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NEWS CLIPPINGS –26-12-2017

Commerce Ministry mulls refund for exporters via single window	The Hindu http://www.thehindubusinessline.com/todays-paper/commerce-ministry-mulls-refund-for-exporters-via-single-window/article10002055.ece
<p>The Commerce Ministry is looking at ways in which the coming Budget can provide further relief to exporters under the Goods and Services Tax (GST) regime.</p> <p>It is discussing with the Finance Ministry the possibility of giving all tax refunds to small exporters via a single window, as also exempting exporters from paying IGST (Integrated GST) on inputs, as is done in many other parts of the world, including Europe, a government official told BusinessLine.</p> <p>“Exporters have given us a number of proposals to help them get over the problems they are facing under the GST regime. Many of them have been already implemented. We are now discussing with the Finance Ministry whether it would be feasible to give GST exemptions on inputs to exporters or provide all refunds under one scheme,” the official said.</p> <p>Exporters’ concern</p> <p>Export organisations have been stressing that the refund system under the GST, however efficient, would result in blocking of the capital of exporters in payment of GST from the date of procurement of inputs to exports. “Depending on the duration of procurement of inputs, commercial production of output and its exports, the exporters’ money would be blocked. This is one of the factors blunting the competitive edge of exports,” according to FIEO.</p> <p>While the Finance Ministry has been arguing that the GST regime is such that there is no provision for exemptions, exporters have argued that a large number of countries including Australia, Canada, Malaysia and the EU, provide exemption from VAT/GST on inputs required for export production.</p> <p>Exporters have also made a case for providing all refund for exports to the micro and small exporters at one place. “Instead of separate applications for getting refund of Customs duty under the duty drawback scheme and refund for GST, the proposal is to provide both under a comprehensive duty drawback scheme. We are exploring</p>	

if it is possible to go for it in the GST regime,” the official said. To make refunds speedier for exporters, the Finance Ministry has already said that it intended to operationalise the ‘e-wallet’ scheme from April. Under the scheme, the Government will credit a notional amount in an exporters’ e-wallet based on preceding year’s exports and an average GST rate. It would be a running account from which money would be debited when the IGST gets paid and credited again when the proof of export is given.

Cotton prices seen holding firm in 2018 on slow arrivals	Business Line http://www.thehindubusinessline.com/todays-paper/tp-agri-biz-and-commodity/cotton-prices-seen-holding-firm-in-2018-on-slow-arrivals/article10002045.ece
<p>Having witnessed a roller-coaster ride in 2017, cotton prices are expected to be range-bound with an upward bias from the current levels in 2018, experts hinted. In the last one month, raw cotton or kapas prices moved up sharply by Rs. 1,000 a quintal from the lows of Rs. 4,300-4,500 in Gujarat markets. The upside is mainly attributed to the political uncertainty and lower arrivals at the mandis inspite of robust crop estimates.</p> <p>On the spot markets in Rajkot, each bale (of 170 kg) of 29-mm cotton was quoted at Rs. 19,459 as on December 22 from Rs. 18,098 quoted a month ago. In 2017, cotton prices saw sharp volatility due to climatic extremities and pest attack in key growing regions of Karnataka, Maharashtra and Gujarat. According to trade sources, the recent upside in cotton prices is mainly due to the stocks held by the farmers in anticipation of better prices.</p> <p>Farmers retain the fibre</p> <p>“The arrivals have not yet hit the peak levels. Overall, 20 lakh bales have arrived in Gujarat, while the all-India arrivals are about 100 lakh bales. Also, there are export commitments for about 15 lakh bales, while nearly 9 lakh bales have already been shipped. This has created a bullish mood amid slow arrivals,” said Arun Dalal, a cotton trader. Further, a crucial election in the largest cotton grower Gujarat also prompted farmers to postpone selling their stock in anticipation of some government assistance to lift the market prices.</p> <p>“The current upside in cotton prices is due to lower arrivals. The farmers have set their eyes on the ICE cotton rates, which are higher. As against the daily arrivals of 2.25 lakh bales across the country, currently only 1.50 lakh bales are arriving. This indicates that farmers are holding back the stock expecting better prices,” said J Thulasidharan, President, Indian Cotton Federation.</p> <p>Global forecast</p> <p>The domestic cotton prices are closely connected with the global sentiment, especially with the price movement</p>	

on New York's Inter-Continental Exchange (ICE). An estimate by the International Cotton Advisory Committee (ICAC) projected 2017-18 global cotton production at 25.57 million tonnes against 23.05 million tonnes estimated for 2016-17. The global cotton consumption is expected to be at 25.22 million tonnes — lower than production.

However, the stock-to-use ratio of the global mills remains upwards at 76 per cent. "Higher stock-to-use ratio joined by good cotton production will keep the rally in check and limit the downward pressure as well. Hence, even if the Indian cotton scenario appears to favour a bull-run, there is not likely to be a big bull run in 2018. Nor will there be a big correction in the coming year," added Thulasidharan.

Meanwhile, domestic scenario continues to point at the future volatility in cotton prices due to speculators and hedge-funds looking at the fibre commodity as an investment tool to hedge their financial risks. "As long as there will be volatility in New York Cotton futures (ICE Cotton), there will be reflection on the Indian cotton prices.

The crop and stock scenario shows increased availability but there is also likely increased mill consumption and higher yarn demand. Hence, we see the 2018 year to remain in a balance with some volatility due to speculators," said Nayan Mirani, a Mumbai-based cotton expert. ICE Cotton was quoted at 77.96 cents, and is likely to hit 80 cents amid speculative trades.

Balance sheet

According to the recently released data by the Cotton Advisory Board, India's cotton output is estimated to be around 377 lakh bales with lower yield of 523.83 kg/ha for 2017-18 against 540.80 in 2016-17. Cotton acreage, however, has increased from 108.45 lakh hectares in 2016-17 to 122.35 lakh hectares in 2017-18. This is likely to be reflected in the increased production of the fibre crop from 345 lakh bales last year.

Textile ministry seeks more funds for powerlooms

Times of India

<https://timesofindia.indiatimes.com/india/textile-ministry-seeks-more-funds-for-powerlooms/articleshow/62246218.cms>

The textiles ministry, which had allocated a sum of Rs 126.76 crore for the Power Tex India scheme, is planning to seek an additional Rs 33.27 crore for 2017-18, textile minister Smriti Irani said earlier this week in the Rajya Sabha. The Rs 33.27 crore would be in the form of supplementary demand for grants, the minister said, adding that of the Rs 126.76 crore allocated for 2017-18, Rs 83.08 crore has already been spent till now.

The information came in response to a question by R Vaithilingam of AIADMK, who also sought to know if the government is considering to enhance the capital subsidy for powerlooms in the country.

Irani said that there was no proposal as yet on enhancing the capital subsidy from the present 10% to 30 per cent. Irani also said that in the period 2017-18, 48 yarn bank proposals and 118 group work shed proposals have been approved. "Only two applications for group work sheds are pending," the minister added.

The ministry of textiles announced the yarn bank scheme under Power Text India with an objective of providing interest free corpus fund to special purpose vehicles or consortiums to enable them to purchase yarn at wholesale rate and give the yarn at a reasonable price to small weavers.

Seed association unhappy with Maharashtra government for seeking damages from seed suppliers	Financial Express http://www.financialexpress.com/market/commodities/seed-association-unhappy-with-maharashtra-government-for-seeking-damages-from-seed-suppliers/989638/
<p>The National Seeds Association of India (NSAI) is unhappy with the recent announcements made by the Maharashtra agriculture minister with regard to seed companies. The minister had announced that seed supplier companies shall compensate farmers for the losses incurred due to pink bollworm. NSAI director-general Kalyan Goswami said that seed companies are only responsible for seed quality parameters as specified under the Seeds Act. "In case of BT cotton seeds supplied in Maharashtra there is no problem with seed quality. No complaints are made by any farmer about seed quality," he clarified in a statement issued in Pune. "It is a clear case of failure of Monsanto Bt II technology which is called as Bollgard II. The Central Institute of Cotton Research (CICR) had declared the fact that Pink bollworms developed resistance two years ago and accordingly, all seed companies had educated farmers about this and even issued newspaper advertisements," Goswami said. Goswami said that despite this the Government of India had notified under a cotton seed price control order to pay a trait value of Rs 49 by collecting from farmers as a part of MSP of Rs 800.</p>	
<p>"The complete responsibility for trait efficacy remains with Monsanto and if at all they only have to pay compensation. We do not understand why the government has not named Monsanto," he said. He expressed confidence that courts will clarify who is responsible for this problem and will completely accept the points put forth by the association. This is a clear case of punishing the innocent and leaving the guilty scot-free, Goswami said. There are speculations in the market that the association is seriously considering legal resource on this issue. Cotton growers in Maharashtra would get compensation ranging from Rs 6,800 to Rs 37,500 per hectare, depending on the extent of damage to their crops due to pink bollworm. Cotton has been cultivated on around 41 lakh hectares this year in Maharashtra, and it is estimated that 25% to 50 % of the crop has been damaged due to the pest attack. "Cotton cultivators would get Rs 6,800 per hectare through the National Disaster Response Fund (NDRF) and Rs 8,000 per hectare from crop insurance," state agriculture minister Pandurang</p>	

Fundkar said while announcing the compensation package.

The minister added that farmers would also get Rs 16,000 per hectare for up to two hectares under the Maharashtra Cotton Seeds (Regulation of Supply, Distribution, Sale and Fixation of Sale Price) Act, 2009. Further, cotton farmers in the state would be given bonus of Rs 200 per quintal, with a maximum limit of 50 quintals, he said in the state Assembly. Meanwhile, the Federation of Seed Industry of India (FSII), a seed industry body representing research-based seed companies in the country, has appealed to authorities in Maharashtra to resolve the matter of complaints related to damage to cotton crop in some regions.

“As a responsible industry association, we have been engaging with the authorities during last few weeks to resolve the matter of complaints related to damage to cotton crop in some regions. However, we are disturbed at the actions by the authorities in the last few days in Maharashtra, in raiding the premises of some of our and taking unilateral action of stopping the operations and seizing the stocks without reasonable evidence,” Ashwani Yadav, executive director, FSII said. “Such unilateral and unfair actions will result in hurting the interests of the responsible seed industry apart from diminishing the availability of new seed innovations in the future. While all our members would fully cooperate on any genuine investigation related to this matter, in the larger interest of Indian farmers, we would appeal to the authorities not to harass the bona fide companies of the organised and research-based Industry,” he said in a statement issued here. The Federation of seed Industry of India is a seed industry body representing research based seed companies in India. FSII membership covers the leading seed companies in the major crops of the country.

Call to relax import policy to empower knitwear industry

Nation.com

<http://nation.com.pk/26-Dec-2017/call-to-relax-import-policy-to-empower-knitwear-industry>

Lahore - Pakistan Hosiery Manufacturers and Exporters Association (PHMA) Chairman Dr Khurram Anwar Khawaja has appealed to the government to withdraw duty on cotton yarn import in line with the proposed withdrawal of custom duties on raw cotton import from India.

“PHMA appreciates the move to withdraw duties and taxes on the import of cotton to encourage the value-addition and also demanded the same relaxation for the import of cotton yarn, which is a raw material for value-added knitwear sector,” he demanded.

Dr Khurram said that prime minister’s package for exporters was announced on January 10, 2017, wherein textile apparel sector was to be provided a number of facilitations, including withdrawal of customs duty and sales tax on the import of cotton yarn from January 16, 2017, but no such measure was taken so far.

PHMA chairman demanded the liberal import policy for raw materials for re-export like duty-free import of fabrics and accessories in the same way as practiced by our competitor Bangladesh. “Besides improving the law and order, and providing non-stop gas and electricity supply, the government will also have to relax import policy to empower the value-added knitwear industry to get maximum benefits out of the GSP Plus Status, as the country has no raw material except cotton,” he added.

Dr Khurram said that PHMA supported the relief package declared for spinning industry particularly easing cost of doing business and relief in power tariff but opposed duty on the import of textile raw materials.

He said that the sharp increase in cotton yarn prices had hit the export-oriented value-added garment sector hard. He asked the government to take preventive measures, as the export target would not be achieved due to high energy cost and discriminating import duties on industry raw material.

He appealed to the government to abolish additional regulatory duty on cotton yarn that should be imported freely from anywhere.

He said that textile has become the most important sector especially after grant of the GSP Plus status by the EU countries but the artificial shortage of cotton yarn had put the ‘free market access’ status at risk.