Japan) has risen from $9 billion in 2004-05 to over $80 billion today. Its trade deficit with China alone was $63 billion in 2017-18, or about 60 per cent of its overall trade deficit.

The bilateral trade deficit has risen exponentially from $0.6 billion in 2000-01 to current levels, and there are no signs of this trend reversing. This surge in Chinese imports — from electrical and electronic goods, plastics, chemicals, boilers and mechanical appliances to toys and stationery items — has undeniably hurt Indian manufacturing, without helping it move up the technology and productivity ladder.

A government committed to 'Make in India' cannot be expected to embrace a deal that entails zero tariffs on over 70 per cent of goods traded with China, and a higher level of openness with ASEAN. Trying to drive home the point that FTAs in general have not paid off, the NITI Aayog paper says that "exports to FTA countries have not outperformed exports to the rest of the world."

While this is a protectionist view, it is also a product of both domestic and global circumstances. Given the discontent over lack of jobs and agrarian distress, with the general elections less than a year away, this cannot be an opportune time to throw open sensitive sectors such as dairy products. If the RCEP countries are keen on a slice of India's market, they must sweeten the deal.

The push for trade blocs has acquired a new urgency, with the Trump administration unleashing a trade war of sorts against China and even the EU. The RCEP countries, which account for 25 per cent of global GDP and 30 per cent of global trade, could act as a countervailing influence. India too has reversed its years-long policy of reducing tariffs by raising them across the board in the last Budget.

Meanwhile, Malaysia's Prime Minister Mahathir Mohammad has mooted an 'East Asian Economic Caucus' to offset China's economic might. India should seriously consider the impact of any exit from RCEP on its links to global supply chains.

The East Asian Tigers were, like India, remarkably protectionist economies, but they opened up at the right time, and at the right pace. India could still learn a few lessons, given its botched experience in industrial development.

Source: thehindubusinessline.com- Aug 19, 2018

HOME

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If trade wars continue, it will be tough for India to keep export competitiveness high

A country's currency strength determines its competitiveness in global trade. This strength is determined by fiscal deficit, trade deficit, forex reserves and capital flows in an economy.

Economies where foreign reserves are very high, trade is in surplus and capital flows are positive, their currencies have a tendency to appreciate.

Countries, where there is high trade deficit, negative capital flows and negative current account, are likely to witness depreciation in currency. Depending on the situation, countries resort to manipulation of currency by either buying or selling dollars.

Buying dollars leads to appreciation of currency and selling dollars leads to depreciation. The extent of buying and selling determines the level of appreciation or depreciation.

Weak currencies provide cost-competitive advantage to nations in gaining share in global trade. China gained advantage in global trade by keeping its currency weak for long, supported by artificial depression of cost of production in the country. This helped China become the leader in global manufacturing. After pressure from the US and others, China allowed appreciation of its currency.

The advent of the trade war is posing a major challenge to countries. It will lead to slow growth in global trade and many countries that mainly depend on trade will be affected in a big way. To counter the trade war, countries will adopt the strategy of weakening their currencies.

This year, China's renminbi has already weakened. After a fall in 2016, the renminbi appreciated in the second half of 2017. It lost momentum in early 2018 due to slowing economic growth and the escalating trade dispute with the US. The renminbi depreciated by 3.2% against the dollar in June alone, its worst-ever monthly performance. This will lead to exchange-rate volatility. China will continue to allow the depreciation of its currency if trade wars continue.

A similar trend was witnessed by many emerging economies, whose currencies depreciated against the dollar. This depreciation leads to inflation since imported commodities cost more. If trade wars continue, even large exporting countries will start depreciating their currencies, leading to currency wars.

When countries want their currency to remain stable, they resort to buying dollars, which results in appreciation of currencies. This helps make the economy stable and helps importers.

When countries want to increase competitiveness of products, central banks sell dollars in large quantities, which leads to depreciation of local currency. A commodity exporter, a manufactured product exporter or a service exporter benefits from this move, since their sales are in dollars or equivalent and the proceeds are realised in India.

Since April, the dollar has rallied and market expects Fed will accelerate the pace of monetary tightening and expects US interest rates to go up, which will make reverse flow of capital from emerging economies.

The rupee has also witnessed a fall, almost touching 70 to a dollar. Yet experts believe that the rupee will not depreciate beyond 70, since RBI intervenes at regular intervals to keep the rupee stable, to ensure the stability of the overall economy. Even so, there are predictions that the rupee could touch 72 if oil prices rise and our trade deficit continues to show a rising trend.

If trade wars continue, it will be a challenge for India to keep export competitiveness high. Allowing the rupee to depreciate will lead to inflation. In the last 3-4 years, inflation was contained. Now that we are in the election year, the currency has to be kept stable.

Since the US is raising interest rates, withdrawal of capital from Indian markets by foreign investors will lead to weakening of our currency. It will be a challenge for policy-makers, and we have to be ready with solutions, so that inflation is contained, our economic stability is maintained and our exports are competitive.

Source: financialexpress.com- Aug 20, 2018

HOME

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What's ailing the textile sector?

Lack of FTAs, differential tax rates for man-made and cotton fibres are some issues

The challenges facing the Indian textile industry are multi-fold. While on the one hand, it is losing to competition because of a lack of free trade agreements (FTAs) with the EU and the US, on the other, the small scale of business is making it difficult for textile manufactures to compete on cost with players from outside.

Prabhu Damodaran, Convenor, Indian Texpreneurs Federation, a textile entrepreneurs association that works towards improving the competitiveness of the Tamil Nadu textile sector, spoke with BusinessLine on issues plaguing the sector and how the industry is trying to address them. Excerpts:

Why is India's textile export falling?

India is facing huge competition from other countries in ready-made garment (RMG) exports, particularly cotton. And, while the world of fashion is moving towards blends, India is not making many blended apparel items. So, on the one side, our traditional items are facing competition, and on the other, we are behind in product diversification.

While favourable FTAs and market diversification strategies will help, what is needed to grow our overall textile exports is bringing in a fibre-neutral policy. The tax rate on all textile raw materials should be the same. Now, even after GST, it (tax) is 18 per cent for MMF (man-made fibre) and 5 per cent for cotton.

If this change is brought about, textile companies will make and sell more blended textile items from cotton viscose, cotton polyester and polyester viscose, etc, and our export competitiveness will also improve. Vietnam has a higher market share than us in textile exports because it offers a good product spread to its clients with more MMF and cotton blends.

Textile imports from Vietnam and Bangladesh are cheaper for buyers across the world. What can be done to counter this? Is the absence of FTAs a problem for Indian textile companies?

Lack of FTAs with the EU and the UK is a major differentiator in the India versus Bangladesh competition. But it is not just to do with FTAs. In the past few years, the two countries, Bangladesh and Vietnam, have scaled up the size of their factories, design capabilities, marketing strategies and operational efficiency in a big way.

The Centre has doubled the import duty on 300-plus textile products; this should curb imports into India. Is the industry happy?

It is a good move. It will help domestic textile manufacturers, no doubt. But the move leaves out Bangladesh. It will restrict direct flows from China, but China will use the Bangladesh route to dump their textiles here. India allows duty-free import of ready-made garments from Bangladesh under the SAFTA (South Asian Free Trade Area) agreement. So sourcing restrictions have to be introduced.

The Centre should look at tweaking the 'rules of origin' in the SAFTA agreement. The benefits under SAFTA should be available only to those countries that mandatorily use yarn and fabrics of Indian origin.

This will prevent China from taking undue advantage of a facility given to LDCs (least-developed countries) and, at the same time, boost India's yarn and fibre exports to Bangladesh and other LDCs.

Is the problem for the industry in the spinning end or the textile end?

In spinning, India is very competitive. We are able to export yarn to many countries, including China, because we have the technology, size, quality, productivity and the ability to manufacture at a very low cost. The problem today is with the textile industry. Though we have improved reasonably in the past few years, there is still a lot to catch up . The apparel sector should work towards global benchmarks in terms of new techniques in manufacturing, particularly improving operational efficiency.

How is Indian cotton in quality compared with that from other countries? Do we meet the global standards?

Indian cotton is a good one in terms of all quality parameters and comparable with any good cotton in the world. But from farm to ginning, a lot of man-made contaminations get into it. Even African countries are supplying cotton with 1.5-2 per cent trash (impurities), whereas we are still struggling with 3 per cent trash levels.

From the industry side, we have now started working with selective ginners to introduce a new concept in the trade through contamination-controlled cotton, and are trying to introduce some best practices at the farming and ginning stages.

With the minimum support price for cotton increased significantly, is acreage going to rise under cotton this year?

Yes, we are expecting a reasonable increase in acreage with a definite support-purchase mechanism in place and vibrant domestic consumption; more Indian farmers will go for cotton.

But the long-term solution is to increase the average yield. Many countries have crossed 1,000kg/hectare yield. We need to catch up from 550 kg/hectare levels. India should announce a new cotton technology mission to achieve this.

We are hearing of pink bollworm attack in Maharashtra. What is the outlook on cotton output this year?

State governments are working closely on the field. Farmers may be able to manage this issue better this year, and we are expecting a robust crop.

What is the potential for Indian cotton textiles over the next five years in the global market? Will some share from China come to India, given the US-China trade war?

Yes, exports are critical, but Indian textile manufactures should focus on the opportunities in the domestic market too. With increase in disposable income and higher aspirations, India is going to be a faster growing clothing market in the world. In the next seven years, the menswear market size of branded apparels in India will reach a size of $44 billion.

Domestic opportunity aside, through trade agreements such as India-Mercosur PTA (Preferential Trade Agreement) and Eurasia-India FTA, we can bring more volumes to the export trade.

If the trade war intensifies further, India may naturally get some more percentage of business from the US. But many Chinese companies are moving to LDC countries to spread the risk of this trade war.

Source: thehindubusinessline.com- Aug 20, 2018

HOME

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CBDT defers till March 2019 GAAR, GST reporting under the new tax audit form

The Central Board of Direct Taxes (CBDT) has put off till March 31, 2019, the proposed GST and GAAR reporting under the amended tax audit form. This dispensation would be available for tax audit reports to be furnished on or after August 20 but before April 1, 2019.

In a circular issued on Friday, the CBDT said representations had been received by the Board that the implementation of the reporting requirement under the proposed Clause 30C (pertaining to General Anti-Avoidance Rules or GAAR) and the proposed Clause 44 (pertaining to Goods and Services Tax compliance) of the tax audit Form No 3CD may be deferred.

"The matter has been examined and it has been decided by the Board that reporting under the proposed Clause 30C and proposed Clause 44 of the Tax Audit Report shall be kept in abeyance till March 31, 2019. Therefore, for Tax Audit Reports to be furnished on or after August 20, 2018 but before April 1, 2019, tax auditors will not be required to furnish details called for under the two clauses," the CBDT circular said.

Expert take

Anupam Jain, Executive Director, Nangia Advisors LLP, said the CBDT move is a welcome step, given the new reporting requirement and lack of any guidance on it.

"Ever since the revised audit format was circulated, there was much restlessness in the industry and auditors alike on the expansive import of the clause introduced on GAAR. It was indicative of loading tax auditors with an onerous responsibility to step into the shoes of a tax officer and determine if any transaction was an impermissible arrangement," he said.

Further, even though the Act prescribes a threshold of ₹3 crore of tax impact, for a transaction to be categorised as an impermissible transaction, the proposed clause, at the first step wanted disclosure on any 'impermissible transaction' and then required quantification, said Jain.

Rahul Garg, Senior Partner, Tax and Regulatory, PwC India, said it would have been burdensome for companies to compile the enhanced requirements for tax audit after the close of the accounting period and statutory audits.

"The decision of the CBDT would save companies from the effort to go back to their closed and audited books to compile additional information for last year," said Garg.

Sanjay Sanghvi, Partner, Khaitan and Co, said a fair decision has been taken by the CBDT.

"It was practically not possible for a tax auditor to provide those details/ remarks concerning applicability of GAAR," said Sanghvi.

Source: thehindubusinessline.com- Aug 19, 2018

HOME

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Trade expansion likely to boost India-Vietnam ties

As India and Vietnam celebrate 45 years of bilateral relations by upgrading their Comprehensive Strategic Partnership, the future seems to hold a lot of potential for the two nations. The rising power of India, not just in South Asian region but with considerable clout in the Indo Pacific, will be more balanced than before, said Vietnamese envoy to India, Ton Sinh Thanh.

India is one of the three nations with which Vietnam has Comprehensive Strategic Partnership, the other two being China and Russia. It was during Prime Minister Narendra Modi's visit two years ago that the partnership was elevated. Vietnam has Strategic Partnership with 11 countries. Vietnam boosts of US$2,100 per capita per annum.

This year will see more dialogues between India and Vietnam. Visits from India include a just concluded trip of Defence Minister of India, Nirmala Seetharaman. A Defence Dialogue will soon take place in Delhi. External Affairs Minister Sushma Swaraj will visit Vietnam to co-chair a joint meeting in the end of August. According to sources, the President of India is likely to visit Vietnam by the end of this year.

Regarding India’s role in the Southeastern region and the Indo Pacific for establishing peace and stability, the Vietnamese Ambassador said, “India is moving fast. It is becoming a strong player in the region and will now look over a bigger space in the Indo Asia Pacific region. Its role will be played out in the extended neighbourhood. We welcome India’s new role and its engagement in the region, so does the Association of South East Asian Nations (ASEAN).” Thanh said, “India’s increasing role and growing power will act as a balancing element in the region.”

Trade between India and Vietnam has scope to expand further. Ambassador Thanh said, ‘’FTA between India and ASEAN should be upgraded and expanded for the pact to deliver desired results. ‘’Vietnam wants to diversify trade with different countries specially India which is a big market and a big investor.’’ There is need to expand the agreement to
include more products, the ambassador added.

Last year, the trade between India and Vietnam stood at US$7.56 billion, a very small amount compared to other countries of the world that stood at US$420 billion last year.

In the year 2016-17 investment from India to Vietnam was a little more than US$800 million which is very small in comparison to the total of US$300 billion investment from the world. Indian companies are investing to the tune of US$40 billion a year in the world whereas in Vietnam it was merely US$100-150 million a year. Thanh said, ‘’There is a lot of potential for Indian companies to invest in Vietnam.

Big groups like Mahindra and Adani are looking for investing in Vietnam.” Vietnam has a good foreign investment regime, labour cost is low. Bilateral trade with Vietnam is much lesser in trade with India even in the ASEAN countries. With Singapore it is US$20 billion and with Indonesia, Malaysia around US$18 billion. Vietnam has a 100 billion trade with China.

Elucidating the demand in Vietnam’s textile sector, the Ambassador informed that textile was one sector where Vietnam imported to a tune of around US $10 billion every year. He expressed that India has the capacity of meeting Vietnam’s demands for textile inputs. ‘’If trade was opened up, we could be importing a lot of items from India’’, he said.

’’There a potential of 20 billion trade in textile to Vietnam from India which is a possibility waiting to be explored. Vietnam needs it and this is the time’’. Presently investment from India is merely US$1 billion, there is scope for much more like in energy, especially in solar energy and tourism.

India and Vietnam commonalities are abound as both countries are rapidly growing economies. Vietnam’s growth rate last year was at 6.8 per cent and in the previous years, it has even touched 9 per cent. The Ambassador said that while the defence ties were robust, the economic relation could still be taken much forward. And the cultural ties needed to be tapped. He informed Vietnam exports are more than the country’s GDP. The South eastern country is trading with more than 200 countries presently.

India, although, has objections to China’s ambitious Belt and Road Initiative (BRI), Vietnam is still studying the various aspects of the initiative. “We have to figure out if it is good for us or not. If it is good, we will join it, if not, we will stay away from it,” he said. Unlike India, however, Vietnam had attended the big BRI meet that China organised last summer.

Thanh did not mince words on the Indo Pacific saying India’s vision on the Indo-Pacific, which was revealed in Modi’s address at the Shangri-La Dialogue recently, was similar to Vietnam’s approach, which is about inclusiveness, openness and engagement rather than confrontation. “We, in fact, refer to the area as Indo Asia Pacific,” he said.

Vietnam has issues with the growing Chinese footprint in the South China Sea and it wants a rules based order to prevail (like India does). “Vietnam will raise its voice, asking for support from other countries, including those outside the region because so many vessels pass through the seas (which makes other nations also stakeholders).”

In the absence of direct flight from New Delhi to Hanoi tourist traffic to Vietnam and India is considerably poor. It is a roadblock that the two governments are working upon. The

Ambassador informed that connectivity between the two capitals is being worked out and talks are being held. Currently, only Jet Airways operates flights to Ho Chi Minh City from New Delhi and Mumbai via Bangkok.

Last year 110,000 tourists visited Vietnam while 22 million Indians travelled abroad. 3.5 million Indians went to South Asia out of them 1.6 million went to Thailand alone. Vietnamese come to India for pilgrim.

Vietnam is expecting 1,70,000 visitors this year, as per reports. The number of Indian tourists to Vietnam has risen from 16,000 in 2010 to an estimated 1,10,000 last year, Thanh informed and called for promoting India as a destination for Vietnamese.

As per the embassy figures 20 million Indians travel overseas every year, while only 90,000 of them go to visit Vietnam. Thanh said the first direct air service between Vietnam's most populous city Ho Chi Minh City and New Delhi is likely to commence by the last quarter of this financial year.

Source: tehelka.com- Aug 19, 2018

HOME

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EU, 11 Others Back US Stand Against Indian Subsidies

The European Union, Russia, China, Japan and eight other countries have backed the US complaint against India's export promotion schemes at the World Trade Organisation (WTO).

These countries have joined the dispute as third parties. The US has challenged almost all of India's export programmes at the WTO saying they will harm its workers, citing the Agreement on Subsidies and Countervailing Measures (ASCM). It pegged the subsidies at $7 billion.

"The number of third parties in the issue is a matter of concern and has serious implications. They are backing the complainant," said a person aware of the development.

Negotiators had expected other countries to join the dispute when it began in March. Former commerce secretary Rita Teaotia has said there was a "real" possibility that India could lose the trade dispute.

"It is a much larger issue now with the number of countries targeting India," the person added.

Brazil, Canada, China, Egypt, the EU, Japan, Kazakhstan, Korea, Russia, Sri Lanka, Taiwan and Thailand have become third parties in the dispute.

“All these are interested parties because some countries have market access issues with us while others have problems related to RCEP,” said a Delhi-based trade expert.

China, Korea, Japan and Thailand are members of the Regional Comprehensive Economic Partnership (RCEP) trade agreement along with India and have been pressuring it for deep duty cuts on at least 90% of the traded goods.

“Sri Lanka wants to benefit from us losing our export incentives because it competes with us in many exports,” the expert explained. The WTO has set up a panel under the Philippines’ Jose Antonio S Buencamino as the two sides have failed to find a mutually agreed solution through consultations.

The panel’s other members are South Africa’s Leora Blumberg and Switzerland’s Serge Pannatier. “There is pressure on India to prepare its defence because the setting up of the panel is an important step forward,” said a negotiator.

Source: economictimes.com- Aug 20, 2018

HOME

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Cotton Corporation to store purchases in CWC warehouse

The Cotton Corporation of India (CCI) has signed a Memorandum of Understanding with the Central Warehousing Corporation to use its warehouses for cotton storage.

P. Alli Rani, Chairman and Managing Director of CCI, told presspersons here on Friday that the Cotton Corporation would need space in 500 to 600 warehouses.

The Cotton Corporation purchased 3.6 lakh bales of cotton at MSP (minimum support price) during the current cotton season (October 2017 to September 2018).

However, with the steep hike in MSP for cotton, the CCI might have to purchase huge quantities next season (October 2018 to November 2019).

The Corporation is present in 350 centres in 11 States and will monitor the cotton market in all these places. In 2014-2015 season, it had purchased about 84 lakh bales. "Next season, we expect to purchase at 2014-2015 levels," she said.

The CCI will use the warehouses of Central Warehousing Corporations on a pay-and-use basis. If these are not adequate, it will use the State warehouses. During the current season, the CCI used 170 warehouses across the country, including those of CWC, State Government and private facilities.

On controlling contamination in cotton, Ms. Rani said the Bureau of Indian Standards has circulated a draft proposal inviting comments from stakeholders to introduce cotton bale tagging to facilitate traceability.

"Contamination-free cotton is what the industry wants. The Ministry of Textiles is trying to enforce traceability. The Cotton Corporation of India has insisted on labelling by ginners for the cotton purchased by it," she said.

Source: thehindu.com- Aug 18, 2018

HOME

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Minimum Support Price: Centre's move to hike MSPs makes industries dependent on agrarian produce vulnerable

The hike in the minimum support prices (MSP) of 14 agriculturally significant commodities may benefit the Bharatiya Janata Party-led government in the next general election, but presents a very real problem for industries dependent on those crops.

The textiles, garment, hosiery and food processing industries are particularly vulnerable as these raw materials comprise half their total input cost.

This will increase the domestic and export prices of their products, making them less affordable to consumers and hurting their competitiveness in overseas markets. The knock-on effect of higher food prices in the consumer basket add to inflationary pressures and depress demand.

Says Vinod Thapar, chairman of the Knitwear Club, "Due to the increase in the cost of inputs, the finished product will be costlier by about 25-30 percent, and it will adversely affect both export and domestic sales in the garments and hosiery industry."

On 4 July, 2018, the Cabinet Committee on Economic Affairs (CCEA) approved an MSP hike for 14 kharif crops. The MSP of medium staple-length fibre cotton was increased by Rs 1,130 per quintal to Rs 5,150 per quintal from last year's Rs 4,020 per quintal. Long staple-length fibre is now Rs 5,450 per quintal as compared to Rs 4,320 per quintal last year.

Earlier increases in the MSP were meagre by comparison. In 2016-17, the hike across both types of cotton crops was Rs 160 per quintal, while in 2015-16, it was raised by Rs 60 per quintal, and by Rs 50 per quintal in 2014-15.

The steep hike of Rs 1,130 per quintal of cotton will have an immediate and adverse impact on the textile industry, where raw material constitutes between 50-60 percent of total input costs.

This will affect the price of the final products, yarn and sewing thread. With their increase, it is expected that market prices of garments and hosiery products will also increase by 25-30 percent by the coming winter season.

Mukesh Bansal, senior vice president, Vardhman Textile Ltd, says, "In fabric manufacturing, cotton-blended yarn constitutes 35-45 percent of the total input. Prices of cotton affects 25 to 30 percent of the total cost of the finished products," he says.

G Balasubramaniam, secretary general of the Northern Textile Mills Association, says that the MSP hike in cotton will affect the market mechanism in both the domestic and export sectors of all industries relying on cotton. "Increase in cost will affect turnover volumes of these industries, also lowering overall sales. Cotton prices in the world market will also be affected," he predicts.

Food processing industry hit too

The MSP of common-grade paddy was increased by Rs 200 per quintal to Rs 1,750 per quintal as compared to last year's Rs 1,550 per quintal. The MSP of jowar (maldandi) has been increased by Rs 725 per quintal to Rs 2,450 per quintal as against last year's MSP of Rs 1,725 per quintal.

The MSP of ragi was increased by nearly Rs 1,000 per quintal to Rs 2,897 per quintal as against last year's Rs 1,900. The MSP of maize has increased by Rs 275 per quintal to Rs 1,700 per quintal as against Rs 1,425 last year.
In past years, the MSP for these crops increased on average only by 3-7 percent a year, ranging from Rs 15 to 75 per quintal.

As with the textile industry, there are fears of turnover volumes of the food processing industry suffering. Says RK Thukral, president, Food Processing Industries Association, Punjab, "In some food processing industries, 70-80 percent of the total cost comes from purchasing raw materials. So, this extraordinary MSP hike in agricultural products by around 15 to 50 percent, will increase the total cost of manufacturing, affecting sales in both domestic and export markets.

The MSP hike of kharif crops ranging between 15 and 50 percent on various agricultural products will have a direct impact on input cost in bread and biscuit industry, says Sudeep Ahuja, managing director, Milkmade Foods India, and vice-president for the North Region of All India Bread Manufacturers Association. "There will be an increase in input cost by 20 percent on an average in bread & biscuit industry. It will effect the turnover and industry will try to cover up by increasing (market) prices."

The impact of such a large MSP hike will not be limited to industries in Punjab, but will be felt by food processing units across the country.

According to Ramesh Mago, president, All India Bread Manufacturers Association, the combined impact of MSP hikes of 18-20 percent on kharif crops and 10-12 percent on rabi crops will blow up the input cost in bread and biscuit industry by 28 to 30 percent.

“Expected rise in input cost will also have adverse effects on domestic as well as export sales. In export, the continuous rise in dollar rate is compensating the decreasing margins, but in domestic market, it will cut both, sales volume as well as margins,” Mago explains.

Source: firstpost.com- Aug 18, 2018

HOME

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Aditya Birla to unveil linen-based fabric brand

Group's West Bengal unit to make 'Mazury' brand fabric and 'Cavallo' linen-blended apparels

Aditya Birla (AB) Group entity Jaya Shree Textiles is planning to unveil a range of linen-blended fabrics under a new brand name, Mazury, complementing its offering of linen-blended apparels under the Cavallo brand, a top official said.

Initially, both the brands, in the value-for-money range, would be available only online, Satyaki Ghosh CEO, domestic textile and Thai Acrylic Fibre of the AB Group told The Hindu, adding that the fabrics and apparels would be manufactured at its six decade-old Rishra unit in West Bengal.

"With over 41,500 spindles, this is the world's fourth-largest linen yarn spinning facility," he said. "The integrated unit houses annual fabric manufacturing capacity of 10 million metres," he added. The facility also makes worsted yarn from Merino wool.

It uses raw material (flax and hemp) from France and Belgium and has four strategic business units, exporting to more than 50 countries according to its official website.

Both, the fabrics and the garments, would be made at the Rishra unit which is now being ramped up after a two-month closure. It was closed since June 4, first on account of a strike by workers protesting disciplinary action by the management and then a lockout declared by the company which saw growing militancy by a section of the workers.

All this happened amid talks of a productivity-linked five-year wage pact (the current three-year agreement expired in July). It employs about 5,700 persons.

New wage pact

While suspensions were revoked (barring on two who would face enquiry), the management was able to hammer out a five-year productivity-linked wage pact with a daily minimum wage of ₹299, it was learnt.

“Everyone is working overtime now,” Mr. Ghosh said, pointing out that promotional campaigns were also being readied for the ensuing festive season beginning with Durga Puja. The unit was being geared up. The AB Group has invested ₹400 crore since 2015, including ₹250 crore recently for a linen production line.

The unit, operating as a division of Grasim, contributes about ₹2,000 crore to Grasim’s topline. “While Linen Club, the brand promoted by the Aditya Birla Group for its linen range, has been a pioneer in developing the market for nearly two decades, there is intense competition among the top five players,” added Mr. Ghosh.

On Cavallo and Mazury, Mr. Ghosh said that the first lot of shirts and trousers, using a 55:45 linen-cotton blend, was already available on Amazon. Mazury may be unveiled on and offline by August-end.

The premium offerings of pure linen garments and accessories are already available at the stores under the Linen Club Studio brand.

Source: thehindu.com- Aug 18, 2018

HOME

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Lifestyle to invest up to Rs 200 cr in India, open 20 new outlets

Apparel retailer Lifestyle plans to invest up to Rs 200 crore to add 20 outlets in the next one-and-half years to increase its footprint across the country.

Lifestyle is also eyeing 16-18 per cent growth and a turnover of Rs 4,600 crore this fiscal. It had reported Rs 4,000 crore turnover in the previous financial year.
Advertisement

The company, which at present operates close to 75 outlets in the country, plans to open majority of the new outlets in the cities where it already has a presence.

“We plan to invest Rs 150-200 crore to open 20 new outlets in the next 1-1.5 years.

At present we have stores in 44 cities…we will go into five more cities and open rest of new planned the stores in the cities where we already have a presence," Vasanth Kumar, Managing Director, Lifestyle International, told PTI.

Kumar said the company gets 75 per cent of its business from top cities at present but expect smaller cities to add to its growth in the years to come.

The company also expects its omni channel (combination of offline and online retail) strategy to pay off and contribute significantly over the next five years.

"Omni channel at present contributes about 1-1.5 per cent of our sales but we expect it to be in double digits (10 per cent and above) in the next five years," Kumar said.

Lifestyle is a part of Dubai-based retail and hospitality conglomerate, The Landmark Group.

Source: financialexpress.com- Aug 19, 2018

HOME

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