

IBTEX No. 123 of 2017

June 17, 2017

USD 64.47 | EUR 72.18 | GBP 82.58 | JPY 0.58

Cotton Market (15-06-2017)		
Spot Price (Ex. Gin), 28.50-29 mm		
Rs./Bale	Rs./Candy	USD Cent/lb
20079	42000	83.31
Domestic Futures Price (Ex. Gin), May		
Rs./Bale	Rs./Candy	USD Cent/lb
20210	42275	83.86
International Futures Price		
NY ICE USD Cents/lb (July2017)		77.22
ZCE Cotton: Yuan/MT (Sept 2017)		15,625
ZCE Cotton: USD Cents/lb		86.84
Cotlook A Index - Physical		85.50
<p>Yet another bearish day set for cotton at the global frontier. The July future slipped below 200-day moving average at 74.27 and this morning trading at 73.35 cents. We would not be surprised to see it coming down to 70 cents area in the very near future. We have cited following below reasons for price correcting down side and believe those factors may continue to weigh on the market. In line July the next key December contract also has slipped to 70.80 cents. We believe the scenario has turned completely bearish and likely that the cotton price trend may remain bearish.</p> <p>In line with the global counter parts the domestic spot price has also softened. However, the fall has been very nominal because the superior quality cotton demand is still high due to lesser availability of stocks. The S-6 variety is maintained at Rs. 43,650 per candy higher by Rs. 150 from the previous close.</p>		

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However, other varieties like J-34 have declined to Rs. 4670 per Maund. The futures contract has certainly been affected with the global price trend. The most active June has declined to 20210 down by Rs. 70 from the previous close. Likewise, the other future contracts have also softened in the last 9 trading sessions. We expect cotton futures to remain bearish today and likely that June future may come below Rs. 20K per bale. The trading range for the day would be Rs. 19950 to Rs. 20200 per bale.

As said above the S-6 is holding firm therefore the fall in future contract in the domestic market is falling with a lesser pace. ICE July contract may trade in the range of 72.50 to 74.30 cents/lb.

Reasons attributed to fall in price:

- a) US Planting crop for the year 2017-18 has advanced to 92% vs. 87% last year. The 5 year average is 90%
- b) USDA boosted projected U.S. ending stockpiles by 10% and reduced export prospects
- c) The crop in the US is expected to be around 19.20 million bales
- d) Massive long liquidation from July to December has been pulling cotton price lower
- e) World's largest producing cotton i.e. India is expected to see a large crop this year amid higher acreage and better yield is also adding pressure to cotton price globally to trade down.

China Auction Result: Cumulative sales to date are now just over 1.48 million tonnes. Turnover represents just over 70 percent of the total lots offered.

Compiled By Kotak Commodities Research Desk , contact us :
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INTERNATIONAL NEWS

Respect RMG workers' rights: EU to Bangladesh

Bangladesh needs to step up its efforts to prevent the exploitation of textile workers, said the members of European Parliament (MEPs) in a resolution adopted recently. Textile workers in Bangladesh, many of whom are young women, suffer long working hours, low wages, uncertainty and hazardous conditions. Trade union leaders are often persecuted.

The 2013 Sustainability Compact, aimed at preventing tragedies like the April 2013 Rana Plaza factory collapse in Dhaka, has resulted in moderate improvements in workplace safety, but respect of workers' rights is lagging behind, MEPs noted in a non-binding resolution adopted by a show of hands.

Reviewing the implementation of the 2013 Compact, MEPs have suggested a series of measures. They have asked Bangladesh to swiftly amend the 2013 Labour Act so as to ensure freedom of association, collective bargaining and to recruit more factory inspectors.

MEPs also said that The mandate of the 'ACCORD', a platform including European Union (EU) companies that help to implement the compact, should be renewed after its expiry of May 2018 and international brands ought to take their CSR policy more seriously to ensure decent working conditions.

The next suggested measure is that the EU Commission should table an EU-wide legislative initiative on the garment sector for a due diligence system.

"Despite some progress in recent years, the situation on the ground remains worrisome. We are very concerned about the lack of meaningful progress in implementing the commitments of the Sustainability Compact by Bangladesh.

Countries, which disrespect fundamental rights at work, should not be encouraged by benefitting from unrestricted access to our market.

The government of Bangladesh will need to demonstrate that it is willing and able to deliver on its own promises and the demands of the international community," said chair of the INTA Committee, Bernd Lange (S&D, DE).

Standing rapporteur for South Asia, Sajjad Karim (ECR, UK) said, "EU trade policy is our soft power. But it's very powerful and based on values, meaning we demand our trading partners respect core principles in the areas of human, labour and environmental rights.

I have done all I can as chair of the INTA monitoring group for South Asia to get Bangladesh to comply. It seems they are not listening. We cannot keep issuing appeals and statements every year - we have to see tangible results on the ground for privileged market access to be continued."

Bangladesh benefits from the most favourable regime under the EU's trade preferences that grants duty and quota-free access to the EU market, except on arms and ammunition.

In July 2013, in response to the Rana Plaza tragedy, the EU took the initiative of launching a Sustainability Compact for Bangladesh to improve labour rights and factory safety. The initiative brings together the EU, the government, the USA, Canada - the main markets for Bangladeshi garment production - as well as the International Labour Organisation.

The EU is Bangladesh's main trading partner, absorbing 46.7 per cent of its exports in 2015.

It is the world's second largest garment producer, with the textile sector providing almost 81 per cent of total exports; almost 60 per cent of the clothing goes to the EU.

Source: fibre2fashion.com- June 16, 2017

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4,000 Tons of Cotton Imported Into Iran

More than 4,000 tons of uncarded and uncombed cotton worth 270 billion rials (over \$7.2 million) were imported during the first month of the current fiscal year (March 21-April 20), according to the Islamic Republic of Iran Customs Administration.

The imports were from the United Arab Emirates, Turkey, Uzbekistan and Tajikistan, Mizan Online News Agency, affiliated to the judiciary, reported.

Managing director of Iran Cotton Fund, Mohammad Hossein Kaviani had earlier said domestic cotton production stood at close to 40,000 tons in the last fiscal year that ended in March 2017.

"Our textile industries' need is between 90,000 and 100,000 tons per year. Local production is not sufficient to meet domestic demand. We need to import at least 50,000 tons annually," he said.

Source: financialtribune.com- June 17, 2017

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Pakistan: Govt to revise trade policy

The Ministry of Commerce has decided to revise the Strategic Trade Policy Framework (STPF) as exports continue to fall.

The decision was taken on Thursday in a meeting headed by Commerce Minister Khurram Dastgir. A source privy to the meeting told Dawn that a new policy will be evolved in six months.

The three-year STPF was approved by the government last year. The framework aimed to expand exports to \$35 billion by 2018, improve export competitiveness, shift the economy from factor-driven to innovation-driven and increase the share in the regional trade.

However exports have continued to fall and expected to reach \$20bn this fiscal year compared to around \$25bn in 2013.

The government will now initiate consultations with 12 large export associations next week, while an inter-ministerial meeting will be held after Eidul Fitr on the issue.

Major reasons identified for failure of the STPF were: the framework was properly structured, notifications of the five major schemes were issued late, cumbersome procedures for availing the schemes.

Under the existing STPF, claims of only Rs3.3m were received in two years from exporters while a bulk amount of Rs4bn was lapsed and subsequently surrendered to the Ministry of Finance.

The new version of the STPF will include proposals from major stakeholders received before the budget 2017-18, the source said. It will review previous export promotion schemes.

An official statement issued after the meeting said the commerce ministry was all set to revise the STPF to facilitate exporters. Mr Dastgir directed Secretary Commerce Younus Dagha to complete work on STPF by the end of this year.

The meeting was informed that the government will monitor the performance of trade officers abroad, conclude free trade agreements (FTAs), revise preferential trade agreements and explore new export markets.

Mr Dagha said steps have been taken to boost trade, and cited bilateral trade between Pakistan and Iran which has crossed \$1bn.

Mr Dastgir directed Mr Dagha to launch a Pakistan branding campaign, ensure the inauguration of Pakistan Institute of Trade and Development's building, complete work on the new STPF, e-commerce framework, geographical indication law and FTAs, especially with Thailand and Turkey, by the end of this year.

He also directed the secretary to ensure reimbursement of the tax refunds.

Source: dawn.com- June 16, 2017

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Bangladesh: Fresh VAT burden on weavers

Thirty years ago, Nilkamal Basak began weaving the much-coveted Tangail sari to take his family profession forward.

He didn't have to pay VAT until the revenue officials last year asked him and his colleagues in Pathrail, Tangail to pay a fixed amount as package VAT against sales of saris.

The weavers paid it to avoid any unnecessary hassle. However, they are now confronting a new reality. A flat 15 percent VAT is going to be slapped on their products once the VAT and Supplementary Duty Act, 2012 comes into effect from July 1.

Local fashion boutiques, the main promoters and sellers of handloom clothes, are also going to be under the purview of 15 percent VAT from the beginning of next month, up from 4 percent.

For Nilkamal, this is not good news at a time when the weavers are under pressure from falling demand for sari and influx of Indian saris through legal and illegal channels. The demand for saris is on the wane as more women prefer to wear salwar-kameez.

“Prices of saris will rise if 15 percent VAT is slapped on weavers. This would only compound our misery,” said Nilkamal over phone.

Also, other handloom fabrics such as lungi and napkin known as gamchha are likely to get pricier due to the introduction of the new VAT system.

The 49-year-old weaver said many handlooms became inoperative over the recent years due to falling demand for handmade saris which faced stiff competition from machine-made cheap clothes.

He feared the government's latest decision would force many more weavers to quit their profession. “Why will people buy our saris at higher prices when better finished clothes are available at cheap rates?”

Where will the century-old handloom sector head for?” he questioned.

FASHION HOUSES TO BE HIT

Weaver Alimuzzaman Ripon of Narayanganj and operators of some local fashion houses are worried that imposition of 15 percent VAT will increase prices of locally weaved clothes and reduce the sale.

However, the National Board of Revenue (NBR) claims that prices will not go up as businesses involved in the supply chain will get input tax credit which is difficult to get under the existing VAT Act, 1991.

To claim the rebate, weavers and firms will have to obtain a Business Identification Number (BIN) online, keep records of their purchases and file returns with the NBR regularly, said revenue officials.

Traders, however, said getting the tax rebate would be tough for small and medium businesses and marginal producers like weavers who work in an informal manner in the rural and suburban areas of some districts, including Tangail, Sirajganj and Narsingdi.

Nilkamal said it would be difficult for most of the little educated weavers in his locality to maintain records and accounts properly to claim the rebate. He feared this might cause harassment to weavers and create panic.

He said weavers usually buy yarn from small sellers who don't have VAT registration. So they will not get VAT invoices.

“I don't understand rebate. I'm a weaver and it is my hereditary profession. I know about yarn and colour. Governments in other countries patronise and nurture traditional products. But here we see attempts being made to destroy those,” said an emotional Nilkamal.

Weavers said their fabrics and clothes would face an increased competition from imported clothes as importers would get a rebate for having a VAT registration.

Azharul Hoque Azad, president of Fashion Entrepreneurs Association of Bangladesh, said imposition of 15 percent VAT would fuel prices of locally weaved clothes and affect the sector that grew over the last two decades. The sector grew due to opening of many new local fashion houses and demands from a section of middle income families.

Azharul, also the owner of fashion outlet Sadakalo, said most of the suppliers of local fashion houses are weavers who don't have VAT registration and usually don't keep records.

“So, we won't be able to claim rebates. Ultimately, the burden of the additional VAT will fall on the buyers. Customers will lose interest in buying local clothes.”

Alimuzzman Ripon, owner of 60 power looms and 40 handlooms, said many weavers would be in trouble if the demand for handloom products plummets. He said weavers don't have work throughout the year.

Raghunath Basak, a weaver and wholesaler of sari and other fabrics in Tangail, said a section of customers will pick Indian clothes as the local products would get costlier due to imposition of 15 percent VAT.

“This will further affect the local handloom sector. Weavers are already facing a tough competition from traders of Indian saris and fabrics,” he told The Daily Star.

He said weavers and people in the value chain of locally made clothes would be benefited if the prices remain low and competitive.

Soumik Das of Rang Bangladesh said the government should focus on widening the VAT net instead of imposing a flat 15 percent across the board simultaneously.

Ashraful Alam, chief operating officer of the country's largest fashion house Aarong, said there might be some impact on the prices of retail branded garments with the imposition of 15 percent VAT.

He said his company was working to evaluate the probable price impact.

Talking to this correspondent on condition of anonymity, two NBR officials said any rise in prices of handloom products would affect weavers unless they get rebates.

Azharul urged the government to keep handloom products out of the purview of 15 percent VAT to help the tradition continue.

He said the government exempted 1,043 items from VAT. “It will not be a big loss for the state if handloom products are kept VAT free.”

Source: thedailystar.net- June 17, 2017

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Pakistan: Cotton stable

Dull trading continued at the Karachi Cotton Exchange on Friday, while spot rates remained unchanged.

The spot rates remained firm at Rs6,700/maund (37.324kg) and Rs7,180/40kg. Ex-Karachi rates also stood unchanged at Rs6,835/maund and Rs7,325/40kg after an addition of Rs135 and Rs145 as upcountry expenses, respectively. An analyst said the market witnessed slow activity because of the end of the season, while the new crop has yet to take boom.

“The activity will improve after Eid holidays, as mills would enter in the market,” he added. Despite water shortages and repeated sowing, hot weather has helped the crop in maturing earlier that has started arriving in factories, he added.

Karachi Cotton Exchange recorded only one transaction of 400 bales from Rahimyar Khan at Rs6,900/maund on conditional basis.

Source: thenews.com.pk- June 16, 2017

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NATIONAL NEWS

Textiles India 2017 to boost export: Minister

Over 1,300 exhibitors will showcase their products and services at the three-day 'Textiles India 2017 fair' at Gandhinagar in Gujarat from June 30 to July 2.

More than 2,500 international buyers from 60 countries are expected to attend the event.

Addressing a press conference as part of the mega event's road show here, Minister of State for textiles Ajay Tamta said that the objective was to bring the various textile value chain and handicrafts sector into one umbrella for its collective growth.

"We expect that the export of both textiles and handicraft products will go up after the event', Tamta said.

Another major focus was to establish India as a major global sourcing for textiles and investment destination, he said.

Lot of business can be created through the B2B-B2G-G2g meetings, MOU's can be signed for export orders', he said.

"This maiden initiative to be inaugurated by Prime Minister Narendra Modi is a collaborative effort of 24 Export Promotion Councils under the Ministry of Textiles and with Confederation of Indian Industry as Industry partner,"he said.

More than 2,500 international buyers from 60 countries, including 40 from key buyers from USA, UK, Germany and France and 15,000 plus domestic buyers will be attending the show.

With an exhibition area of about 1,25,000 square meters spread across 13 Halls, over 1300 plus exhibitors will showcase their products and services.

Participating states are Gujarat as host state, Assam and Andhra Pradesh as partner States, Karnataka, Jharkhand, Maharashtra and Telangana as Focus States for Textiles India 2017.

Source: business-standard.com- June 16, 2017

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Gujarat clusters demand GST exemption on yarn, fabrics

Textile clusters in Gujarat have demanded the government to exempt yarn and fabrics from the Goods and Services Tax (GST). In order to oppose the Centre's proposal to levy 5 per cent GST on these two items, various cloth markets in cities like Surat, Ahmedabad, Rajkot, Bhavnagar, Jamnagar and Junagadh in the state observed a day-long bandh on June 15.

Over 50,000 cloth shops including semi-wholesalers and wholesalers kept their shutters down in Ahmedabad, said media reports quoting Gaurang Bhagat, president of Maskati Cloth Mahajan, a cloth traders' association in Ahmedabad.

Imposing 5 per cent GST on yarn and fabric will be troublesome for cloth businesses and the GST process is lengthy, according to Bhagat. He added that yarn and fabric have traditionally been exempted from sales tax and VAT since 1957 and GST on them is uncalled for.

Bhagat said that the government should levy GST on cotton and raw material instead of processed cloth. The members of the association have also been asked to not register for GST until the next Council meeting on June 18, when the government is expected to review the matter.

The appeal to keep the shops closed on June 15 was given to extend support to bandh calls made by other textile bodies.

Bhagat added that representatives from the textile industry will make a presentation on their demands before the government.

Source: fibre2fashion.com- June 16, 2017

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Technical textile units should come up in Goa: Irani

The textiles ministry is exploring opportunities to attract investments for setting up technical textile manufacturing units in Goa considering that the sector has a huge scope in the state, said Union minister Smriti Irani.

She added that the ministry is providing adequate support for the revival of Kunbi saree, which is specifically made in Goa.

Chief Minister of Goa Manohar Parrikar and his cabinet colleagues will be attending the Textiles India 2017 event that will be held in Gandhinagar, Gujarat from June 30 to July 2.

International buyers and investors from over 60 countries are expected to attend the fair and those dealing in technical textiles can be urged to invest in Goa, said media reports quoting Irani, who recently visited Goa.

The minister also said that there are weavers in Goa as well as outside of the state who make Kunbi sarees and the government will help these weavers revive the art of making this type of sarees with the help of the art and culture ministry.

Source: fibre2fashion.com- June 16, 2017

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Continuous exports growth gives confidence to exporters on easy sailing with GST

Federation of Indian Export Organisation (FIEO) on Friday said that the continuous growth in exports gives confidence to the exporters in India on easy sailing with GST.

The new regime of Goods and Services Tax (GST), which will subsume most of the indirect taxes, is expected to be rolled out from July 1, 2017.

“The exports data for the month of May, 2017 showed yet another consecutive and positive growth depicting the strength and competitiveness of Indian industry,” said Dr A Sakthivel Regional Chairman FIEO Southern Region.

India's exports have surged 8.32% to \$24 billion in the month of May, keeping the growth trajectory for straight eight months, according to the latest data released by the Ministry of Commerce.

Dr Sakthivel said that there are still some issues with regards to GST which need to be resolved and FIEO has raised the same with the government.

“However, various issues raised by FIEO related to GST could be solved in the next meeting of GST council which can help the Indian exports sector to showcase their true potential in the coming months in further achieving higher growth trajectory,” he said.

Dr Sakthivel said that there are some sectors that majorly contribute in the employment generation. These sectors need to be promoted and supported in the mid-term review of foreign trade policy (FTP).

“Engineering goods, gems & jewellery, petroleum, RMG of all textiles, organic & inorganic chemicals, marine exports, all those that have major contribution in employment generation should be promoted and necessary support should be provided in the mid-term review of FTP,” he said.

During May 2017, the exports of petroleum products, organic & inorganic chemicals, engineering goods, RMG of all textiles and gems & jewellery registered growth of 24.92%, 15.34%, 8.25%, 8.06% and 6%, respectively over the same month last year.

Referring to the challenges faced by the textiles industry, Dr Sakthivel said that countries such as Bangladesh, Sri Lanka and Vietnam are going to give India more challenges in the years to come due to LDC, GSP Plus status.

“Indian products should be made more competitive to face these challenges especially in the context of strengthening rupee,” he added.

Source: thedollarbusiness.com- June 16, 2017

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Yogi Adityanath offers sops for private textile parks in UP

Under the new policy, the government will give 100 per cent stamp duty exemption to those investors who buy 50 acres and above land to develop textile parks in the state.

The Yogi Adityanath-led state government in Uttar Pradesh has given the go-ahead to develop private textile parks on expressways and national highways.

Approving the draft of the UP Textile, Handicrafts and Sericulture Policy 2017, Chief Minister Yogi Adityanath has directed officials to identify locations on the expressways and national highways, including Lucknow-Kanpur, Kanpur-Allahabad, Chitrakoot-Jhansi-Lalitpur, Varanasi-Allahabad, Delhi-Meerut, Delhi-Moradabad, Bareilly-Moradabad-Bijnore, Meerut-Nazibabad, Gorakhpur-Varanasi and Gorakhpur-Faizabad.

"Our aim is to attract FDIs and private investors to boost the textile industry in Uttar Pradesh. Those who are willing to invest in this sector will be given tax and other sops. The government has already made provisions for the same in its draft policy," said the CM.

Under the new policy, the government will give 100 per cent stamp duty exemption to those investors who buy 50 acres and above land to develop textile parks in the state.

Investors will also get waiver on interest on loans taken for buying land and construction of staff quarters and hostels.

Source: dnaindia.com- June 17, 2017

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High GST rate may leave small synthetic fibre companies in tatters

Even as the date of GST implementation is nearing, threat of mass closure is looming on India's small, non-integrated manmade fabric manufacturers.



Under GST, manmade fibre yarn will be taxed at 18% while its end product, fabric, will be taxed at 5%. Tax differential leaves integrated textile firms which produce yarn and use it to make fabric at an advantage over those which buy yarn to make fabric.

Also, cotton made yarn and fabric will attract 5% duty. This imbalance is expected to hit small textile companies which buy manmade yarn to weave fabric.

Since manmade fibres comprise of more than twothird of Indian textiles sector, industry bodies fear of mass closing down of small non-integrated players. In addition, since imported fabric will

attract 15% effective duty, cheaper Chinese goods may also pose a serious threat.

Non-integrated textiles players form 80% of India's textiles industry. The effect of differential duty structure under GST can be understood in the way business is conducted between integrated and non-integrated players. Suppose, 1 kg manmade yarn costs Rs 100.

An integrated player (present in more than one segment in textile value chain) would sell the yarn to a non-integrated player at Rs 100, which will attract 18% tax.

After taking into account this tax and value addition of Rs 20, cost of the fabric (final product) will be Rs 138. Considering 5% duty on fabric, the garment maker while purchasing fabric will shell out Rs 145.

For an integrated player, cost incurred on selling fabric after taking into account value addition work of `20 would be much less at Rs 126. This will make business for non-integrated textile players unviable. Sanjay Jain, managing director, TT Ltd, said, "Most manufacturers in industry do a single process and hence a lot of job working is involved.

GST of 18% on manmade fibre would make the job work segments and their principals uncompetitive against large composite mills. This problem is further accentuated as non-integrated textiles player would not get refund of excess GST on input."

Pawan Kumar Kaushik, an Indian businessman based in Taiwan and engaged in business of textiles for the past three decades, said, "The levy of 18% on manmade fibre may result in job losses from non-integrated segment. In my assessment, there could be job losses of 10-15 lakh. Competition from Chinese players would intensify."

According to industry estimates, since the Chinese government provides a rebate of 18%, fabric manufactured there would be 20% cheaper when exported to India even after considering 10% import duty and 5% GST on import of fabrics.

This would result in higher competition for Indian fabric and garment manufacturers.

Source: economictimes.com- June 17, 2017

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Jharkhand has the best textile policy in India

Prime Minister Narendra Modi, will inaugurate the Textiles India 2017, touted to be one of the largest global exhibitions of its kind, to be held from 30 June to 2 July at Mahatma Mandir in Gandhinagar, Gujarat.

Union Finance Minister Arun Jaitley, is expected to address the Valedictory Session.

Spread over an area of about 125,000 square metres, over 1200 national and international exhibitors, 2500-plus global buyers from about 60 countries, and 15,000 domestic footfalls, a litany of industry leaders,

technical experts and senior policymakers from the Union as well as the State Governments, the exhibition will bring all stakeholders under one roof.

“This is a mega international textile event which will showcase India’s strength in the entire gamut of textile and apparel value chain – from fibre to fashion. 24 round tables by industry associations and councils will be held. Topics of sectoral importance will be discussed. Right from R&D to processing to verticals like wool, silk and MMF will all be discussed.

6 conferences will be chaired by Union ministers where topics on how to take India to the next level of export will be discussed. 4 country sessions will be held” said Babni Lal, Economic Advisor, Union Ministry of Textiles, at a Road Show on Textile India organized by CII in Ranchi today. ISEPC and CTR&TI will co-organize the event.

“The key objectives of the Textiles India 2017 are to showcase India’s strength and establish the country as a global sourcing and investment destination,” Babmi Lal said.

“It will also bring all sectors such as handicraft, handloom, jute, apparel and fashion under a single roof. This will draw the attention of world leaders and attract foreign buyers and in the process take India textiles on the global map,” she explained.

“There will be thematic display of textile and apparel, handicrafts products, dedicated pavilions for startups, skills, R&D, sustainability, best display and design etc. along with fashion shows,” Lal informed to more than 65 stakeholders at the Road Show and press conference.

According to the Economic Advisor, from the textile perspective, Jharkhand is extremely important. She went ahead to say that Union Minister Smriti Irani has coined the term Momentum Textile especially for Jharkhand.

Sanjay Seth, Chairman Khadi Board mentioned that Jharkhand has the best textile policy in India and it is soon to be the Tasar capital of the world. K Ravi Kumar, IAS Director Industries mentioned that it is time for Jharkhand to increase its reach to the world by attending the Textile India 2017. Partnerships and joint ventures should be explored at the event.

He further said that it is time for local industries in Jharkhand to expand their business therefore participation in Textile India 2017 is a great opportunity.

Dhirendra Kumar, Jharkhand Khadi Gram Udyog Board advisor and Renu Gopinath Pannicker, CEO Jharcraft were also present.

Source: avenuemail.in- June 16, 2017

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Union Textile Minister urges Kerala handloom and textile sector to avail central benefits

Tagged on the theme 'from Farm to Fiber and Fabric to Fashion', Textiles India 2017, a first ever International Expo and Mega event to showcase India's strength in the Textile and Apparel Value Chain will be inaugurated by Prime Minister Narendra Modi on June 30, informed Union minister of State for Textiles, Ajay Tamta here on Friday.

The three-day mega event will begin at Mahatma Mandir at Gandhinagar in Gujarat with international conferences and cultural show. It will have 24 Round table seminars with the participation of global and national leaders of industry, technical experts and senior policy makers from the Union and State Governments, said Union Minister Ajay Tamta.

The event will also have an international exhibition at Helipad ground in Gujarat with the participation of almost all states across the country and over 2500 international buyers from 61 countries, he said.

When asked about the Union Ministry's support for crisis-ridden traditional handloom and handicraft industry of Kerala, Minister Ajay Tamta told TOI that as many as five MOUs had been signed with handloom sector industries of states including Kerala for enhanced production and marketing facilities.

"Textiles Ministry funded the setting up of Common facility Centre equipped with testing facility for raw materials and finished products in Kerala. Even support is offered for online facility for product promotion with subsidised loans from banks," Minister Ajay Tamta said.

Further he said, handloom production is enhanced with power looms and for that 50 percent subsidy is offered for general category applicants, 90 percent subsidy for ST and 75 percent subsidy for SC applicants. In addition, 10 percent subsidy is offered in procurement of yarn and solar powered looms are promoted, the Minister said. The Union government has supported the Textile Ministry by setting aside Rs 6000 crore to develop textile sector and to host this expo, he said.

"Many creative talents from the handloom and textile sector in Kerala are yet to come forward to avail the supportive schemes of the Union Ministry. Among the States, Kerala is also participating at the international expo from June 30 in Gujarat to showcase its traditional handloom and value-added products," the Minister said.

The mega expo is aimed at improving textile market and to enhance the exports of the country. It will be held in Helipad ground in about 1, 25,000 square metres area spread across 13 Halls.

Over 1200 exhibitors will showcase their products and services which will have the participation of 11 export promotion councils, 17,000 domestic buyers and over 2500 international buyers from more than 60 countries including USA, UK, Germany and France, Union Textile Ministry officials said.

Expo will have thematic display of textile and apparel, handicrafts, handloom, jute, pavilion for Start-up's, Skills, R&D Sustainability, best display and design, Fashion Show's, B2B and B2G Meetings, four Country Sessions, six State Sessions and Seminars on ASEAN India and Common Wealth. Interactive conferences will be chaired by seven union ministers on various themes including India as global sourcing and investment destination, productivity challenge for natural fibres, exploring textiles growth potential and skilling needs in high value chain of textile sector. The valedictory session will be addressed by Union Finance Minister Arun Jaitley.

"Textiles business based on its utility value is 10 times stronger than steel industry. Geotextiles finds its application in roads and construction industry as it offers strength and durability, due to its light weight and durability it finds application in aircraft manufacturing and defence industry," the officials said.

Source timesofindia.com- June 16, 2017

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Amazon to invest more in infrastructure in India

Amazon, which has completed four years of operations in India, will continue investing in infrastructure and solutions to enhance consumer and seller experience. It has recently committed to invest around \$ five billion. Amazon has been setting up fulfilment centres across the country for speedy delivery to consumers. It has 41 warehouses across 13 states.

"Last year, half the capital deployed was in infrastructure. This year too, we will continue to invest in infrastructure, innovation and technology," Amazon senior vice president and country manager (India) Amit Agarwal told a news agency.

"Our new customer acquisition has also grown by 60 per cent year-on-year in 2016, driven by growth from tier II and III cities," he said.

Seller base of the US-based e-commerce major has increased from 100 in 2013 to two lakh currently. The company is looking to overtake local rival, Flipkart.

The report said that with Tiger Global-backed Flipkart's fund raise of \$ 1.4 billion earlier in 2017, the competition is set to intensify with both companies likely to pump in money to strengthen operations and woo customers with offers.

Amazon founder Jeff Bezos had highlighted the importance of the Indian market to Amazon's operations, according to the report.

Source fibre2fashion.com- June 17, 2017

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Vidarbha farmers avoiding tur, betting on cotton

Left disappointed with poor rate fetched by the tur crop, Vidarbha farmers are once again betting high on cotton. According to initial reports of sowing trends, cotton-growing area is expected to increase bringing down area where tur will be grown. Traditionally, cotton has been the mainstream crop of Vidarbha and is also linked with the agrarian crisis here.

Experts fear higher dependence on cotton will make the region's farmer vulnerable. Reducing tur production can once again bring the availability to moderate levels. There are chances that tur may be costly again next year.

There was a major shift to tur in the last two years after rates of the commodity touched Rs200 a kg in retail market. The area under this pulses went up substantially for the Kharif season of 2016-17 with farmers hoping to once again a handsome price.

However, it led to a glut with tur being sold even less than the minimum support price (MSP) of Rs5,050. Farmers are not happy with the pace of procurement at government's MSP centres.

Traders say sale of tur seeds are back to the pre-2015 level. According to sources in the agriculture department, initial trends show that tur will come back to its inter-crop status — grown between two lines of cotton or soyabean. Final figures will be compiled by the agriculture department only by July end.

Analysts say cotton got a price of Rs5,500 a quintal as against close to MSP of Rs4,000 in earlier years. Last year's trends have prompted farmers to go for cotton. "However, this can be a risky proposition as cotton rates are subject to manipulation by market forces," say experts.

"An increase in area under cotton is not desirable. Indian Council for Agriculture Research (ICAR), has already warned about resistance developed by bollworm to genetically modified Bt cotton.

After pink bollworm, the crop may be susceptible to other varieties of the pest, which hits the output," said Kishore Tiwari, the director of Vasantrya Naik Shetkari Swavalamban Mission (VNSSM).

The area under soyabean is also being replaced with cotton as the crop did not fetch a good price last year. "Farmers in areas like Buldhana and Washim districts, which predominantly grow soyabean, have increased the area under cotton," said Tiwari.

Sharad Chandak, of Nagpur Agro Dealers' Association, said when compared to last year the sale of tur seeds has reduced by 40%.

" At the same time, there is a fall in sale of cotton seeds too but that does not mean that the area under cultivation has come down. There are reports of rampant business going on in the grey market. Round-up resistant, a genetically modified cotton seed, which has not been approved by the government so far is being sold unofficially. The seed is resistant to weed killers," said Chandak.

Roshan Kothari, a dealer in Wani tehsil of Yavatmal district, reported a reduction of 25% in the sale of tur seeds in the region.

"It may be too early to get the exact figures, but initial reports say the sale of tur seeds is down as compared to the previous year. This also means that it can be back to the normal level maintained a couple of years ago. The supply too will come down but only as compared to the last two seasons. The increased production had led to a surplus availability of the commodity," said Madhav Shembhaker, the managing director of Ankur Seeds.

"I am not sowing tur even in a single acre of land this year. Last year's stock itself has not been sold entirely yet," said Nitin Khadse of Jalka village in Yavatmal district.

"The area under tur has come down substantially, as farmers have been left discouraged with last year's situation," said Vijay Ingole, a farmer in Achalpur Tehsil of Amravati district.

Source timesofindia.com- June 17, 2017

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