



The Southern India Mills' Association

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NEWS CLIPPINGS

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**FAR BEHIND IN CLOTHING EXPORTS, INDIA
PUSHES TO BE A CONTENDER**

Bloomberg

<http://www.bloomberg.com/news/articles/2016-08-31/the-indian-knitwear-town-gunning-to-displace-china-in-apparel>

Indian clothes maker T.R. Vijaya Kumar thinks it's time for his country to take on Bangladesh, Vietnam and even China for leadership in the global apparel industry.

He's a second-generation manufacturer, who's transformed his small family undershirt business in southern India into an apparel exporter of 1,700 employees and aims to double its sales by 2020. When it comes to his hometown of Tiruppur, which is often referred to as the knitwear capital of India, his ambitions are even greater: tripling exports and adding 500,000 jobs in the process.

The trouble is that other Asian nations are way ahead. India's \$17 billion exports of apparel were about half as much as Bangladesh's last year and its 3.7 percent global market share lagged behind Vietnam's 5.1 percent. Closing the gap is crucial: Apparel is a labor-intensive industry, which has historically helped developing economies transition out of agriculture. The Indian economy needs to generate 80 million new jobs by 2025 to keep up with its fast growing young population.

A&E TO INCREASE STAKE IN INDIAN JV VYTL TO 89%	Fibre2fashion.com http://www.fibre2fashion.com/news/textile-news/a-e-to-increase-stake-in-indian-jv-vytl-to-89--191381-newsdetails.htm
<p>American & Efid Global (A&E) will acquire additional 40 per cent of share capital in Vardhman Yarns and Threads (VYTL) from its JV partner Vardhman Textiles, raising its stake in the JV to 89 per cent. A&E has received the nod for buying the additional stake from India's Competition Commission. This transaction makes A&E the majority shareholder in VYTL.</p> <p>VYTL manufactures sewing and other specialty threads, in which A&E earlier held a 49 per cent stake, while the rest was with Vardhman Textiles.</p> <p>According to media reports, this transaction makes A&E the majority shareholder in VYTL, while Vardhman will now hold a minority stake.</p> <p>The Competition Commission noted that the proposed combination will not have an appreciable adverse effect on competition in India, since both VYTL and Gutermann India (GI), a wholly-owned subsidiary of A&E, have insignificant market shares in the apparel, automotive and specialty threads segments.</p>	

TEXTILE INDUSTRIES GEARING UP FOR GST, NEW TAX SYSTEM	Yarnsandfibres.com http://www.yarnsandfibres.com/news/textile-news/textile-industries-gearing-gst-new-tax-system#.V8aozVt97Dd
<p>The Indian Chamber of Commerce and Industry, Coimbatore, plans to have a series of programmes on Good and Service Tax (GST) so that entrepreneurs in each sector will know in details about its impact on their business with the Lok Sabha and the Rajya Sabha passing the GST Bill and the country at the cusp of a major tax reform, industries are gearing up for the change.</p> <p>Textile Industrial associations are inviting experts to speak to their members on the impact of GST on the respective sectors.</p> <p>GST is not going to be very simple. It will have benefits in the long run and industries will be able to take credit for the taxes they pay. There needs to be better awareness about it, said Former president of the Indian Chamber of Commerce and Industry, D. Nandakumar.</p> <p>The Confederation of Indian Industry (CII) – Coimbatore Zone, had a meeting just before the bill was passed and plans one more shortly.</p> <p>The meeting was attended by some of the chief financial officers of companies too. The Southern India Mills' Association had a meeting in which experts from Deloitte spoke to textile entrepreneurs.</p> <p>It plans to have one more meeting this month for the top management representatives of textile mills.</p>	

LETS PROMOTE HANDLOOM PRODUCTS	The Sangai Express http://www.thesangaiexpress.com/lets-promote-handloom-products/
<p>IMPHAL, Aug 30 : Handloom industry has been playing a vital role in Manipur since time immemorial and it should be everyone's duty to promote its products, said Minister Govindas Konthoujam during the inauguration programme of Rural Showroom for Handloom Products at Imphal Handloom Building, Kongba Makha Nandeibam Leikai.</p> <p>Minister Govindas said that most of the traditional and cultural attire of the State are made from loom. Since the finished appearance of handloom products cannot be replaced by any other manufacturing machines, we will be continuing to use looms to make clothes. Therefore, it is essential for the people of the State to take pride in our home products and promote it so as to gain popularity and also to conserve our rich handloom industry and its products.</p>	

IRANI MEETS PASWAN ON LABELLING ISSUE OF HOSIERY PRODUCTS	India Today http://indiatoday.intoday.in/story/irani-meets-paswan-on-labelling-issue-of-hosiery-products/1/753559.html
<p>New Delhi, Aug 31 (PTI) Concerned over vague size labelling norms for hosiery products, Textile Minister Smriti Irani today asked the Consumer Affairs Ministry to put in place a proper framework to ensure that the small enterprises in this sector are not harassed unnecessarily.</p> <p>While Indian rules require the sizes to be mentioned in centimeters, many entities follow the global practice of putting large, medium or small size labels on such products including undergarments, vests and socks. Irani along with a delegation of hosiery manufacturers met Consumer Affairs Minister Ram Vilas Paswan on this issue.</p> <p>The delegation argued that the exemption is necessary as hosiery products are sold largely unpacked and following packaging norms would be difficult for the unorganised sector, a senior Consumer Affairs Ministry official said.</p>	

WORK FOR A BETTER BOND WITH WEAVERS: MIN SMRITI IRANI	The Times of India http://timesofindia.indiatimes.com/city/navi-mumbai/Work-for-a-better-bond-with-weavers-Min-Smriti-Irani/articleshow/53934045.cms
<p>MUMBAI: Union Minister for Textiles, Smriti Irani urged students of NIFT in Kharghar to develop a better working bond with the weavers and producers of raw materials and enable them to extend their reach and widen the scope of their skills. Irani inaugurated the new academic block of the institute, whose construction was funded by the Ministry of Textiles. The building will help accommodate more students in their undergraduate and post graduate programs. Irani said that it would be ideal if students could learn from the weavers and train them to expand and widen their scope in the industry.</p> <p>"Better writing and communication skills will also help to express your ideas and thoughts better," she added. During her interaction with the students, she also spoke about the success of Malkha Project in Andhra Pradesh, which aims to combine weavers' expertise with engineering skills.</p>	

PORTAL LAUNCHED FOR HANDLOOM STALL ALLOTMENT	Business Standard http://www.business-standard.com/article/pti-stories/portal-launched-for-handloom-stall-allotment-116083101395_1.html
<p>A portal for handloom stall allotment has been launched to serve as a weaver-friendly platform and streamlining the process.</p> <p>Through the portal, "Technology shall be leveraged to bring in more transparency in the allotment process and also ease of process for handloom weavers," Textile Ministry said. Weavers/Organizations will be able to apply on the portal as and when online applications are called via advertisements in leading newspapers.</p> <p>The system will allot applicants a login and password for submitting application. After getting registered, they can apply online. Online applications will automatically get forwarded to the Weavers Service Centre (WSC) under whose jurisdiction the applicants fall.</p>	

INDIA SET TO DOUBLE COTTON IMPORTS THIS YEAR AS GLOBAL PRICES SOFTEN	The Wall Street Journal http://www.wsj.com/articles/india-set-to-double-cotton-imports-this-year-as-global-prices-soften-1472647996
<p>NEW DELHI—India—the world’s largest producer of cotton—is on track to double its cotton imports this year due to winged pests and droughts, buying up to 2 million bales at a helpful time for the global cotton industry. India has imported around 1.5 million bales of cotton so far this year and has already signed contracts for an additional 400,000 bales, traders and a government official said.</p> <p>“Cotton purchases from abroad will not go beyond 2 million bales,” B. K. Mishra, chairman of the Cotton Corporation of India, said in an interview Wednesday. The government body is responsible for buying cotton from farmers and sells it both domestically and abroad.</p>	

TRUTZSCHLER SHOWING NEW TECHNOLOGIES AT ITMA ASIA	Fibre2fashion.com http://www.fibre2fashion.com/news/textile-news/tr-tzschler-showing-new-technologies-at-itma-asia-191383-newsdetails.htm
<p>German textile machinery producer Trützschler will be showing new and existing technologies from all its divisions at ITMA Asia 2016 at its 550 sq. metre stand. These technologies will include those from the spinning, card clothing and manmade fibres. Of these, many machines for spinning preparation will be exhibited for the first time in Asia.</p> <p>In spinning, on show is the TC 15, which offers more productivity compared to its previous model. A new web doffer in the machine significantly reduces tension drafts, resulting in increased sliver evenness and improved running behaviour. Another machine, the TC 10 is a made in China card, primarily designed for the Chinese textile market, having a traditional working width of one metre.</p> <p>The integrated draw frame IDF 2 offers the possibility to produce cotton rotor-spun yarns in the entire yarn count range without additional draw frame passages, thereby offering cost savings.</p>	

PAKISTAN EXPECTED TO PRODUCE 13MN COTTON BALES THIS SEASON	Fibre2fashion.com http://www.fibre2fashion.com/news/textile-news/pakistan-expected-to-produce-13mn-cotton-bales-this-season-191375-newsdetails.htm
<p>Pakistan is expected to produce around 13 million bales of cotton in the current season, thereby recovering from the dip in production in the previous season. This has been made possible through close coordination between the central government and government of Punjab by controlling the Pink bollworm, which had damaged the cotton crop last season.</p> <p>This information was shared at a meeting of the Federal Textile Board (FTB), chaired by minister for commerce Khurram Dastgir Khan, attended by representatives of various stakeholders from the textile value chain like ginners, spinners, weavers, etc. The Pakistan Cotton Ginners Association (PCGA) and cotton commissioner also informed that apart from controlling the Pink bollworm, farmers had also been trained to drain their fields properly to safeguard their crops.</p>	

PAK TEXTILE SECTOR HAS GREAT ABILITY TO CREATE EMPLOYMENT	Fibre2fashion.com http://www.fibre2fashion.com/news/textile-news/pak-textile-sector-has-great-ability-to-create-employment-191373-newsdetails.htm
<p>Pervaiz Rashid, the Pakistan minister for information and broadcasting said that the textile sector has the incredible ability to create employment at the grass root level. He added that through industry friendly policies, the current government has put the economy on the right track. Rashid was addressing the inaugural ceremony of the Textile Asia 2016 show.</p> <p>According to the minister, these types of textile exhibitions were very important, since they help in attracting investments and increasing exports. “We have reduced power tariff, while also granting zero rating status to the apparel industry,” Rashid informed, while sharing government initiatives for the development of the textile industry.</p>	

IDC SIGNS MoU WITH JAPANESE TEXTILE FIRM TO REVAMP MULUNGUSHI TEXTILES	Yarnsandfibres.com http://www.yarnsandfibres.com/news/textile-news/idc-signs-mou-japanese-textile-firm-revamp-mulungushi-textiles#V8aoi1t9Dd
<p>THE Industrial Development Corporation (IDC) has signed memorandum of understanding with Marubeni, a Japanese textile company, to rehabilitate Mulungushi Textiles Limited in Kabwe and will also set ground for Zambia to buy equipment from Japan to revamp the plant, said IDC executive director of operations Paul Siame here on Sunday shortly after the signing ceremony. The signing ceremony was witnessed by President of Kenya Uhuru Kenyatta and Prime Minister of Japan Shinzo with several other African government officials and private sector companies.</p> <p>With the MoU in place and under the umbrella of Tokyo International Conference on African Development, the IDC expects to access financing to support the running of the Mulungushi Textiles project. The deal follows the re-commissioning of Mulungushi Textiles by President Lungu in October 2015. One key component that will come out of the partnership with Marubeni is setting up of cotton out-grower scheme as announced by President Lungu during the re-opening. The out-grower scheme is expected to support at least 10,000 farmers within Central Province.</p>	

ELECTRICITY CONSUMPTION BY TEXTILE COMPANIES: DELAY IN GRANT OF ST ZERO-RATING WARRANTS MINISTRY’S INTERVENTION	Business Recorder http://www.brecorder.com/taxation/181/81129/
<p>Ministry of Textile has intervened into the matter of delay in grant of sales tax zero-rating facility by the Federal Board of Revenue (FBR) on electricity consumption by textile companies, it is learnt. According to sources, Ministry of Textile would submit a detailed list of all pending cases of textile sector pertaining to sales tax zero-rating on electricity consumption to the Federal Board of Revenue (FBR) for speedy issuance of facility to the said sector.</p> <p>Senate Standing Committee on Textile Industry has directed Ministry of Textile to make a list of all pending case in respect of electricity zero rating and forward the same to the FBR to avoid any discrepancies. In this regard, the Textile Ministry has asked all textile associations to provide lists of all pending case in respect of electricity zero rating for further submission to FBR to avoid any discrepancies.</p>	

PRICES LEAVE GARMENT SECTOR IN A PINCH: ILO	The Cambodian Daily https://www.cambodiadaily.com/news/prices-leave-garment-sector-pinch-ilo-117370/
<p>Cambodia’s garment sector, although still expanding, will remain in a precarious position unless global brands significantly raise the prices they pay to manufacturers, or the sector sees a sharp increase in productivity, the International Labor Organization (ILO) warned in a report released yesterday.</p> <p>With both possibilities improbable in the short term, factory owners are likely to struggle with continued increases in wages, the ILO said in its latest “Cambodian Garment and Footwear Sector Bulletin.”</p> <p>The ILO’s warning comes as unions and employers prepare to sit down for another round of annual negotiations over the minimum wage for the more than 600,000 Cambodians employed in garment factories, with the outcome of those talks due to take effect in January.</p> <p>The report notes that the minimum monthly wage, currently set at \$140, has risen sharply in recent years, following years of stagnation, as the prices being paid by buyers—mostly brands in the U.S. and Europe—have stagnated, largely because of an increase in supply from countries including Vietnam and Bangladesh.</p>	

**READYMADE GARMENT EXPORTS
SHOULD BE GOVT'S FOCUS**

Daily Times

<http://dailytimes.com.pk/business/31-Aug-16/readymade-garment-exports-should-be-govts-focus>

LAHORE: Developing countries have sought to promote exports as a growth strategy since the area source of both higher demand and of coveted foreign exchange. Proponents of trade liberalization argue that there is a positive relationship between openness of economy and productivity of its firms.

However, the mechanism through which this works is by the introduction of imports which reduce the markups that the firms charge from consumers due to greater competition which in turn lowers the average cost of production due to the exit of low-productivity firms. In Pakistan, exporting firms use more imported inputs, are more productive and capital intensive and have higher growth potential reveals recent research conducted by the Lahore School of Economics.

Researchers from the Lahore School of Economics showed that the average sales from exports, among exporters, was approximately 51% of total sales in Punjab and that many exporters in Pakistan don't have a significant domestic presence.

Exporting firms have been found to have 29% higher revenues and 150% more output even after controlling for firm level characteristics such as geographical locations and ownership status. The labor productivity of exporting firms was found to be 2-3 times higher than that of non-exporters and exporters were doing better in terms of larger firm sizes, more employment opportunities, higher compensation and greater productivity.

**NEW DUTIES ON CHINESE IMPORTS
CREATE LEVEL PLAYING FIELD FOR
AUBURN TEXTILE MANUFACTURER**

Yarnsandfibres.com

<http://www.yarnsandfibres.com/news/textile-news/new-duties-chinese-imports-create-level-playing-field-auburn-textile-manufacturer#.V8d92Ft97Dc>

The federal government has approved preliminary duties on imports of a Chinese specialty fabric that allegedly have been dumped into the U.S. market, undercutting American-made products at places such as Auburn Manufacturing. The duties approved by U.S. Department of Commerce will take effect on products that have been imported into the country going back to June at a rate of 162 percent of the declared value.

This is a really big win, Kathie Leonard, president and CEO of Auburn Manufacturing, said. It shows just how many subsidies have been going to Chinese manufacturers from their government.

Auburn Manufacturing produces amorphous silica fabric, a fireproof material that is used in welding and other manufacturing, and employs about 40 people in Auburn and Mechanic Falls. Chinese dumping has cost the company about 30 percent of its market share for the specialty fabric over the last three years and has caused them to cut back the company's workforce by about 20 percent over the last year.