

IBTEX No. 137 of 2017

July 04, 2017

USD 64.86 | EUR 73.61 | GBP 83.97 | JPY 0.5

Cotton Market		
Spot Price (Ex. Gin), 28.50-29 mm		
Rs./Bale	Rs./Candy	USD Cent/lb
19959	41750	82.08
Domestic Futures Price (Ex. Gin), July		
Rs./Bale	Rs./Candy	USD Cent/lb
20050	41940	82.46
International Futures Price		
NY ICE USD Cents/lb (Dec 2017)		68.97
ZCE Cotton: Yuan/MT (Sept 2017)		15,625
ZCE Cotton: USD Cents/lb		83.06
Cotlook A Index - Physical		83
Cotton & currency guide:		
<p>Monday saw a reverse move of Friday where most of the gains of Friday were given up. ICE benchmark Dec contract declined by 114 points and settled at 67.45 c/lb. Price declined with higher OI and lower volume.</p> <p>The sentiments of the market were also highlighted in the latest CFTC data. Fund managers have cut their bullish cotton bets by 13,934 net-long positions to 31,410, weekly CFTC data on futures and options showed.</p> <p>The net-long position was the least bullish in 13 months. Long-only positions fell 6,890 lots to 58,854 in the week ending Jun. 27.</p> <p>The long-only total was the lowest in a year.</p>		

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Short-only positions rose 7,044 lots to 27,444. The short-only total was the highest in more than 13 months.

The strategy for cotton as spread is to take short in near month contract July and Buy the October future with the spread of around 1600+.

The target would be less than 800 in the near term. There should be a stop loss for the spread which should be above 2000 on a daily closed basis.

Lastly trading range for the day would be 19900 to 20150 for July MCX future, the bias for the day will be negative.

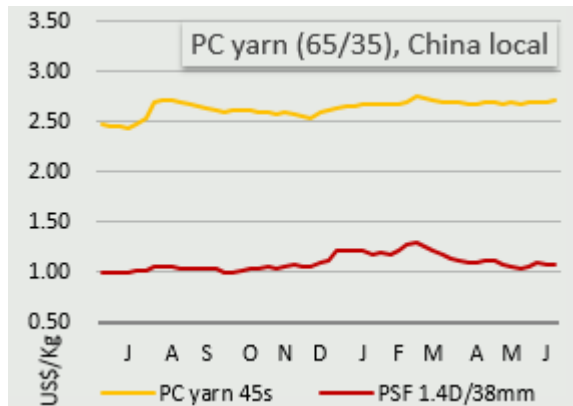
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INTERNATIONAL NEWS

China Blended yarn price rolls over in Asian markets



In China, PC (65/35) 32s yarn prices were steady in Zhejiang in the third week of June, while 45s PC combed yarn prices rolled over on the week. PV 32s were also flat but all were down US cent 1 a kg due to weak Yuan.

Blended yarn prices were relatively steady across China, India and Pakistan with PSF and VSF prices

bottoming out in recent weeks. In China, yarn import prices have begun declining due to a sharp drop in cotton futures thus, the difference between domestic and import prices have narrowed down, but still very wide enough to the detriment of yarn importers.

In India, PC and PV yarn prices were stable on the week while PC yarn export have picked up in May. Meanwhile, PV yarn exports continued to decline.

In Pakistan, the approaching Eid-ul-Fitr holidays saw market activities trickling down with no change in prices.

Also, the stability in fibre markets supported prices to not change dramatically, but sobering cotton prices over the past two weeks may result in some drop in PC yarn prices soon.

Source: yarnsandfibers.com- July 03, 2017

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Intertextile Shanghai Home Textiles will include design forum

Shanghai – The upcoming Intertextile Shanghai Home Textiles expo will for the first time include an award for interior design.

The largest home textiles sourcing event in Asia, which takes place at the Shanghai National Exhibition and Convention Center from, Aug. 23-26, will feature a forum where leaders from the interior design, architectural design, apparel design and art sectors will share their insights.

The series will also include the Andrew Martin International Interior Design Award and a Trans-border Home Art exhibition illustrating new home living styles via furniture and installation art.

Intertextile Shanghai Home Textiles – Autumn Edition is organized by Messe Frankfurt (HK) Ltd; the Sub-Council of Textile Industry, CCPIT; and the China Home Textile Association (CHTA).

Source: homeandtextilestoday.com - July 03, 2017

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Pakistan: Textile sector holds govt responsible for export woes

Pakistan Hosiery Manufacturers and Exporters Association (PHMA) Chairman Adil Butt has expressed concern over the decline in textile exports, which have dropped 1.98% in the first 11 months of the current fiscal year.

Along with the fall in textile exports, Pakistan's trade deficit has swelled 42.12% to about \$30 billion compared to \$21.1 billion in the same period of previous fiscal year.

Butt held the government responsible for the constant decline in textile exports because of delay in release of tax refunds of exporters and asked it to immediately release all the pending sales tax refund and Customs rebate claims as well as withholding tax claims.

“The drop in textile exports comes during a turbulent period for textile manufacturers as they await the promised government incentives for the export sector including disbursement of an export promotion package worth Rs180 billion and smooth receipt of sales tax refunds.”

The year-on-year growth in exports of most of the textile products was negative including towels, cotton clothing and bed wear, which showed double-digit declines, he said while quoting the Pakistan Bureau of Statistics (PBS).

Butt hit out at the government for running a headless textile ministry and for increasing the turnover and sales tax to 1.25% and 6% respectively, adding none of the textile industry’s major proposals had been incorporated into the budget.

Out of the Rs180 billion promised in the incentive package for the export sector, just Rs4 billion has been released, despite chest thumping about the release of Rs24 billion.

The package is aimed at making the industry cost-effective by removing duties on raw material (cotton and man-made fibres) among other measures.

Textile exports from July-May (2016-17) were recorded at \$11.234 billion compared to \$11.461 billion in the corresponding period of 2015-16.

Exports of cotton yarn and cotton cloth fell 3.64% and 5.81% respectively. Similarly, raw cotton and yarn (other than cotton yarn) exports showed massive drops of 47.14% and 27.32% respectively.

Other items were not too far behind with knitwear, towels, art, silk and synthetic textile losing a combined \$51.798 million in export value over the course of the year.

Source: tribune.com.pk- July 02, 2017

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Garment makers oppose Accord's time extension

Local garment manufacturers have opposed the time extension of the Bangladesh Accord on Fire and Building Safety by three more years, saying factory remediation work will be completed within the current tenure.

“We don't accept the new agreement. It is a unilateral decision by the Accord,” said Siddiqur Rahman, president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

“We have not been included in the board of the Accord and the signatories did not even show the draft copy of the new agreement,” Rahman said.

“We don't need the Accord anymore,” said Atiqul Islam, a former president of BGMEA.

Trade unions and leading apparel brands extended the tenure of the Accord for three more years at the OECD Global Forum on Responsible Business Conduct in Paris June 30.

But local factory owners say proper implementation of the amended labour law would protect the workers' rights and the local union leaders would play a vital role in formation of trade unions at factory level and in ensuring freedom of association.

They called for strengthening of the Department of Inspection for Factories and Establishments (DIFE) and the Remediation Coordination Cell (RCC) for fortifying workplace safety and better labour rights.

Islam said the government, the RCC and BGMEA can continue working on strengthening the workplace safety and improve the labour rights.

Islam was the president of BGMEA when the current Accord was signed in May 2013. The current five-year campaign for fire and building safety expires next May and involves only European brands.

Islam, however, admired the remediation activities of the Accord as thousands of loopholes in nearly 3,000 factory buildings have been identified and repaired.

No more industrial accident has taken place in the garment sector since the Rana Plaza building collapse because of strong inspection, remediation and monitoring by the experts of the European-led Accord and the North American-led Alliance, according to Islam. “But, I am concerned about the handling of millions of workers by the Accord as it will work on freedom of association and improvement of labour rights. Bangladesh has its own labour law,” Islam said.

AK Azad, managing director of Ha-Meem Group, another leading garment exporter, echoed Islam. “The Accord has done excellent work in the first phase as buildings are safe now thanks to its intensive inspection, remediation and monitoring.”

“But, we don't want the extension of the Accord in case freedom of association as it is an internal issue of Bangladesh,” he said.

Rubana Huq, managing director of Mohammadi Group, a leading garment exporter, said the inclusion of freedom of association in the new agreement is very surprising to her whereas Bangladesh has a very strong labour law which has given full freedom of association to the workers at factory level.

She said they had hoped that the signatories of the new agreement would include the government and BGMEA in the executive body of the Accord. But this has not happened.

Huq is concerned about the future of local trade unions if the Accord starts working in the area of freedom of association and labour rights at factory level. “Where will our local unions go?” she asked.

After the Rana Plaza building collapse in April 2013 that killed 1,138 workers, the retailers and brands formed the Accord with a view to repairing thousands of structural, fire and electrical loopholes in the garment factories.

Yesterday, Valter Sanches, general-secretary of the IndustriALL, said in a statement, “The Accord can be expanded to other sectors, and as worker representatives, we urge you to acknowledge the new Accord's significance as an important step towards responsible global supply chains.”

John Evans, general secretary of the Trade Union Advisory Committee to the OECD, said the signing of new Accord shows that the legally-binding agreement between brands and unions is a successful model for driving positive change in global supply chains.

“The G20 leaders need to learn this lesson and give it full support,” he said. On Thursday, Commerce Minister Tofail Ahmed told The Daily Star that it is the decision of the retailers and unions.

“The extension is not our decision. We don't know about it yet. They have not spoken to us in this connection. We are with them until the expiry of the first agreement.”

So far, 25 lakh Bangladeshi garment workers have been covered by the Accord and 1,800 factories surveyed along with 7,000 periodic follow-up inspections, according to IndustriALL.

A total of 118,500 acts of violations of fire, electrical, and structural safety standards have been identified, and 79 percent of them are being corrected. As of Thursday, 23 companies signed the new agreement with two Switzerland-based global trade unions IndustriALL Global Union and UNI Global Union.

But a large majority of the previous signatories—217 brands—are expected to be part of the new deal, said Christy Hoffman, deputy general secretary of UNIGlobal Union, according to the Associated Press.

Source: thedailystar.net - July 02, 2017

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Let's Go Deep Into Russian-Chinese Interstate Relations

Putin described Xi's visit to be this year's key event in the Russian-Chinese relations since the leaders are planning to discuss a number of issues on both bilateral and international agenda with topics ranging from energy and trade to strategic cooperation.

The rapidly developing Russian-Chinese relations are based on a substantive legal framework, a ramified organizational structure, and welcome active ties at all levels.

The People's Republic of China (PRC) and the Soviet Union established diplomatic relations on October 2, 1949. The Soviet Union became the first foreign state to recognize China.

After the breakup of the Soviet Union, Chinese government recognized the Russian Federation on December 24, 1991 as a legal successor of the former Soviet Union's international rights and obligations.

The Treaty of Good-Neighborliness, Friendship and Cooperation between Russia and China of July 16, 2001 outlines the main principles and aspects of bilateral cooperation.

Both sides officially identify current Russian-Chinese relations as all-round, equitable and trustful partnership and strategic cooperation.

The two states maintain intensive political dialogue. Putin and Xi meet at least five times a year.

In June 2016, the Russian president paid an official visit to China. During the visit, Putin met with Xi and other Chinese top officials. The sides focused on strengthening their economic cooperation, primarily, in the energy sphere.

The issues of creation of a free trade zone between China and the Eurasian Economic Union, as well as China's involvement in construction of high-speed Moscow-Kazan railway, were raised. After the talks, both sides signed a package of documents dealing with various cooperation aspects, including space exploration, energy, tourism and grain deliveries to China.

In 2016, Russian and Chinese heads of state also held bilateral meetings within the Shanghai Cooperation Organisation (SCO) summit in Tashkent, Uzbekistan in June, the G20 summit in Chinese Hangzhou in September, October BRICS summit in Goa, India, and the Asia-Pacific Economic Cooperation (APEC) Economic Leaders' Meeting in Lima, Peru in November.

On May 14-15, 2017, the Russian president attended the Belt and Road forum for International Cooperation in Beijing as the main guest. He took part in the opening ceremony and a roundtable discussion. Putin met separately with Xi and Premier of the Chinese State Council Li Keqiang on the forum's sidelines.

The national heads of government have been meeting regularly since 1996. On November 6-8, 2016, Li paid an official visit to Russia to take part in the 21st meeting between national heads of government.

The countries' prime ministers also met on July 15, 2016, on the sidelines of the Asia-Europe Meeting (ASEM) forum in Ulan Bator, Mongolia, and on September 8, 2016 within the East Asia Summit in Vientiane, Laos.

An inter-parliamentary commission for cooperation between Russia's Federation Council and State Duma with China's National People's Congress is operating. Both sides exchange regular visits of members of special parliamentary committees, as well as lawmakers' groups.

Russian Security Council Secretary Nikolai Patrushev and Chinese State Councilor Yang Jiechi hold regular consultations on strategic security issues.

The Chinese and Russian foreign ministers exchange annual visits and regularly meet on the sidelines of international events, including the events within the United Nations, G20, APEC, BRICS and SCO. There is a system of scheduled consultations at the level of deputy foreign ministers and directors of departments between the Russian and Chinese foreign ministries.

Russia and China voice coinciding or similar approaches toward principal issues on the international agenda, including the situation in Ukraine, the Korean peninsula, the Middle East and North Africa.

It represents the foundation of their close cooperation in international affairs. Russia's position on the Taiwan issue is set out in the Treaty of Good-Neighborliness, Friendship and Cooperation and implies that there is only one China, with Taiwan being its integral part.

Russian-Chinese trade and economic cooperation is a highly important element of bilateral relations. China has been Russia's largest trade partner since 2010.

In late 2016, Russia ranked as China's 14th most important trade partner in a survey listing 20 partner-countries.

Both states' leaders have set the task of boosting the bilateral trade turnover up to \$200 billion by 2020, and bringing direct Chinese investment in the Russian economy to \$12 billion.

Chinese customs statistics estimate the 2016 Chinese-Russian trade turnover at \$69,5 billion with Russian exports to China and imports from China totaling \$32,2 billion and \$37,3 billion respectively.

According to the Russian Federal Customs Service, the Russian-Chinese trade turnover amounted to \$66.1 billion in late 2016, with Russian exports and imports standing at \$28 billion and \$38 billion respectively.

In 2016, Russia primarily exported the following goods to China: minerals (66.72 percent of the total volume of Russia's export to China), timber and pulp-and-paper industry goods (12.15 percent), machinery, equipment and transport systems (6.94 percent), foods and agricultural feedstock (5.78 percent), chemicals (5.13 percent), metals and metalware (0.75 percent).

Russia primarily imported from China machinery, equipment and transport systems (58.65 percent), textiles and footwear (11.38 percent), chemicals (9.43 percent), metals and metalware (6.71 percent), foods and agricultural feedstock (4.26 percent), timber and pulp-and-paper industry goods (1.03 percent).

The Russian-Chinese trade and economic cooperation focused on active investment cooperation. So far, mutual investment volumes lag behind those of bilateral trade. At the same time, China has invested ten times more in Russia than the latter in China.

According to the Chinese Ministry of Commerce, direct accumulated Russian investment volumes in China totaled \$986.26 million in late 2016, with the volume of direct accumulated Chinese investment volumes in Russia amounted to \$9.487 billion.

China primarily invests in Russia's energy resources, agriculture, forestry sector, construction industry and building materials manufacture, trade sector, consumer goods industry and textile manufacture.

The main spheres of Russia's investments in China are production facilities, construction industry and freight shipments.

The Russian and Chinese companies jointly implement a number of large-scale projects in the following areas: fuel and energy, the nuclear power industry, civilian aircraft manufacture, rocket engine manufacture, satellite navigation systems, construction of infrastructure facilities, etc.

In 2016, trans-border online trade became a relatively new aspect in the Russian-Chinese economic relations. By late 2016, Russian citizens accounted for almost 60 percent of purchases in Chinese online stores.

Russia remains the only major supplier of military goods and services to China.

In November 2016, Russian Defense Minister Sergei Shoigu visited Beijing and noted that the two countries annually implemented various contracts worth about \$3 billion.

Russia and China continue to actively develop cooperation in the area of educational, research and cultural cooperation.

The two states also cooperate in the tourism industry. In 2016, 1.3 million of Chinese tourists visited Russia, which is 15 percent more than in 2015 (1.121 million), while over 1.6 million of Russian tourists visited China the same year (compared to over 1.2 million in 2015).

Source: sputniknews.com- July 03, 2017

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NATIONAL NEWS

Modi sets \$650 bn textile export target

Narendra Modi, Honorable Prime Minister of India, while inaugurating India's largest ever textile meet, Textiles India-2017 on June 30th in Gandhinagar, Gujarat, India heralded the strength and capacity of the Indian textile industry.

Speaking extemporaneously in Hindi and English the PM thrilled a large audience in Mahatma Mandir, Gandhinagar with statistics about India's textile industry and outlining the opportunities for the sector. Using a slogan, "farm to foreign," the Honorable Prime Minister, emphasised the need for increasing the exports to reach the target of \$650 billion by 2025.

Speed, scale and quality are necessitates for Indian textiles to compete against countries like China, said the Prime Minister. Innovation and research are needed to meet the demands of consumers in other countries as culture, life style and fashion trends are different. He also emphasised some specific areas such as organic dyes, which need attention.

The mega textile event that had over 1000 exhibitors and 15,000 registered buyers/delegates from many different countries. The Ministry of Textiles, Government of India organised the 3-day event, which attracted a large technical audience and general public.

Source: indiantextilejournal.com - July 04, 2017

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Apex textile industry body terms 18 per cent GST 'severe blow' to synthetic sector

NEW DELHI: Textile industry body Confederation of Indian Textile Industry (CITI) has termed the government's move to impose 18% Goods and Service Tax (GST) on manmade fibre and yarn a 'severe blow' to the synthetic sector.

The apex industry association of the textile sector on Monday urged the government to reduce the levy to 12% to save the sector whose growth rate is stagnated due to high price, higher cost of manufacturing due to high input prices and competition from China, South Korea, Indonesia and Thailand.

"Small and Medium Enterprises (SMEs) and unorganized mills will face severe challenges as their profits are very low," said CITI chairman J Thulasidharan.

He added that the SMEs of synthetic fibres and yarns might not withstand the market pressure for more than three months.

Moreover, the significance of the unorganized sector is reflected from the fact that only 4% fabric is produced in composite mill segment.

"Disadvantage to man made fibre and yarn based textile goods will keep surmounting as India's Free Trade Agreements (FTA) with ASEAN and SAFTA will allow imports of these items from countries like Indonesia, Thailand and Bangladesh which offers MMF textile goods at low and cheap prices," he said.

Source: economictimes.indiatimes.com- July 03, 2017

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18% GST on manmade fibre, yarn severe blow to synthetic textiles: CITI

Textile industry body CITI today urged the government to reduce GST rate on manmade fibre and yarn to 12 per cent from 18 per cent, saying the higher levy will pressurise Indian producers to source yarn and fabrics at a cheaper rate from China and Indonesia.

The Confederation of Indian Textile Industry (CITI) Chairman J Thulasidharan requested Finance Minister Arun Jaitley, Textile Minister Smriti Irani, Textile Secretary Anant Kumar Singh and Revenue Secretary Hasmukh Adhia to reduce the manmade fibre (MMF)/synthetic fibre and yarn GST rates from 18 per cent to 12 per cent.

Indian synthetic sector growth rate is stagnated due to factors like high price, higher cost of manufacturing on account of high input prices and competition from China, South Korea, Indonesia and Thailand.

Thulasidharan explained that mill gate prices of MMF/ synthetic fibre and yarn are higher in India compared to competitors like China, Indonesia and South Korea.

He further added that these countries have lowest tax and high export incentives to produce and supply MMF textile goods in the global market. "Therefore, 18 per cent GST rate on MMF/yarns will have great ramification on the India's MMF fibre and yarn industry business prospects," the CITI Chairman said, adding that small and medium enterprises and unorganised mills will face severe challenges as their profits are very low.

He added that the SMEs of MMF/synthetic fibre and yarn may not be able to withstand the market pressure for more than three months with 18 per cent GST from 1 July onwards as GST rate on MMF is highest among the major textile producing and supplying countries of the world.

The significance of the unorganised sector is reflected from the fact that only 4 per cent fabric is produced in composite mill segment.

“Disadvantage to MMF fibre & yarn based textile goods will keep surmounting as India’s Free Trade Agreements with Association of South East Asian Nations and South Asian Free Trade Area will allow imports of these items from countries like Indonesia, Thailand and Bangladesh which offers MMF textile goods at low and cheap prices,” the CITI Chairman said.

Thulasidharan stressed upon to rationalise the GST rates on a war footing basis as this will dent India’s competitiveness in MMF sector.

Source: thehindubusinessline.com- July 03, 2017

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GST Impact: 22%-25% Price Hike in Textiles During Durga Puja

Kolkata: The usual Durga Puja sales spree may take a hit this year as textile prices are expected to shoot up by nearly 22%-25% in West Bengal, as the new GST regime brings a 5% tax on fabrics. The GST council has imposed a 5% tax on yarn, fabric cotton and apparels up to Rs 1,000. In case of ready made garments it will be 12%, while hand-made yarn has been taxed at 18%.

Several traditional, non-mechanised, saree manufacturing units in places like Shantipur, Fulia, Murshidabad and Birbhum are fearful of the new tax system hitting their businesses hard. The manufacturing units claim that wholesale traders will bargain to keep their profit margins high ahead of the Puja season.

“Most of workers in saree industries are uneducated. Even those who are running these units are also unaccustomed to the tax system. We are confused on how to run our business,” Bhawani Mallik, a whole sale Bengali saree traders in Fulia, Nadia district said.

Speaking to News18, Arun Bhuwarka, president of Chamber of Textile Trade and Industry said, “Puja is in September this time – it’s early. We have less time to understand the revised prices or how much burden we would have to bear.”

“We have never paid taxes since Independence but now we have no other option but to increase prices. Our production cost will increase by 10%-12% and this is ultimately going to affect the buyers because the prices are going to increase by 22%-25%,” he said.

According to Bhuwalka, there are more than 5 lakh textile traders in Bengal, of which nearly 52,000 are in Kolkata alone. “The textile market is big in Bengal. During Puja, sales increase by almost 10%-15%. One can imagine how the tax slabs are going to hit the traders hard,” he said, while adding that not only Bengal the same problem is also being faced in Gujarat, Maharashtra and in Tamil Nadu.

Traders’ body are complaining that despite repeated letters – to Union Finance Minister Arun Jaitley, Minister of State for Finance Santosh Gangwar and Textile minister Smriti Irani – their pleas went in deaf ears.

As per Associated Chambers of Commerce and Industry of India (ASSOCHAM) – in last few years, the Durga Puja market grew at the rate of approximately 35% per annum. This year though, it may go down due to the unified tax system.

“Next month, textile associations across India are going to sit for a joint meeting in the national capital to decide the next course of action,” Bhuwalka said.

Source: news18.com- July 03, 2017

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SIMA welcomes GST era for textile industry

The Southern India Mills' Association (SIMA) has welcomed GST era for the textile industry and highly appreciated the government and Union textile minister Smriti Irani for bringing a seamless tax structure for the entire cotton textile value chain at the lowest slab rate of 5 per cent GST rate. The year 2017-18 will be beneficial for the cotton industry.

M Senthilkumar, chairman of SIMA said that the year 2017-18 will be a good year for the cotton textile industry with a sound tax eco system and real time governance coupled with availability of surplus cotton.

He added that the textile industry has been suffering with numerous taxes and different types of cess which were adding to the cost indirectly as they were not duty drawback compatible and therefore adding to the cost thus making the industry uncompetitive especially, the MSMEs and decentralised segments.

With the implementation of GST, all indirect taxes would be merged, said the SIMA chief. He also stated that Tamil Nadu accounts for 1/3rd of the textile business of the nation the state governments especially the government of Tamil Nadu should come forward and remove certain taxes and levies that are not subsumed in GST like Market Committee Fee and various other municipal taxes.

SIMA chairman also applauded the efforts made by the Union textile minister for organising Textiles India 2017, the first ever textile industry international event organised by the Government of India by bringing over 1,000 exhibitors, 2,500 overseas buyers and 15,000 domestic buyers. He thanked the Prime Minister for inaugurating the event, visiting the stalls and delivering an inspiring speech at the event, said the association in a press release.

SIMA chief also highly appreciated the thorough understanding by Prime Minister about the textile industry and giving top most priority for the growth of the industry. He also added the active initiative taken by the Chief Minister of Andhra Pradesh and the state government of Telangana, especially KT Rama Rao, minister for panchayat raj & information technology for the efforts taken by them to attract investments in these states. Senthilkumar felt that Textiles India 2017 event would greatly enhance the visibility of Indian textile industry in the global market.

SIMA chairman, however, is disappointed for not considering the genuine demand of reducing 18 per cent GST on MMF and blended spun yarn to 12 per cent which will avoid huge inverted duty accumulation at grey fabric stage.

He said that the decision of considering any rate revision only after three months would seriously affect the synthetic spinning and grey fabric manufacturing sectors.

He added that the GST Council had presumed that the total duty levied on MMF and its blended spun yarn was 17.5 per cent with 12.5 per cent Central excise and 5 per cent VAT which is true only for filament yarn. He further said that in the case MMF spun yarn over 97 per cent sales was inter-state with 2 per cent CST and almost all the yarn sale was at zero rate optional route with regard to central excise.

He stated that the inverted duty would steeply increase the fabric price and make Indian textile uncompetitive as the imports would loom large with a reduction of duty on imports, to the tune of 12 per cent. He also appealed to the Prime Minister and the finance minister to reduce the GST rate on MMF and its blended yarn from 18 per cent to 12 per cent and also include garment and made-ups job work under the 5 per cent service tax list of GST.

Source: fibre2fashion.com- July 03, 2017

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Raymond bets big on khadi

Raymond, which is planning the retail roll-out of its khadi products in October, expects a five per cent revenue share in its over ~1,200-crore apparel business to come from this segment.

“We hope to roll out khadi products under the Raymond Ready to Wear brand by October, and expect to do ~6070 crore business from khadi this year. While in the first phase we will focus on domestic sales, in the second phase we have the intention of selling khadi apparel internationally,” Gaurav Mahajan, president – apparel business, Raymond, said.

Of the total branded apparel revenue of ~1,270 crore in financial year 2016-17, the company’s Park Avenue brand generated ~593 crore, followed by ColorPlus at ~275 crore, Raymond Ready To Wear at ~225 crore, and Parx at ~173 crore. The company has a range of products in khadi, including suits, shirts, western wear and sherwani, among others. Raymond's design team has been working closely with khadi weavers across the country under the Khadi Village Industries Commission (KVIC).

Eventually, Raymond would be sourcing 400,000 metres of khadi from KVIC clusters. The company is expected to create three million man-hours of employment for khadi weavers through its retail venture.

There are around 25 khadi weaving clusters under the KVIC where the handwoven fabric is sold in the price range of ~150-~1,000 a metre. “There is a lot of design intervention being done from our side in collaboration with weavers,” said Mahajan.

He said the roll-out would initially be in the domestic market through The Raymond Shop and Raymond Ready to Wear stores, and would later be expanded to other stores, including multi-brand outlets (MBOs).

Raymond had 1,080 stores across all formats, including exclusive-brand outlets (EBOs) and flagship The Raymond Shop (TRS), in 400 towns as on March 31. Of these, the company had 714 TRS, 28 Raymond Ready to Wear EBOs, 135 ColorPlus EBOs, 82 Park Avenue EBOs, 60 Raymond MTM EBOs, and 12 Parx EBOs.

In addition, the company has 49 overseas stores across Bahrain, Bangladesh, Pakistan, Sri Lanka, Nepal, Oman, Saudi Arabia, and the UAE. Eventually, Raymond would be sourcing 400,000 metres of khadi from KVIC clusters. The company is expected to create three million man-hours of employment for khadi weavers through its retail venture

Source: business-standard- July 04, 2017

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Stung by GST, textile traders meet Chief Minister K Chandrashekar Rao

Hyderabad: Chief Minister K Chandrashekar Rao on Monday assured that he would up take the grievances faced by the trading community, following the launch of GST, with the Union government. The assurance comes after strong protests launched by the textile and cloth merchants against the Goods and Services Tax (GST).

A delegation of the cloth merchants association called on Chief Minister at Pragathi Bhavan and submitted a memorandum requesting him to come to their rescue from the financial implications under the new tax system.

The association leaders brought to the notice of the Chief Minister that textiles had been exempted from tax bracket earlier but, under GST, 5 per cent tax is levied which would adversely affect the trade.

In a quick response, K Chandrashekar Rao said that he had already asked the centre to exempt textiles, granite, two bedroom houses scheme, drinking and irrigation schemes from the purview of the GST. He would bring to the notice of the Prime Minister Narendra Modi the plights of the textile traders again.

The Chief Minister assured that these matters would be solved in the GST Council meeting soon.

Source thehansindia.com- July 04, 2017

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GST: Textile traders in a bind; regional cinemas' prospects dim

Prime Minister Narendra Modi's parliamentary constituency was virtually shut down on Monday.

Weavers and those involved in making the famous Banarasi sari went on indefinite strike to protest the 5 per cent goods and services tax (GST) on the product.

The Banarasi Vastra Udyog Sangh, the umbrella organisation of Banarasi sari producers and traders, is affiliated to the Bharatiya Janata Party (BJP). Textile traders all over India hit the streets to protest the indirect tax.

Protests were reported from Surat, too, where police had to resort to a baton charge after textile traders allegedly threw stones at policemen, a senior official said. "We had to resort to lathi-charge after some protesters pelted policemen with stones, injuring one of them," Surat Police Commissioner Satish Sharma said.

Thousands of traders hit the streets and chanted slogans. The protest was held in support of an indefinite bandh called by the GST Sangharsh Samiti.

Rajya Sabha MP and senior Congress leader Ahmad Patel tweeted: "Shocking that police has used brutal force against Surat traders protesting against GST. Govt must reason with them, not suppress them."

The GST wreaked havoc in Tamil Nadu, too. Cinemas across the state cancelled screening and were closed to protest the imposition of 30 per cent entertainment tax, on top of the 28 per cent GST (goods and services tax). Now the movie industry will have to pay 58 per cent tax. Audiences might have to bear part of this.

Abirami Ramanathan, president of the Tamil Film Chamber of Commerce, told agencies all shows would be cancelled from Monday. He said the state government had notified that municipalities would not levy tax on top of the GST. "If we screen movies, we have to pay local body taxes immediately as it came into force yesterday.

We are closing cinemas as there is no other way out. We cannot increase ticket prices for all movies. We have requested the government to fix a threshold within which we should be allowed to change ticket prices."

The GST would choke regional films, said industry sources.

Marathi films, for instance, are not taxed because of a differential rate. The same goes for Telugu films. In a statement, L Suresh, veteran producer, distributor, and president of the South Indian Film Chamber of Commerce, said: "The GST of 28 per cent will hit south Indian cinema badly. This is not only because (existing) tax rates are low, but also in states like Karnataka, there is no tax on Kannada films."

Source: business-standard.com- July 04, 2017

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Why India lacks a proper policy for textile industry

The last time a clearly discernible, printed and published policy was brought out by the ministry of textiles was 1985. It was a disaster for all but the manufacturers of polyester and other textiles made of synthetic yarns. Many tomes were written analysing and critiquing it.

It did not serve the artisan's agenda other than randomly scattered work sheds or subsidised spectacles in passing.

One of the many consequences of the policy was the influx of synthetic garments and saris that may have been convenient to "wash and wear" and the easy transition to power looms that were supplied with synthetic yarn. However, it spelled dark days ahead for weavers used to weaving pure yarns, and worse still for the health of one's skin in our extremely hot climate.

Since then there has been no well-articulated policy for the entire textile sector that shows the proportion of attention and support given to mill fabrics (both private and national corporations), power looms and handlooms, or the government's vision towards their balanced development of each. *If their income is below Rs 20 lakh, artisans are not eligible for GST registration; but they are liable to pay the tax of goods sold to their customers. Photo: India Today*

Government-owned textile mills were sold off for real estate gains, unlicensed power looms proliferated and were stamped by private mills as their produce.

Handlooms were given lip service with some expos here and there, which were generally used as a cover up for selling non-handloom cloth for tax rebates.

Each regime and minister tweaked policies in a whimsical manner. Some states, development organisations, academics, and odd dedicated individuals fought hard and kept handmade textiles afloat.

Today, we have a resurgence of the word "textile" and a welcome, long-awaited emphasis on the promotion of handloom, with a proactive and energetic minister of textiles who has ten ideas a day, which she is in a hurry to implement.

She visits or meets representatives for silk, wool, jute, mill cloth, power loom, handloom and handicraft manufacturers and is quick to grasp their problems and respond.

However, sometimes there is a sense of disquiet. Ten ideas and corresponding announcements a day may be a literary flourish but the firm implementation and visible results of this at the rate of one a month would have been wonderful. Instead, we see artisans and other stakeholders excited, imagining their problems will be solved. They have not been.

Communication lines have been opened in the name of help lines, identity cards to avail of various facilities to ease the lives of workers have been introduced, there are improved systems at some Weaver's Service Centres, which earlier lay moribund.

When existing institutions are energised, personnel serving in them follow suit.

Change is happening sporadically. However, new systems are emerging in fields that affect the entire textile sector which - because of absence of instructional clarity - leave the simple-minded floundering. Prime examples are Geographical Indicator Systems (GI), General Sales Tax (GST), even Pradhan Mantri Kaushal Vikas Yojana (PMKVY), the Ustaad scheme in the minority affairs ministry and many others, spread over various sectors and ministries that could help those working in the textile sector.

Large, organised institutions manage with educated personnel and have access to chartered accountants, auditors, tax lawyers and contacts, but try asking simple craftspeople about alphabet soup programmes - as great as the artisans may eventually turn out be, they are clueless as to the process and eventual benefits of such initiatives. There is no person, cell, department or policy that spells these out clearly for each section of "textiles" in India.

For the past three weeks, those concerned about the sector which looks after the concerns of the handmade crafts, traditional arts and textiles, have been scratching their heads for clarity from somewhere on the exact process of how the GST will apply to them.

Will it harm or benefit them? Will they unknowingly be penalised for computer illiteracy? Where do they find anyone who will clarify matters for them? They report that the minister's statements have been generic and unclear.

For instance, a well-established not-for-profit organisation that consists of craftspeople in all sectors and every state has information, which, even a week before the GST rollout, may well be incorrect.

They may go to a Chartered Accountant, but what will the hundreds of others do as they grapple with varying turnovers, computer facilities and literacy levels? Yes, they must become registered entrepreneurs, but a fair number are at the we-have-no-printed-letterhead level. If their income is below Rs 20 lakh, they are not eligible for GST registration; but they are liable to pay the tax of goods sold to their customers.

Taxation has shifted to generic names of materials or services from overarching terms like "handicraft" and "handloom", irrespective of the section that manufactures them and the livelihoods that are involved.

Geographical Indicators (GI) may sound like excellent legal protection. The ministry of textiles spelled it out at a well-organised conference recently. Senior craftspersons were invited. I raised a host of questions our craftsperson members may ask us, like how to apply for a GI certificate, who does and pays for the heavy paperwork involved, who fights for them if their rights are encroached, what is the ultimate benefit, how is GI different from brand, patent and copyright.

The next day, the attending craftspersons visited our office to ask us the very basic of all questions, "What is GI?" They had grasped nothing.

This indicates that a lot more groundwork, unglamorous and unseen, needs to be done. The textile sector offers the potential for enormous development work in natural dyeing, creation of new natural fibres and textures of cloth, induction of technology that helps overcome drudgery without demolishing the handmade component so unique to India.

Fashion designers from across India and the world can step in and use their talents in the best ways to aid textile.

We still tend to whip up cream rather than get our hands to tend the fertile under soil.

Source: dailyo.in - July 03, 2017

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Telangana CM pitches for GST exemption on textile trade

Cloth merchants associations on Monday requested Telangana chief minister K Chandrasekhara Rao to persuade the Centre to exempt textiles from GST since a majority of poor and middle-class families live on this trade. A large delegation representing textile trade bodies, including Telangana Federation of Textiles Associations have met with the chief minister in his camp office.

Once enjoying a complete exemption, textiles trade now attract a 5 per cent tax under GST. The merchants association representatives said the move will adversely affect trade.

Responding to their request, Rao said that there should be an exemption for the textiles under the new tax as well. The state government has already urged the Centre to exempt textiles, granite industry, free two bedroom housing scheme introduced for the weaker sections, drinking and irrigation water schemes, and beedis from GST.

Rao also said the Centre has assured to consider these issues and the same are expected to be addressed in the next GST Council meeting.

Source: business-standard.com - July 03, 2017

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India, Russia textile trade likely to reach more than \$1bn

The textile trade between India and Russia currently stands at \$161 million, but has the potential to reach more than \$1 billion with a huge market of winter wears in Russia, said J K Dadu, additional secretary, Union ministry of textiles while speaking at a country session on the second day of Textiles India 2017.

With over 10 months of extreme cold climate in Russia, India can has the potential to cater to this weather through items such as leather jackets, caps, boots, pashmina shawls and various other woolens, which it can export.

Also with Russia's push to become environment friendly, India can provide it with jute bags, Dadu added.

Experts at the session also discussed how high import duties in Russia are impeding exports from India.

Source: yarnsandfibers.com- July 03, 2017

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Why cotton sowing is surging in Haryana

The National Highway 9 (NH-10 by old numbering), which connects Delhi to the border town of Fazilka in Punjab, has a lesser-known distinction.

The 403-kilometre-long carriageway, which cuts through four major districts of Haryana — namely, Rohtak, Hisar, Fatehabad and Sirsa — bifurcates the region broadly into two in terms of agricultural practices.

While fields on one side of the NH-9 grow mainly paddy, those on the other are known more for growing cotton.

“Over the years, there may be some changes with increased water availability, but this has broadly been the trend,” says a farmer leader based in Fatehabad.

Record cotton sowing

The region, known as the cotton belt of Haryana, has assumed significance this year, as there has been a record sowing of cotton, on 6.3 lakh hectares, which is over a quarter more than the 5 lakh ha in the corresponding period last year.

“More and more farmers are going for cotton this year and the official estimates project that the total area of cultivation would come to 6.53 lakh ha as against 5.7 lakh ha in 2016-17,” says Roshan Lal, a former professor of entomology at the Chaudhary Charan Singh Haryana Agricultural University, Hisar.

“Many farmers who grew pulses, such as pigeonpea, and green gram or oilseeds, such as groundnut, are going for cotton as the cash crop fetched a good price last year,” he says.

In 2016, Haryana’s cotton growers had a bountiful yield after white fly attacks for three years in a row led to dwindling of the yield.

“Farmers in the region were left with limited choice as many areas suffer from water scarcity and hence were not suitable for paddy,” says Chandrabhan, who grows cotton in Buthan Kalan village of Fatehabad district.

According to statistics available from Fatehabad district officials, cotton is grown on over 72,500 ha out of 2.5 lakh ha of cultivable land.

“For them, it is nothing but a roll of dice. The crop has become less and less remunerative over the years. They still do it because they know nothing but farming,” says Chandrabhan who is also a lawyer.

While prices of seeds and inputs have gone up significantly, the price that a farmer gets has either stayed at what it was some 15 years ago or come down.

For instance, he says, a quintal of cotton was priced around ₹5,500 in 2001, the best price available to a farmer last year was ₹5,000 per quintal.

High costs

Even at a price of ₹ 5,000 per quintal, a tenant farmer sustains losses, he argues. He says a tenant farmer has to shell out ₹41,000 as rent, input costs, and labour charges. The best yield of 8 quintal per acre gets him only ₹40,000.

Vijay Dukda, a cotton farmer in Dukda village, 18 km from Sirsa town, has another concern. He says he wanted to go for non-Bt cotton this time, but can't get the seeds.

“I wanted to go for it as Bt cotton growing was affecting the productivity of the wheat crop I grow following the cotton harvest,” he says.

The country-wide kharif crop sowing data released by the Agriculture Ministry on June 30 actually shows that of a total area of 6.3 lakh ha under cotton cultivation, less than 1 per cent is growing non-Bt cotton.

Source: thehindubusinessline.com - July 01, 2017

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