



## The Southern India Mills' Association

Post Box No. 3783, 41 Race Course, Coimbatore - 641 018

Phone: 0422 4225333 | Fax: 0422 4225366

E-mail: [info@simamills.org](mailto:info@simamills.org) | Web: [www.simamills.org](http://www.simamills.org)

### NEWS CLIPPINGS –28-12-2017

**The year that was: Significant achievements of Ministry  
of Textiles in 2017**

**Pib.nic.in**

<http://pib.nic.in/newsite/PrintRelease.aspx?relid=174826>

1. First Mega International trade event-“Textiles India 2017”

The first ever mega international trade event for the textile sector was organized in Gandhinagar, Gujarat from 30 June, 2017 - 2 July, 2017 to showcase the incredible strength and range of India's textile and handicrafts industry. The event recorded participation from more than 100 countries and generated business and business enquiries of about Rs. 3, 50,000 lakh. A total of 65 MoUs with an estimated value of more than Rs. 11,000 crore were signed during the event. The event has firmly established Indian Textiles brand at the global platform and has provided new energy for attracting fresh investments in the textiles sector.

Besides a mega exhibition that showcased the richness of Indian textile tradition, the three-day Textiles India 2017 witnessed also a host of activities, including country sessions for Korea, Bangladesh, Russia and ASEAN countries, and state sessions for Andhra Pradesh, Maharashtra, Assam, Gujarat, Telangana, and Karnataka. Six major conferences and 27 roundtables on various subjects were also held.

Following institutional mechanisms have been set up to give effect to the recommendations of conferences and roundtables during Textiles India 2017:

- a) An inter-ministerial steering committee to oversee implementation of a Knowledge Network Management System (KNMS) for exchange of knowledge amongst academia, farming community and the industry on the productivity of natural fibres and diversification of their bye-products
- b) An Inter-Ministerial Synergy Group on Man-Made Fibre (MMF) to formulate policy interventions to enhance growth and competitiveness of MMF industry in India
- c) A Task Force on Textiles India to steer follow-up action on various outcomes of Textiles India 2017 for growth of the textiles sector

## 2. Powerloom Sector:

“PowerTex India” has been launched on 1st April, 2017, with an outlay of Rs. 487 crores for three years to support 44 lakh workers/weavers. The scheme has components relating to loom upgradation, infrastructure creation and concessional access to credit. It has the potential to generate investments worth Rs. 1000 crores, employment for 10,000 people and will also result in higher returns to powerloom units.

SAATHI: ‘SAATHI’ (Sustainable and Accelerated Adoption of Efficient Textiles Technology to Help Small Scale Industries) was launched jointly by Ministry of Textiles and Ministry of Power to provide energy-efficient powerlooms, motors and rapier kits to small and medium powerloom units at no upfront cost. Energy Efficient Services Limited (EESL) would procure and provide these equipments to the workers at no upfront cost and the worker would repay in installments to EESL over a period of 4 to 5 years. The initiative will help 24.86 lakh powerloom units in the country.

A toll free helpline No. 1800220017 has been started at Office of the Textile Commissioner, Mumbai from 01.04.2017, to facilitate Powerloom weavers.

A dedicated website [www.ipowertexindia.gov.in](http://www.ipowertexindia.gov.in) has been created whereby Powerloom weavers can apply online for various schemes under PowerTex India. The entire process ranging from application and sanction of subsidy has been made online, so as to enable powerloom units to avail the facility in an effective, transparent and seamless manner.

The beneficiary can also track the status of their application in iPowerTex android Mobile App. The online portal and Mobile App are operational from 1st December, 2017 on optional basis. Online application will be made mandatory from 1st January, 2018.

Ministry of Textiles has introduced a new Converged Group Insurance Scheme for Powerloom weavers by clubbing Pradhan Mantri Jeevan Jyoti BimaYojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojna (PMSBY) for the age group of 18 to 50 years and Aam Aadmi Bima Yojana(AABY) for the age group of 51 to 59 years, effective from May 2017. 72,378 Powerloom weavers have been enrolled / insured till November 2017.

## 3. Handloom and Handicraft sectors:

Deendayal Hastkala Sankul, the first ever state-of-the-art trade centre and crafts museum at Varanasi, was dedicated to the public by the Hon’ble Prime Minister of India on September 22, 2017. Set up on a sprawling 7.5 acres of land, the centre would provide world-class marketing facilities to the weavers and artisans and would also boost the tourism potential of Varanasi.

India Handmade Bazaar, an online portal to provide direct market access facility to artisans and weavers, was launched on January 29, 2017. The portal enables weavers & artisans to enter information about their products for

easy understanding of customers/exporters. Weavers and artisans can access the portal through their registered mobile number.

Weavers' Mudra Scheme, which was launched last year to provide concessional credit to handloom weavers, has picked up momentum. 28,000 weavers have benefited from the scheme so far and loans amounting to Rs. 138 crore have been sanctioned. A similar scheme was launched for handicraft artisans too, under which 2,173 artisans have been sanctioned loans of Rs.11.5 crore.

**Hastkala Sahayog Shivirs:** For the first time, a massive outreach programme for weavers and artisans was organized through Hastkala Sahayog Shivirs. 394 such Shivirs were held in 247 districts across the country during October 7 – 17, 2017. About 94,000 weavers and artisans participated in these camps, attended also by several Union Ministers, State Ministers, MPs and MLAs. In the Shivirs, weavers and artisans received assistance in availing MUDRA loan, supply of looms, accessories and tool kits, Pehchan cards (ID cards), yarn passbooks and for enrolment of their children for formal education through NIOS and IGNOU.

**MoU with M/s. CSC e-Governance Services India Ltd.:** The Ministry of Textiles signed an MoU on August 7, 2017 to set up Common Service Centers (CSCs) in Weavers' Service Centres and handloom clusters. Weavers will be provided access to healthcare, financial and education services, essential public utility services, social welfare schemes and exhibition and marketing support through these CSCs.

**MoU with Financial Corporations:** An MoU was signed with National Backward Classes Finance Development Corporation (NBCFDC) and National Schedule Castes Finance Development Corporation (NSFDC), to implement schemes of Government of India for artisans and weavers belonging to OBC and SC categories in 14 identified clusters, with necessary forward linkages for income sustainability and enhancement.

**Educational facilities to children of handloom weavers:** Memorandums of Understanding were signed with IGNOU and National Institute of Open Schooling (NIOS) to provide customized educational services to weavers. The Ministry of Textiles provides 75% of the fee in case of SC, ST, BPL and Women weaver families.

**Kamala Devi Chattopadhyaya National Award'** for women weavers was introduced on the occasion of International Women's Day, on March 8, 2017.

**Pushtaini Hunar Vikas Yojana** was launched at Institute of Carpet Technology, Badohi to impart technical and soft-skills training to weavers from traditional carpet-weaving families.

On the lines of Bunkar Mitra helpline for handloom weavers, a dedicated helpline for artisans (helpline No. 1800 208 4800) was launched on May 5, 2017. The helpline provides 24x7 services in seven languages – Hindi, English,

Kannada, Assamese, Bengali, Tamil and Telugu.

8.92 lakh artisans received Pehchan ID cards which would enable them to smoothly access the benefits they are entitled to.

On the occasion of the birth centenary of Bharat Ratna Dr. B.R. Ambedkar on April 14, 2017, a conference of artisans and weavers belonging to the SC communities was organized in New Delhi. The birth centenary was celebrated also at 61 field offices of Office of the Development Commissioner (Handicrafts), where special camps were organized with the help of bank officials. Artisans were provided education on use of BHIM application for making digital payments and were also given MUDRA loans, tool kits and other services.

E-Commerce: In order to provide direct marketing platform to handloom weavers and artisans, 21 leading e-commerce companies have been engaged for online marketing of handloom products. Sales worth more than 5.5 crore have been achieved through e-marketing in 2017-18.

India Handloom Brand: Indian Handlooms got worldwide recognition through India Handloom Brand (IHB) which guarantees high quality, authentic handloom items made with organic substances. Partnerships have been entered into with 100 retail stores to sell exclusive India Handloom Brand items, out of which 25 retail stores have started operations. 23 garment manufacturers are working with IHB producers for sourcing fabrics from IHB-registered weavers. Leading garment brands have been working with IHB in bringing out a separate range of garment line using handlooms.

#### 4. Technical Textiles

Technotex 2017, the 6th International Exhibition and Conference on Technical Textiles, was held from April 12 - 14, 2017 in Mumbai. Maharashtra was the host state while Gujarat, Jharkhand and Karnataka participated as partner states. A CEOs' forum with major players of the technical textile industry was also held. Industry from 22 countries such as China, Taiwan, U.S.A., Japan, France, Ghana, Indonesia and Bangladesh exhibited their products at the exhibition.

Eleven Focus Incubation Centers (FICs) in Centres of Excellence and in IITs (Delhi, Bombay, Kanpur & Kharagpur) have been established at a cost of Rs. 59.35 crore. FICs will provide plug-and-play facility to potential entrepreneurs to enter technical textiles business.

Notification of Post-GST Rates under Refund of State Levies: The Ministry has notified post-GST rates vide Gazette Notification No. 14/26/2010-IT dated November 24, 2017 under the scheme for Remission of State Levies (RoSL) on exports of readymade garments & made-ups and under AA-RoSL for garments. For garments, the rates range

between 1.25% and 1.70% and for Made-ups, they range between 1.40% and 2.20%. These rates have been made effective from October 1, 2017.

The Government has also enhanced the rates under Merchandise Exports from India Scheme (MEIS) on readymade garments and made-ups from 2% to 4%. These rates will be applicable between 1st November, 2017 and 30th June, 2018 and are expected to boost Indian exports in the textile sector.

## 5. Silk Sector

**Production of Import Substitute Raw Silk:** The production of import substitute bivoltine silk in the country is expected to reach around 6,200 MTs in 2017-'18 as compared to 5,266 MTs in 2016-'17, registering an increase of 19%. Muga silk has recorded highest ever production of 170 MTs and has acquired a new growth momentum. Bivoltine silk production has grown by 105% in the last three years and has enabled substantial import substitution.

The indigenous automatic reeling machines and Buniyad reeling machines were launched on March 8, 2017 to increase quality and productivity. Buniyaad machines have also helped in doing away with the regressive practice of thigh reeling by women.

An MoU for cooperation in sericulture sector has been signed between Central Silk Board and Guangxi Agriculture Department, China on July 1, 2017 at Gandhinagar. The MoU envisages collaboration between the two institutes to develop disease-resistant species of silkworm seeds.

A state-of-the-art Centre of Excellence for training has been established at Bangalore, with classroom and laboratory facilities for practical training.

## 6. Cotton Sector

India has acquired the first place in the world in cotton acreage, with an area of around 105 lakh hectares. India has emerged the largest producer of cotton in the world, with a production of 345 lakh bales in 2016-17. India is also the 2nd largest exporter of cotton.

**MSP Operations for Cotton:** To ensure remunerative price to cotton farmers, the Government of India has nominated the Cotton Corporation of India (CCI) as nodal agency to undertake Minimum Support Price (MSP) operations in all cotton-growing states when prices of seed cotton (kapas) touches the MSP level. In the present cotton season 2017-18, 88.31 lakh bales of kapas had arrived till December 13, 2017, out of which, 3.62 lakh bales have been procured by CCI under MSP operations.

## 7. Jute Sector

Approval of Price for Raw Jute for the year 2017-18: Cabinet Committee on Economic Affairs approved the Minimum Support Price (MSP) of raw jute (TDN3 equivalent to TD5 of old grade) for 2017-18 season at Rs. 3,500/- per quintal. It also approved that Jute Corporation of India will continue as Central Government Nodal Agency to undertake Price Support Operations and the losses incurred, if any, in the MSP operations will be fully reimbursed by the Central Government.

## 8. Technology Upgradation Fund Scheme

A total of 3,504 cases have been approved under Amended Technology Fund Scheme (ATUFS), with a projected investment of Rs 12,426 crore against government subsidy of Rs 956.50 crore. These new projects have the potential to create about one lakh new jobs, in addition to supporting about 3 lakh existing employees.

## 9. Unlocking potential of North Eastern Region in textiles

The Government of India organized the first ever North East Investment Summit focusing on manufacturing in textiles and allied sectors at Shillong during January 29 – 30, 2017, to unveil the potential of the region as a global investment destination. The summit was attended by many central ministries, all NE states, Export Promotion Councils, Industry Associations and investors from India and neighboring countries. 21 Memorandum of Understandings (MoU) to promote investment opportunities, business and R&D projects in NER were signed during the summit.

The Apparel & Garment Centre at Ampati, Meghalaya was inaugurated by the Union Textiles Minister Smt. Smriti Zubin Irani on January 30, 2017. The Centre was set up under North East Textiles Promotion Scheme (NERTPS).

Ministry of Textiles is implementing sericulture projects in NER with Central Government support of Rs.690.01 crore. Objectives of these projects are to establish sericulture as a viable commercial activity in NER, by creating necessary infrastructure and by imparting skills to the locals for silk worm rearing and allied activities in the silk production value chain. Under the project, a total of 28,200 acres have been brought under host plantation of Mulberry, Eri and Muga silk, supporting beneficiaries across all NE States. The interventions have helped in production of 1,460 MT of raw silk, registering a cumulative increase of 36% from 2014-15 to 2016-17.

Scheme for Promotion of Geotechnical Textiles in NER: Four new road projects (two in Mizoram and two in Meghalaya) have been initiated and Rs. 8.80 crore have been released for construction of more durable roads. So far, 34 new projects have been approved in 8 NER States with a cost of Rs. 98.19 crore.

One road project of Airport Road, Manipur has been completed with the application of geotextiles. The application of Geotextiles in the construction of two road projects - Khudrakpam to Taorem in Imphal District of PMGSY under

MSRRDA, Manipur and Shillong- Nongstoin Road, Meghalaya - are under progress.

#### 10. National Institute of Fashion Technology

A NIFT campus at Srinagar became functional in 2017. The campus was set up at a project cost of Rs. 325.36 crores.

A graduate programme focusing on cluster crafts has been started from the 2017 academic session. NIFT had signed MoUs with Development Commissioner (Handicrafts) and Development Commissioner (Handlooms) for cluster initiative for symbiotic collaboration in linking handloom clusters with budding fashion professionals.

USTTAD (Upgradation of Skills and Training in Ancestral Arts/Crafts for Development) project initiated in collaboration with Ministry of Minority Affairs will encompass 25 handicraft and handloom clusters.

Four one-year Certificate Programmes have been initiated; these are Certificate Programme in Fashion Design Development (CPFDD), Certificate Programme in Fashion Design and Management (CPFDM), Certificate Programme in Application of Information Technology in Fashion (CPAIT) and Certificate Programme in Knitwear Design and Manufacturing (CPKDM).

#### 11. Skilling in Textile Sector

As part of the Government's broad focus on Skill Development, Ministry has been implementing Integrated Skill Development Scheme (ISDS), an employment linked programme for meeting the skill requirement of textile industry. More than 4.8 lakh people have been trained during last year of which 74% have been placed.

On December 20, 2017, the Union Cabinet gave its approval for a new skill development scheme covering the entire value chain of the textile sector excluding Spinning & Weaving in organized Sector, titled "Scheme for Capacity Building in Textile Sector (SCBTS)" from 2017-18 to 2019-20 with an outlay of Rs. 1300 crore. The scheme will have National Skill Qualification Framework (NSQF) compliant training courses with funding norms as per the Common Norms notified by Ministry of Skill Development and Entrepreneurship.

The objectives of the scheme are to provide demand driven, placement oriented skilling programme to incentivize the efforts of the industry in creating jobs in the organized textile and related sectors; to promote skilling and skill up-gradation in the traditional sectors through respective Sectoral Divisions/organizations of Ministry of Textiles; and to provide livelihood to all sections of the society across the country.

The scheme will be implemented for the benefit of all sections of the society across the country including rural, remote, LWE affected, North East, J&K by imparting skills in the identified job roles. Preference will be given to various social groups, SC, ST, differently abled, minorities and other vulnerable groups. Under previous scheme of skill

development implemented by the Ministry of Textiles in the XII Plan period, more than 10 lakh people have been trained of which more than 70% were women. Considering that the apparel industry, a major segment to be covered under the scheme, employs majorly women (about 70%), the trend is likely to be continued in the new scheme.

10 lakh people are expected to be skilled and certified in various segments of Textile Sector through the scheme, out of which 1 lakh will be in traditional sectors.

## 12. RESEARCH AND DEVELOPMENT SCHEME

A project titled “National Sizing Survey of India” for developing Indian standard size of apparel has been sanctioned to National Institute of Technology (NIFT), at a total cost of Rs.31 crore.

A project titled “Development of Value Added Textile Product From Different Fibres” in Himalayan Region has been sanctioned to the textile research association NITRA.

## 13. NATIONAL TEXTILE CORPORATION (NTC)

NTC has registered a net profit of Rs. 969.38 Cr. during 2016-‘17. The company produced 300 lakh kg. of yarn & 111 lakh metres of cloth during April-October, 2017. Productivity of NTC mills has improved to 94.14 gms during April-October, 2017 against 94.10 gms. during 2016-‘17. All the details of land available with NTC i.e. location, area etc. has been digitized.`

14. Web-based software system for Collection of Textile Statistical Return: Office of the Textile Commissioner has put in place a web-based software system - Textile Statistical Return System (TSRS), to collect necessary data from all textile units. Around 500 units have been registered on this web portal.

15. Swachhata Hi Sewa campaign: Ministry of Textiles organized Swachhata Hi Sewa campaign at all its offices/ organizations across the country from September 15, 2017 to October 2, 2017. The Textiles Minister Smt. Smriti Zubin Irani participated in Shramdan Sewa Diwas on September 17, 2017 in Chandigarh; Minister of Textiles, Shri Ajay Tamta participated in Uttarakhand and Secretary (Textiles), Shri Anant Kumar Singh participated in Weaver Service Centre at Hyderabad.

<p><b>Textile ministry seeks additional funds of Rs33.27 cr for powerlooms</b></p>	<p><b>Yarns and Fibres</b>  <a href="http://www.yarnsandfibers.com/news/textile-news/textile-ministry-seeks-additional-funds-rs3327-cr-powerlooms#.WkXDU7eWbIU">http://www.yarnsandfibers.com/news/textile-news/textile-ministry-seeks-additional-funds-rs3327-cr-powerlooms#.WkXDU7eWbIU</a></p>
<p>The textiles ministry, which had allocated a sum of Rs 126.76 crore for 2017-18, Rs.83.08 crore has already been spent till now and is planning to seek an additional Rs 33.27 crore for the Power Tex India scheme in the form of supplementary demand for grants, said textile minister Smriti Irani earlier this week in the Rajya Sabha.</p> <p>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. Infact, there is no proposal as yet on enhancing the capital subsidy from the present 10% to 30 percent.</p> <p>The ministry of textiles announced that the yarn bank scheme under Power Tex India was formed 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.</p> <p>In the period 2017-18, 48 yarn bank proposals and 118 group work shed proposals have been approved. According to the ministry of textiles only two applications for group work sheds are pending.</p>	

<p><b>UP govt grants approval to the new textile and garment policy</b></p>	<p><b>Yarns and Fibres</b>  <a href="http://www.yarnsandfibers.com/news/textile-news/govt-grants-approval-new-textile-and-garment-policy#.WkXDabeWbIU">http://www.yarnsandfibers.com/news/textile-news/govt-grants-approval-new-textile-and-garment-policy#.WkXDabeWbIU</a></p>
<p>The Uttar Pradesh government on Tuesday in a cabinet meeting presided by Chief Minister Yogi Adityanath, the proposal of the Handloom, Power loom, Textile and Garment policy 2017 was granted approval to promote its textile industry.</p> <p>Talking about the decisions of the Cabinet meeting, UP government Spokesperson and Health Minister Sidharthnath Singh said that the decision will lead to increase in employment, as well as business opportunities, while industries like Silk and weaving will get promoted,.</p> <p>The traders will get help in finance and marketing through this scheme, apart from rebate in GST and electricity bill, along with reimbursement of transportation and Provident Fund. Also the investors in UP investor summit scheduled in February, will be benefited through this policy.</p>	

**Mill worker deaths fuels employment concerns in India garment sector**

**Reuters.com**

<https://www.reuters.com/article/us-india-textiles-labour/mill-worker-deaths-fuels-employment-concerns-in-india-garment-sector-idUSKBN1ELOK7>

CHENNAI, India (Thomson Reuters Foundation) - The death of a 21-year-old woman working in a garment factory in south India has reignited concerns among rights campaigners over the working conditions of low-paid textile workers in the multi-billion dollar industry.

The woman from the eastern Indian state of Odisha had a fever for a few days and died on Dec. 14 in a hospital in the garment hub of Tirupur in the southern state of Tamil Nadu. The cause of her death remains unknown pending results of a post mortem investigation, police said.

A report into the woman's death by the Rights Education and Development Centre, a charity working with textile workers, said migrant workers "were not being paid minimum wages and were unregistered". There is a growing concern over the number of migrant workers coming to work in south India's textile hub, spending up to 14 hours spinning yarn and stitching garments for global brands.

Drawn from poor families in eastern India, the workers can be confined to factory premises, paid poorly and unaccounted for in the workforce, campaigners said. "We are demanding a probe into the case to ensure justice for the young girl who died and other migrant workers working in the mill," said Karuppusamy Raman, part of the fact finding team.

"The condition of migrant workers is appalling. We were told that they are living in cramped hostels, completely isolated. They are being brought here through agents and we suspect cases of trafficking as well." Civil society groups have been calling for proper registration of migrant workers, highlighting the fact many of these workers are isolated and garment manufacturers are not transparent on the terms under which they are hired.

There are more than 1,500 mills in Tamil Nadu, the biggest hub for textile and manufacturers in India, employing up to 400,000 workers to turn cotton into yarn, fabric and clothes. But as growing number of educated youngsters in the southern state refuse exploitative work conditions, migrant workers are increasingly being hired and form more than 20 percent of the workforce today.

"Thousands of workers arrive at the station here and after a few hours disappear into factories. There is no record of who came and where they have been employed," Sekar Nataraj of a knitwear labor union told the Thomson Reuters Foundation. Campaigners say it is difficult to protect the rights of these workers because of lack of access to the factory hostels. "As mandated by law, there has to be a list of workers and companies must be forced to comply," Nataraj said.

**Vietnam's textile sector sees over \$30 bn in exports revenue in 2017**

**Fibre 2 Fashion**

<http://www.fibre2fashion.com/news/textile-news/vietnam-s-textile-sector-sees-over-30-bn-in-exports-revenue-in-2017-239797-newsdetails.htm>

A government decision to raise the minimum monthly wage by 6.5 per cent in 2018, over \$30 billion in exports revenue, expansion of investments by Chinese and Taiwanese firms, and India's Reliance Industries Limited (RIL) deciding to join hands with PetroVietnam to restart the Dinh Vu polyester plant marked the year in Vietnam's textiles and apparel sector. **Dipesh Satapathy** reviews the developments.

Beginning January, the minimum monthly wage in Vietnam will rise 6.5 percent, or an extra 180,000-230,000 Vietnamese dong (\$7.94-\$10.14), depending on the region. That brings the total monthly minimum wage to between \$136 in the lowest rate region and \$175 in the highest wage region.

The Vietnam Textile & Apparel Association (VITAS) kept opposing the move, saying several enterprises are struggling with wage hikes in the last decade. Minimum wage in domestic enterprises increased by 21.8 per cent between 2007 and 2017, leading many to reduce workers' bonuses and use machines instead of labourers, it said.

In October, VITAS appealed to the government not to increase import tariffs on polyester fibre from zero to 2 per cent. The request followed feedback from many domestic enterprises that are finding it tough to sustain because of the high cost of importing raw material.

The sector attracted more than \$750 million in foreign direct investment (FDI) in the first six months of 2017, mostly from investment capital increases in existing projects, despite a reduced number of FDI projects in recent years and the US withdrawal from the Trans-Pacific Partnership (TPP) in January. In the first 11 months this year, the country imported \$5 billion worth of materials for use in the textile, garment and footwear sector. VITAS expects the sector will generate more than \$30 billion in exports this year, a year-on-year rise of 10.23 per cent. The sector's exports were worth \$28 billion in 2016.

The United States, Japan, South Korea, China and the European Union (EU) are the five major destination markets for Vietnamese clothing goods. From January to September this year, the clothing industry grossed \$23 billion in export turnover, including yarn exports at \$2.6 billion, materials and non-woven fabrics at \$1.1 billion and clothes at \$19.6 billion.

Exports to the US market grew by 6.5 per cent and are expected to reach \$13 billion this year. Exports to Europe

and Japan have posted slower growth, between 4 and 4.5 per cent. Exports to the South Korean market are expected to hit nearly \$2 billion this year. In the first eight months of this year, apparel and textile exports to China rose by 30 per cent to \$670 million. Export turnover to the Russian market will likely exceed \$200 million this year making it among the top ten export markets.

US garment, textile and footwear firms sought investment opportunities in Vietnam after their country withdrew from the TPP, according to American Apparel & Footwear Association (AAFA). The imports of Vietnam's garment-textile and footwear to the United States grew by 8.74 per cent and 11.83 per cent respectively over the past 12 months and Vietnam was the second biggest exporter to the US market, after China, AAFA said.

In the first eight months of this year, textiles and garments exports grew steadily to \$19.8 billion, with export value increasing by 9.9 per cent over the value during the same period last year. Vietnam's cotton imports surged over the past ten years from 150,000 tonnes in 2005 to approximately 1.2 million tonnes in 2016, said VITAS.

The country is using purer US cotton more now as its cotton cultivation areas have narrowed down to just 0.04 per cent of the total demand. On September 12, Ho Chi Minh City hosted the Cotton Day 2017 organised by VITAS and the US Cotton Council International. It exposed enterprises to worldwide cotton demand and consumption trends. CCI granted investment licenses to 12 businesses operating in Vietnam using US cotton.

Vietnamese producers fulfill a mere 0.04 per cent of the total domestic cotton demand. The country imports cotton, with the United States accounting for over 60 per cent of the imports. AAFA and the American Chamber of Commerce in Vietnam held a series of activities in Ho Chi Minh City, including a workshop on product safety and compliance issues, in late October.

The year also witnessed expansion of operations with substantial investments by a few foreign companies. In February, ThreadSol, the pioneer of enterprise material management for sewn products sector, launched its cost-cutting garment solutions IntelloBuy and IntelloCut in Vietnam.

Worldon Vietnam Co. Ltd under the Chinese Shenzhou Group is likely to expand investment in the country as it established a garment-textile production chain there. The knitwear-manufacturing company operationalised the chain's last project worth \$310 million at Dong Nam (South East) industrial park in Cu Chi district, Ho Chi Minh City, in December.

In April, Taiwanese textile major Far Eastern New Century completed its expansion project in Vietnam to manufacture 6,000 tonnes of knitted fabrics per year. Another expansion in its garment unit there saw

production expand by a million dozen garments per year. The company has earmarked investments of \$760 million in the country, to be spent over three years.

US-based biotechnology company Kraig Biocraft Laboratories Inc., a developer of genetically-engineered spider silk-based fibre technologies, received government approval in October to produce high-tech silk in the Quang Nam province.

After discussions with PetroVietnam Petrochemical and Textile Fiber JSC, a joint venture of PetroVietnam and Vietnam National Textile and Garment Group, both state-owned, India's Reliance Industries in September decided to collaborate with PetroVietnam to restart the Dinh Vu polyester plant in Haiphong. Reliance will provide personnel for maintenance, material supply and sales operations.

Lack of adequate training for workers and trained engineers remained a major challenge for the sector. Some 300-400 engineers are needed every year by the yarn, fabric and dyeing sectors while universities supply only around 30. The year also saw domestic fashion brands facing increasing pressure from global brands, which spent high amounts in marketing and advertising campaigns.

## NEWS CLIPPINGS –29-12-2017

<b>Apparel export falls 10% in November</b>	<b>Business Standard</b> <a href="http://www.business-standard.com/article/companies/apparel-export-falls-10-in-november-117122900027_1.html">http://www.business-standard.com/article/companies/apparel-export-falls-10-in-november-117122900027_1.html</a>
<p>Apparel export fell in November by 10 per cent in dollar terms and nearly 14 per cent in rupee terms, as against November 2016. Export of ready-made garments (RMG) were \$1,036 million, down almost 10 per cent from a year before. In rupee terms, export was Rs 6,719 crore, from Rs 7,783 crore in November 2016, down 13.7 per cent. The Apparel Export Promotion Council (AEPC) has attributed the fall to a cut in duty drawback rates and in the Rebate on State Levies (ROSL) scheme that the industry had before rollout of the Goods and Services Tax (GST); also, sustained rise of the rupee against the dollar in recent months.</p> <p>“We have been requesting the government to restore the duty drawback to the pre-GST era. Competing nations are also benefiting from free trade agreements with European countries, which we have been asking the government to expedite, too,” said Ashok Rajani, chairman of AEPC. Cumulatively, for the period April-November, first eight months of this financial year, apparel export grew only marginally in dollar terms, by 0.7 per cent compared to the same period last year. And, fell three per cent in rupee terms. Largely led, it appears, by a two per cent decline in textile manufacturing and six per cent fall in apparel manufacturing in the period.</p> <p>“Capacity utilisation in the RMG industry has also been falling. If the current trend continues, we might not be able to even match the \$17 billion worth of apparel export India posted last year,” Rajani added. Every \$1 bn of</p>	

loss in export would result in job loss for 700,000 workers in the apparel industry, says the latter.

In 2016-17, total apparel export was \$17.5 bn, up 2.9 per cent over the previous year. Largely triggered by some of special package benefits for the industry that year. In rupee terms, RMG export in 2016-17 was Rs 1.17 lakh crore as against Rs 1.11 lakh crore, up 5.4 per cent.

<b>Handloom exhibition in Mysuru</b>	<b>The Hindu</b> <a href="http://www.thehindu.com/todays-paper/tp-national/tp-karnataka/handloom-exhibition-in-mysuru/article22323005.ece">http://www.thehindu.com/todays-paper/tp-national/tp-karnataka/handloom-exhibition-in-mysuru/article22323005.ece</a>
<p>The fair, to be held at JSS Urban Haat, will be on till Jan. 14</p> <p>Thousands of saris will be on display at the national handloom exhibition to begin at the JSS Urban Haat at Hebbal industrial area on Friday. The exhibition will be on till January 14.</p> <p>Among the varieties that will be displayed are Kanchivaram silk, Molakalmuru, Bengali cotton, Banaras, chikan embroidery, Maheshwari from Madhya Pradesh, Sambalpuri from Odisha, Gadwal silk, Patola silk from Gujarat, and cotton. The event is being organised by JSS Urban Haat and the Department of Handlooms and Textiles. People from at least 17 States, including Kerala, Tamil Nadu, Gujarat, Jharkhand and Madhya Pradesh, are to take part in the fair, which will be held under the banner 'Kai Magga Mela-Samskruthi-2017'.</p> <p>Janardhan, deputy director of the department, and Shivananjaswamy, director of Urban Haat told reporters on Thursday that a rebate of 20% will be offered on all purchases at the exhibition by the Union government. The aim is to promote those involved in handloom production and to encourage people to buy and use handlooms.</p> <p>More than 50 shops have been erected at the Urban Haat premises. They will be open from 10 a.m. to 9 p.m. on all days of the exhibition.</p> <p>Public Works Minister H.C. Mahadevappa will inaugurate the exhibition at 4 p.m. on Friday.</p>	

<b>Cotton export pegged at 67 lakh bales in current marketing year</b>	<b>Money Control</b> <a href="http://www.moneycontrol.com/news/business/economy/cotton-export-pegged-at-67-lakh-bales-in-current-marketing-year-2470697.html">http://www.moneycontrol.com/news/business/economy/cotton-export-pegged-at-67-lakh-bales-in-current-marketing-year-2470697.html</a>
<p>Cotton export is estimated to increase by 15 per cent to 67 lakh bales (of 170 kg each) in the current 2017-18 marketing year, which started in October, because of the rise in the output of the commodity, Parliament was informed today.</p>	

This assessment was made by the Cotton Advisory Board.

The shipments were aggregated at 58.21 lakh bales during 2016-17 marketing year, Minister of State for Textiles Ajay Tamta said in a written reply to the Lok Sabha. The crop production is estimated to increase to 377 lakh bales during the 2017-18 period, from 345 lakh bales.

As for higher production cost in the textile industry, he also said, cotton prices show that in comparison to the previous year, average prices have decreased by 2-4.8 per cent for various cotton varieties.

In a separate reply, the minister said the government is taking several measures to promote procurement of cotton from farmers on minimum support prices through Cotton Corporation of India (CCIL).

"During the current cotton season, CCIL has opened 348 procurement centres to ensure remunerative prices to farmers. As on December 20, 97.59 lakh bales have arrived for cotton season 2017-18. Out of which, 3.66 lakh bales have been procured by CCIL under MSP operations from farmers," he added.

**Pleas on yarn, wool part of ASSOCHAM's suggestions to govt**

**Fibre 2 Fashion**

<http://www.fibre2fashion.com/news/textile-news/pleas-on-yarn-wool-part-of-asso-cham-s-suggestions-to-govt-239814-newsdetails.htm>

The Associated Chambers of Commerce and Industry of India (ASSOCHAM) recently urged the government to provide interest equalisation of 3 per cent for yarn exports in the next budget to ensure that domestic products can compete in global markets. The suggestion was part of its pre-budget recommendations on indirect taxes submitted to the government.

Two per cent of the benefits of the Merchandise Exports from India Scheme (MEIS) be extended to the spinning sector as the recent spike in raw material and other input costs have made the industry's survival tough, the industry chamber requested.

Drawing attention to implementation-related problems in the Technology Upgradation Fund Scheme (TUFS) in the last three to four years, ASSOCHAM requested that enough provision be made in the next budget to take care of old left out cases and the current dues in this scheme, according to India media reports.

The chamber also urged the government to reduce the hank yarn obligation by half from the current level of 40 per cent and sought abolition of customs duty on import of wool fibre. Apparel-grade wool of fine micron and other animal hair are not available in our country and have to be imported.

The goods and services tax (GST) on man-made fibre should be reduced from 18 per cent to 12 per cent and there should be an exemption from payment of GST on export of goods as the process results in blockage of working capital for a long duration, the chamber added in its representation.

**State-owned textile mills under PPP**

**The Financial Express**

<https://thefinancialexpress.com.bd/editorial/state-owned-textile-mills-under-ppp-1514477255>

The government's recent move to reopen 13 closed state-owned textile mills under public private partnership (PPP) sounds good. However, the decision triggers some concern about the way things are going to be handled in a new set-up. Its would-be operating modality remains yet largely unknown. The mills currently owned by the Bangladesh Textile Mills Corporation (BTMC) are, as reports say, set to go into PPP format following an administrative order of the government.

The 13 textile mills spread out in different parts of the country have reportedly a total of 380.47 acres of land worth approximately Tk 15.92 billion. The mills need an estimated Tk 152 billion in PPP implementation cost to resume their operation. The land of the mills, according to the textile ministry's proposal, will be considered capital of the BTMC in the PPP deal. The selected private parties will have to implement the relevant projects, carry out maintenance, processing and marketing of products, in addition to running the mills. The shares of the BTMC and private parties will be worked out on a ratio-basis or through negotiations. Initially, partnership between the BTMC and the private parties will be for 30 years and the contract could be renewed or a new party reappointed after the expiry of the deal.

Now, it remains to be seen whether the aforementioned broad principles on which the PPP is being planned will be able to fix the problems facing the state-owned textile mills not in operation now. The reason why PPP is believed to have fared well in many countries is primarily due to the dual stakes borne by the government and the private sector coupled with the relative ease in accessing finance and other facilitating services. The issue of dual stake and the methodology to work it out on a win-win basis, especially in unforeseen circumstances, are the most crucial part of implementing any PPP project. Bangladesh has been trying to make good use of PPP in the past several years. In August 2010, the government issued the PPP guidelines and in the budget for fiscal year (FY) 2009-10, Tk 25 billion was allocated for the first time. But over the years, there has been no mentionable breakthrough although the allocation was later raised to Tk 30 billion. Lack of preparedness and experience is generally believed to be the main obstacles to the way of making the partnership fruitful.

Observers are not sure whether the planned PPP is packaged as a new version of semi-privatisation -- at the expense of the government's stake in it. It is also not clear whether the authorities had explored the potential of

private sector partnership, given the huge amount of money required to reinstate the mills to operational stage. There are also issues such as the nature and type of structural improvements required, machinery and equipment to be added, financing needs and ways of meeting them etc. Unless these and other important issues including risks are sorted out with responsibilities and obligations of both parties clearly defined, one can hardly be optimistic about the plan's successful implementation.

**Cotton Ends 2017 With Its Best Rally  
Since 1998**

**Bloom Berg.com**

<https://www.bloomberg.com/news/articles/2017-12-28/cotton-ends-2017-with-a-bang-heading-for-best-rally-since-1998>

Cotton futures are poised for a 10th straight weekly gain, the commodity's best run since 1998.

Prices have been buoyed by robust demand for the fiber. Futures on Thursday were little changed after reaching the highest since May. Hedge funds are signaling more gains are in store, with investors holding the most net-wagers on a rally in seven months, according to U.S. government data.

"U.S. exports have been doing better than expected, the U.S. economy is strong, and there's optimism among people, so we are probably selling more cotton products," Sid Love, president of Sid Love Consulting Services in Overland Park, Kan., said in a telephone interview.