



The Southern India Mills' Association

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NEWS CLIPPINGS –19-01-2018

**Rising cotton rates spook Tamil Nadu
textile companies**

Economic Times

<https://economictimes.indiatimes.com/industry/cons-products/garments-/textiles/rising-cotton-rates-spook-tamil-nadu-textile-companies/articleshow/62535254.cms>

CHENNAI: The surge in cotton prices that began late last year has begun to worry yarn and garment manufacturers based in Tamil Nadu who are grappling with inflated raw material costs as they struggle to hold their positions in the international export market. Last year, the state's textile entrepreneurs had resorted to importing cotton from African nations to circumvent price uncertainty usual during the turn of the year. The current cotton season's prices have risen in concert with climbing higher international prices since October last year, with the rates touching \$85 cents a pound recently. Cotton prices in the country have increased sharply - nearly 14% towards levels around ₹43,000 a candy. Holding at a higher level, they have led to need for higher stock for production among garment makers even as observers attempt to prevent panic buying as seen last year.

While the increase at this time of the year is usual, the aid of higher international prices is providing an additional boost," said K Selvaraju, secretary-general at Southern India Mills' Association, a Coimbatore-based association of cotton mills. "Farmers are also holding back stocks as a growing majority of them have begun tracking international market rates to adjust prices. Thirdly, Pakistan has begun import of Indian cotton to touch about 7-8 lakh bales this year while last year it was under 2 lakh bales. I would say there is no need to panic."

An increase in raw material prices impacts manufacturing competitiveness, making Tamil Nadu's exporters vulnerable in the global market now populated by cheaper goods from Bangladesh, Vietnam and Cambodia. Tirupur's entrepreneurs have for long tried to cut down price of cotton access, including a tie-up with vessel charterers to ship in cotton from Gujarat instead of road transport.

Tamil Nadu has not had a textile policy for years even as Gujarat and Andhra Pradesh continue to provide subsidies, besides central government schemes for technology upgradation. announcements in the budget regarding a textile policy in preparation for months now. K Phanindra Reddy, Tamil Nadu's textiles secretary, said there could be some announcements in the budget regarding a textile policy in preparation for months now.

Irani urges fabrics industry to give data on dumping

Business Line

<http://www.thehindubusinessline.com/economy/irani-urges-fabrics-industry-to-give-data-on-dumping/article10040232.ece>

The textile industry should come forward with market intelligence and evidence to fight anti-dumping in the apparel segment, Union Textiles Minister Smriti Irani has said. .

Speaking at an event organised by the Chennai Citizens Forum today, Irani said that while dumping of fabrics from China has always been a challenge, the industry should provide the Commerce Ministry with market intelligence and port-wise details of dumping so that the Ministry can prepare a clear case in line with WTO norms.

“It is unfortunate that despite my continuous appeals, I never had the industry come forth with the paper work,” she added. She urged the apparel industry to bring enough evidence and information so that a definitive case of anti-dumping could be filed.

Handloom focus

Irani said handlooms and handicrafts are another focus area for the Centre. “It could be a niche market in the world,” she said. However, the lack of quality in the sector has been a major challenge. “The industry and the government should work together to bring in quality control so that we can create a handloom brand,” Irani said.

Supporting handloom

The Hindu

<http://www.thehindu.com/todays-paper/tp-national/tp-telangana/supporting-handloom/article22468302.ece>

Inaugurates a concept boutique at Jubilee Hills

It’s not often that spiritual leaders take time to grace a commercial venture. But an enterprise started by 23-year-old Sai Priya Tucker with a vision to support handlooms and sustain the livelihoods, made an exception.

Tridandi Srimannarayana Ramanjua Chinna Jeeyar Swami inaugurated the concept boutique Elementree at Jubilee Hills here on Thursday that would be open to public from January 22. “The time-tested skills of our artisans and craftsmen should be respected and propagated,” Chinna Jeeyar Swami told the select gathering. The handlooms component of the boutique is named ‘She is’ with a tagline Supporting Handlooms . “We enlist every woman to support genuine handlooms and thereby help the artisans and skilled weavers to sustain their craft,” said Sai Priya, who studied in National Institute of Fashion Technology, Hyderabad. Daughter of Raj Kumari and S.P. Tucker, former Chief Secretary of Andhra Pradesh, Sai Priya has set up her own looms at Narayanpet and has positioned master weavers and artisans specialising in various crafts from 20 locations across India there.

Bad news for Indian, Chinese polyester makers: US imposes anti-dumping duty

Business Standard

http://www.business-standard.com/article/markets/bad-news-for-indian-chinese-polyester-makers-us-imposes-anti-dumping-duty-118011900059_1.html

RIL is the largest producer of polyester fibre and yarn in the world, with a capacity of 2.5 million tonnes per annum more than half of almost half of India's overall capacity of 4.5 MT

On Wednesday, the United States announced an anti-dumping duty on fine denier polyester staple fiber imports from China and India. Reliance Industries is one of the main polyester exporters from India to the US. "US Secretary of Commerce Wilbur Ross announced the affirmative final determinations in the countervailing duty (CVD) investigations of fine denier polyester staple fibre from the People's Republic of China (China) and India, finding that exporters from China and India received countervailable subsidies of 41.73 to 47.55 percent and 9.50 to 25.28 percent, respectively," US Department of Commerce said in its statement.

According to a factsheet shared by the US Department of Commerce, in its investigation on India, the department calculated a preliminary dumping rate of 2.66 per cent for RIL. Bombay Dyeing & Manufacturing Company was the second Indian company which was made a mandatory respondent to the investigations and was assigned a dumping rate of 21.43 percent, the fact sheet stated. "The US will no longer sit back and watch as its domestic businesses are destroyed by unfair foreign government subsidies," Ross was quoted in the statement. RIL is the largest producer of polyester fibre and yarn in the world, with a capacity of 2.5 million tonnes per annum more than half of almost half of India's overall capacity of 4.5 MT. RIL earlier in November stated it expects a growth of 5 per cent per annum in this segment in India, higher than the global growth rate of 3 percent per annum. For the financial year 2016-17, demand for polyester in India grew at 3 percent on a year on year basis. Per capita consumption of polyester globally comes to the tune of 6 kilogram (kg) per person, compared to 3 kg per person in India and 11 kg per person in China. An email query sent to RIL remained unanswered. "Demand for polyester has been good in the last few quarters as crude prices were low.

However, with the rise in crude prices, this is likely to change. For RIL, polyester is a small part of its larger petrochemical business, so I do not expect it to be a significant hit for the company at large. In addition, its share of exports to US of its total polyester production may also be lower. Having said that, one needs to look at what exactly is the duty to access the financial hit," said an analyst.

**Petroleum products not yet under
GST**

The Hindu

<http://www.thehindu.com/todays-paper/petroleum-products-not-yet-under-gst/article22468289.ece>

The 25th GST Council meeting chaired by Union Finance Minister Arun Jaitley at Delhi on Thursday did not take up the proposal of bringing petroleum products, alcohol and real estate sector under the GST regime.

**Textile, garment exporters seek
budgetary support to stay competitive**

Business Line

<http://www.thehindubusinessline.com/economy/textile-garment-exporters-seek-budgetary-support-to-stay-competitive/article10040255.ece>

Concerned about the recent fall in exports of textiles and garments and rise in imports from countries such as Bangladesh, exporters are looking at the government to come up with more incentives in the forthcoming Union Budget to prop up the domestic industry.

The Textile Ministry has already formed a committee to look into the issues raised by the industry and exporters are hopeful that together with the Finance and Commerce Ministries, some assistance could be extended to the sector. Garments exports have suffered a huge blow with three consecutive months of fall since October 2017 and hopefully the industry's problems would be looked into seriously and suitably addressed, pointed out HKL Magu, Chairman, Apparel Export Promotion Council (AEPC).

"Under the new GST and drawback rules, the reimbursements of taxes for the sector have gone down to the extent of 7 per cent (of the value of exports), whereas an additional incentive of 2 per cent was given to the sector in the foreign trade policy review in December. There is a shortfall of 5 per cent which has to be addressed in the Budget as it is pulling down exporters," Magu told BusinessLine.

AEPC has sought a number of interventions from the government in the Budget for 2018-19, which includes more incentives, continuation of duty-free import of speciality fabric up to 1 per cent of export value of garments, round-the-clock customs clearance, withdrawal of GST on air-freight and duty-free import of samples.

Exports of garments and textiles declined 3 per cent in December 2017 to \$2.99 billion, although in the April-December 2017 period it posted a growth of 2 per cent at \$26.13 billion.

What has rattled the domestic industry more is the rise in imports in the comparable period. According to figures compiled by textile body CITI, India's imports of garments from Bangladesh increased 66 per cent to \$111.3 million during July- December 2017 compared with \$66.9 million in the same period last year.

'At a disadvantage'

"Garment manufacturers in India have to pay duty on imported fabrics, while Bangladesh can import fabric from China duty-free and convert them into garments and sell to India duty-free. This is putting the Indian garment industry at a major disadvantage and this figure is expected to go up in coming months," according to Sanjay Jain, Chairman, CITI.

CITI proposed that by including cotton yarn under the Merchandise Export from India Scheme (MEIS) and providing ROSL (Rebate of State Levies) for fabrics, Indian can retain its competitiveness in the global market.

Magu said that the positive response from foreign buyers at the on-going India International Garment Fair in New Delhi proved that there was still a lot of global interest in Indian garments.

"Despite the fact that we have not provided airfare to our exhibitors this year, we have already had 400 participants from across the globe. We expect about 100 more tomorrow as the Hong Kong fair, happening simultaneously, will end on Thursday. This makes us optimistic about the future," he said.

Apparel industry is going through a challenging phase: MoS Textiles	Dollar Business https://www.thedollarbusiness.com/news/apparel-industry-is-going-through-a-challenging-phase-mos-textiles/51607
<p>The Dollar Business Bureau</p> <p>Minister of State (MoS) for Textiles Ajay Tamta said on Wednesday that India's apparel industry is going through challenging times and added that the Government has formed a committee to address the concerns and look into the issues raised by the industry.</p> <p>"Apparel industry is going through a challenging phase and to address the concerns of the Industry, a committee has been formed by the Government to look into the issues raised by the Industry," the Minister said while inaugurating the 60th edition of India International Garment Fair (IIGF) at Pragati Maidan, New Delhi.</p> <p>Tamta further said the textile package announced by the Government is benefiting the sector, immensely. In 2016, the Government has announced a Rs.6,000 crore special package for the textile and apparel sector, which aimed to help in creating one crore jobs in 3 years. "Garment sector is one of the largest employment providers and is helping a large number of people to earn their livelihood," Tamta said. In his address, Tamta said, "IIGF is a big platform which brings together the overseas garment buyers and garment exporters with almost half of the Indian states participating in the fair."</p>	

“During the last IIGF, business worth \$200 million was conducted and this time I would like to see more buyers participating in the fair,” he added.

Speaking on the occasion HKL Magu, Chairman, Apparel Export Promotion Council (AEPC), said, “I feel happy to note the huge transformation the Fair and the industry has witnessed in these years. The Fair has grown in scale and scope and emerged as the one of the largest and most popular platforms in Asia where overseas garment buyers can source and forge the business relationship with India’s finest in apparel and fashion accessories domain.”

“This time the fair is happening at a time when industry is facing lot of challenges both domestically and globally. These are challenging times for the industry with global headwinds blowing over us. The post GST transformation for the industry has been challenging, but I am sure the industry will show the resilience it has shown in the past, and emerge stronger,” Magu said.

IIGF, a three-day international fair, is being held from January 17-19, 2018 and will witness the participation of over 294 exporters from 11 states including Gujarat, Haryana, Maharashtra, Madhya Pradesh, New Delhi, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh and West Bengal. These participants will be showcasing women’s wear, accessories, kid’s wear and menswear. International buyers from over 95 countries like Brazil, Spain, Japan, Uruguay, UK, Hong Kong, US etc have also registered to participate in the fair.

‘MSMEs not getting GST refunds on time’	Business Line http://www.thehindubusinessline.com/news/national/msmes-not-getting-gst-refunds-on-time/article10040265.ece
<p>In the current scheme of things, the GST has caused a shortfall of working capital for SME clients, the Kerala Financial Corporation official said, explaining the circumstances under which the scheme is being launched.</p> <p>“They are paying taxes on the realised profits and only after that can refunds be applied for. But as deadlines for GST returns get extended, they are made to wait longer for refunds,” the official said. This has constricted the operating capital and has forced many to cut costs. As per the Act, refunds due for a financial year can be applied for only after the closure of the financial year on March 31.</p> <p>Small and unorganised businesses in the traditional sectors such as textiles, leather and footwear are currently experiencing a supply disruption. Since they are labour-intensive, the situation is threatening the employment situation too. One example is the footwear sector in North Kerala. For footwear with maximum retail price below ₹500, the rate at which GST is payable is 5 per cent. Most raw materials required for its manufacture attract GST at rates up to 18 per cent. This differential in rates has resulted in all the units in this sector having excess input</p>	

credit. While the smaller players have accumulated credit in the range of lakhs of rupees, bigger ones do it in crores in the five months that GST has been in operation.

This accumulated credit can only be funded with the working funds of the enterprise. Consequently regular operations are getting hit with each passing day.

Textile traders want Centre to defer e-way bill implementation	Times of India https://timesofindia.indiatimes.com/city/surat/textile-traders-want-centre-to-defer-e-way-bill-implementation/articleshow/62546534.cms
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Surat: Textile traders in country's largest man-made fabric (MMF) hub have sought extension of deadline in the online e-way bill generation due to technical glitches in the Goods and Service Tax (GST) portal. The traders' community have been facing lot of difficulties on the GST portal due to technical glitches. Though the central government has launched the e-way bill generation on trial basis for the inter-state movement of goods above Rs 50,000 starting from January 16, the traders have demanded that implementation of e-way bill must be done only after ensuring the system works properly.

The traders have demanded that implementation of e-way bill should be deferred till March 31 or else it will hit the inter-state movement of goods from February 1 onwards.

For a seamless movement of goods across states, the GST Council, earlier this month, decided to go for early implementation of the e-way bill for inter-state movement of items from February 1 and uniform mandatory compliance from June 1 next year. An e-way bill is required for movement of goods worth more than Rs 50,000.

"The finance ministry has stated that the trader and transporters can start using this system on a voluntary basis from January 16 this year. But, a majority of traders are unable to upload their details or rather the system crashes in the middle of filing of details. On the other hand, the transporters are insisting on the e-way bill details, without which the goods are not loaded for transportation," leader of the Federation of Surat Textile Traders' Association (FOSTTA) Devkishan Menghani said. He added, "At this point of time, the government should first rectify the technical problems on the GST portal and then implement the e-way bill compliance. Till then, the government must extend the implementation of e-way bill."

A large number of textile traders had gathered at Abhishek Market on Ring Road to address their problems to Navsari MP C R Paatil on Tuesday. The traders raised the issues related to filing of the returns, ITC-04 and other technical problems on the GST portal.

FOSTTA president Manoj Agarwal said, "Time and again we have raised our genuine concerns under GST, but the

government is not ready to hear. We are ready to follow the rules, but the GST portal itself is not working. How are traders going to generate e-way bill, file returns etc when the portal is faulty?"

52% of online apparel shoppers turn to Amazon

Retail Dive

<https://www.retaildive.com/news/52-of-online-apparel-shoppers-turn-to-amazon/515018/>

Dive Brief:

More than half (52%) of apparel shoppers who bought clothing online in the last six months said they shopped at Amazon, according to a survey of 1,500 U.S. shoppers from digital marketing agency CPC Strategy. Nearly half (47%) of shoppers gravitated toward retailer or brand websites. Men were more likely to shop Amazon, while women were more likely to buy from a retailer's website, according to the survey. Of those who bought apparel on Amazon, 31% said it was because of its fast and free shipping, 26% cited their preference to shop for apparel on mobile, 25% cited low prices, and 20% said they value the ability to filter products, according to the report.

Shoppers, however, aren't turning to Amazon for high fashion or high quality. More than half (54%) look for casual apparel like jeans and sundresses, and between 25% and 30% of shoppers look for athletic wear, outerwear, loungewear and basics. "The biggest takeaway for retailers is this: If you can't compete with free shipping or low prices, then you need to have a very unique brand or high quality product," according to the report.

From mobile apps to omnichannel marketing, Retail Dive: Mobile Commerce delivers the insights you need to improve your mobile commerce strategy.

Dive Insight:

Even CPC Strategy researchers, well aware of Amazon's command of e-commerce, were caught off guard by its entrenchment in apparel sales, according to CEO and co-founder Rick Backus. "We knew that Amazon dominated most retail verticals," he said in a statement. "But when we saw the survey results, we were pretty surprised that over 50% of shoppers opted to buy apparel most frequently on Amazon in the past six months."

That means that, while Macy's has suffered sales dips as it works through its painful-but-necessary downsizing Amazon has expanded and improved its apparel offering. Together, that has helped to make Cowen & Co.'s now-famous prediction — that Amazon would leapfrog Macy's as America's biggest apparel seller — closer to coming true.

It's not some natural drift, though; Amazon is making it happen. Digital research firm L2 uncovered how diligently

Amazon brings out best-sellers — using data from brands selling on its site to develop its own versions. Amazon Essentials' top-performing item, for example, was the "Men's Cotton Pique Polo Shirt," markedly similar to Dockers' "Men's Short Sleeve Solid Poly Pique Polo Shirt" at half the price, L2 found. "With Levi's/Dockers owning the second highest share of Best Sellers in the Men's clothing category, this suggests Amazon's private label brands pose the greatest threat to the very brands that are top of the category today," noted L2.

Brands with a preexisting audience, however, do have the upper hand on Amazon, according to CPC Strategy's report. That requires a brand promise based on more than price.

"If your brand stands for something, and has strong appeal on its own to consumers, then you'll do great...Without brand as a guide to quality and lifestyle meaning, Amazon does very little to help you justify a price difference over something that looks very like what you already have," Retail Systems Research Managing Partner Nikki Baird said, according to a statement in the report. "That's why UGG has invested in Amazon presence like it has — it has the strength of its brand to back it. Sure, you can buy knockoffs, but if you want UGGs, nothing else will do."

Fulfillment remains a conundrum, however. Amazon's convenience play is strong, and respondents told CPC Strategy that free, fast shipping and easy returns are factors in shopping there. While those costs are high for everyone, only Amazon has the financial cushion to support that, thanks to its AWS cloud services.

Mobile is also increasingly a must, as more younger shoppers turn to their phones to at least browse for clothing, CPC Strategy found. By far, most (71%) online apparel shoppers head for their computers, while 26% prefer their phone (18%) or tablet (8%). But 18-24 year olds were the most likely (40%) out of all ages to report they would shop for apparel from their phone, and CPC Strategy noted that could be higher if more retailer mobile sites were easier to use.