



The Southern India Mills' Association

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NEWS CLIPPINGS –22-01-2018

A festival of handlooms and handicrafts	The Hindu http://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/a-festival-of-handlooms-and-handicrafts/article22487921.ece
<p>Poompuhar has organised Crafts Thiruvizha, a 10-day event at JJ Hall here, to showcase the works of 40 artisans.</p> <p>According to R. Narendra Bose, this is a platform for several artisans to display their work. The fair, which will be on till January 28, hopes to register sales for Rs. 10 lakh. While 50 % of the products on display are textiles, the remaining are handicrafts. Artisans from Moradabad, Andhra Pradesh, Maharashtra, and different parts of Tamil Nadu have displayed art works. Sungudi saris, Mangalagiri cotton saris with vegetable dyes, brass and bronze items, wooden products, and Kancheepuram silk products are some of the items on display.</p> <p>A roadshow was conducted in Race Course, showcasing some of the art works, on Sunday. The aim is to create awareness among consumers on the products available at Poompuhar, Mr. Bose said.</p> <p>R. Saravana Kumar from Krishnagiri employs 40 people and engraves designs on plywood. The designs are highlighted using LED lights. The work can be customised too. "I organise drawing competitions for students and the best designs are selected as designs for this work," he said. Mr. Saravana Kumar is engaged in this kind of wood work for about a year now.</p> <p>The exhibition is a platform for such upcoming artisans, Mr. Bose said.</p>	

Budget Wish

- 1. Refund of State Levis**
- 2. Interest Subsidy**
- 3. More fund for tech upgrade**
- 4. Duty free import of speciality fabric to stay**
- 5. Round-the-Clock customs clearance**
- 6. No GST on Air Freight**

The labour-intensive textile and garment companies, facing increasing competition from Bangladesh and Vietnam, are looking at sops such as additional allocation to upgrade technology and interest subvention (subsidy) in the forthcoming Union budget. The Apparel Export Promotion Council has sought a number of interventions from the government, which include more incentives, continuation of the 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. The export of garments and textiles, which contributes 13 per cent to the overall shipments, 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. While apparel exports have grown at a subdued pace in the face of intense competition, yarn exports also remained under pressure given the decline in demand from China as well as India's losing market share in the Chinese market.

"Adequate budgetary allocation for schemes such as refund of state levies and interest subvention benefits can help improve the competitiveness of Indian textile exporters in the international market and improve textile export growth," rating agency Icra said.

The budgetary allocation for the Technology Upgradation Fund (TUF) Scheme was reduced by 23 per cent to Rs 2,013 crore in 2017-18 from Rs 2,610 crore in 2016-17, a level even lower than 2014-15. Subsidies under the TUF scheme are the key drivers for investment in the textile sector. Hence, lowering the allocation constrains the pace of capacity addition.

Analysts said a higher allocation towards the TUF scheme for 2018-19 would prop up investments in the downstream segments, facilitate value addition and result in a higher contribution by the sector to the country's GDP as well as forex earnings. They said apparel exports can go up significantly if the raw material and

intermediaries that are currently being exported get processed further into apparels. This has the potential to double the cotton-based apparel exports and increase the total textile exports from the country by 50 per cent in value terms.

Assocham has sought an interest equalisation of 3 per cent in yarn exports to make the domestic product competitive in the international market.<>It has also sought exemption from payment of GST on exports, reduction in GST rates from 18 per cent to 12 per cent on manmade fibre and sufficient provision for the TUF Scheme in the Union budget. The sector is largely dominated by small and medium enterprises and faces constraints arising from infrastructure bottlenecks and dispersed value chain. Continued funding allocation to textile parks, financial assistance (in the form of equity/grants) and access to conducive infrastructure can enhance the sectoral efficiencies. This in turn can help in enhancing the sector's contribution to the country's manufacturing production as well as GDP, Icra said.

The domestic industry is also concerned about increasing imports from Bangladesh. The import of garments from Dhaka to the country increased 66 per cent to \$111.3 million during July-December 2017 from \$66.9 million in the same period last year. In the pre-GST scenario, the import of garments from Bangladesh cost Rs 77 per piece (MRP Rs 999 per piece) and Rs 116 per piece (MRP Rs 1,500 per piece) in the form of CVD plus education cess.

However, post-GST, there is no cost for the import of garments from Bangladesh. Similarly, in the case of import of garment from other countries, the cost has been substantially reduced by Rs 77 per piece and Rs 116 per piece where the MRP is Rs 999 per piece and Rs 1,500 per piece, respectively. In terms of volume and market size, the overall import from Bangladesh isn't much. However, the fast increase poses a threat to the Indian manufacturers. The country's garment industry will face stiff competition because of the imported garments, especially from Bangladesh where production cost is already less than India. 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.

Centre urged to check spread of BG-III cotton	The Hindu http://www.thehindu.com/news/cities/Hyderabad/centre-urged-to-check-spread-of-bg-iii-cotton/article22476136.ece
State officials brief Centre on herbicide-tolerant variety Telangana government has requested the Centre to formulate protocols and guidelines at the earliest to take steps to check the spread of herbicide tolerant variety cotton seed, popularly known as BG-III, which is not cleared by the Genetic Engineering Approval Committee (GEAC), and is harming the biodiversity in the country.	

A detailed presentation was made on the unauthorised spread of the unapproved cotton variety by Director of Telangana State Seed and Organic Certification Authority K. Keshavulu here on Friday before the visiting team of Field-level Inspection and Scientific Evaluation Committee (FISEC) appointed by the Centre on the issue of BG-III.

He also explained the initiatives taken by the State government in bringing the issue to the Centre's notice constantly. The high-level team comprising officials from the Indian Agricultural Research Institute (IARI), Department of Biotechnology (DBT), Central Institute for Cotton Research (CICR), Ministry of Environment, Forests and Climate Change (MoEF&CC) and Prof. Jayashankar Telangana State Agricultural University visited Jogulamba-Gadwal and Vikarabad districts on Thursday and Mancherial district on Friday before meeting the stakeholders, including seed growers, dealers, national and State seed associations at a meeting here.

During their field visit, the team interacted with cotton farmers, examined the standing crop, visited ginning mills and seed purification plants and collected seed samples. Leader of the visiting team, chief scientific officer in DBT, V.S. Reddy, complimented the efforts of Telangana government in highlighting the issue at national-level. The team arrived in Telangana after studying the issue in Gujarat and would be in Andhra Pradesh for the next two days.

Total confusion'

Agriculture Production Commissioner C. Parthasarathi said all the stakeholders are in total confusion on the issue of BG-III in the absence of any guidelines from the Centre since the seed was unapproved. He explained that the State government had already collected the seed samples of the unapproved cotton variety which have the potential of polluting biodiversity. Representatives of seed associations and growers demanded that the variety be controlled completely and expressed dismay over the silence on sale of BG-III variety cotton seed for the last few seasons. Seed dealers told the visiting team that they are living in fear due to mistakes committed by some growers and wanted stern action against them. They urged the team to formulate protocols and train dealers and growers. Leader of the Central team, Mr. Reddy, stated that the notification on private hybrid varieties of cotton had become a hurdle in certifying the seed after finding genes of herbicide tolerance.

**Yarn, fabrics, made-up articles
imports rise 20% in December**

The Hindu

<http://www.thehindu.com/business/Economy/yarn-fabrics-made-up-articles-imports-rise-20-in-dec/article22481565.ece>

However, apparel exports dropped 0.3% between April and Dec. 2017 and 8% in December alone Imports of yarn, fabrics and made-up articles during December last year rose 20% compared with December 2016, according to data released by the Ministry of Commerce and Industry.

Matter of concern'

Sanjay Jain, chairman, Confederation of Indian Textile Industry, said this was a matter of concern as export data of Bangladesh showed India imported garments worth \$111.3 million during July-December 2017 from Bangladesh, which was 66 % higher as against the same period of the previous year. Imports of knitted apparel from Bangladesh were worth \$20.6 million in July-December 2016 and rose to \$36.5 million between July-December last year. Meanwhile, though total export of textile and apparel rose 2% between April and December 2017 over the first nine months of 2016-2017, apparel exports dropped 0.3 % during the same period and 8% in December alone. A leading garment exporter here said one of the reasons for the decline in exports is revision of duty drawback rates. "Once an international buyer enters into a contract with an Indian supplier, the rates are fixed and might only go down in the future. "But, cotton prices and yarn prices are going up in the domestic market. And, the government has reduced the duty drawback rates. After GST, we do not know yet what refund we will get on duties paid on exports," the exporter said. Mr. Jain said there was a need to impose safeguards such as Rules of Origin, Yarn Forward and Fabric Forward rules on nations like Bangladesh and Sri Lanka that had free trade agreements with India and China. "Garment manufacturers in India have to pay duty on imported fabrics, while Bangladesh can import fabric from China duty-free, convert it into garments, and sell to India duty-free," he said in a statement.

**Powerloom weavers, traders upset over
CMO's tweet**

Times of India

<https://timesofindia.indiatimes.com/city/surat/powerloom-weavers-traders-upset-over-cmos-tweet/articleshow/62582513.cms>

Powerloom weavers and textile traders are upset over a tweet by CMO Gujarat on GST rate cut on polished diamonds to bring shine in the diamond industry. In a tweet, CMO Gujarat has posted an artwork carrying the picture of Prime Minister Narendra Modi on the top and CM Vijay Rupani and Deputy CM Nitin Patel in the bottom congratulating the diamond industry of Surat for the major benefit due to the GST rate cut on polished diamonds and valuable gemstones from 3 per cent to 0.25 per cent on Friday.

This tweet has gone viral on the whatsapp groups of the textile fraternity in the city asking chief minister Vijay Rupani and his government whether they consider Surat a textile city or not?

The country's largest man-made fabric (MMF) sector, especially the powerloom weavers and traders are highly disappointed that the GST council has again slashed GST rates on many items, but chose to ignore the textile sector. The weavers and the traders have been lobbying hard from the last many months in the Central Government for the relief and simplification of the GST law, but in vain. Many in the textile sector have been discussing that Central government may have showered the blessings of GST relief on the diamond sector to

reciprocate the astounding victory of the BJP candidates in all the four assembly constituency in Surat falling under the Patidar-dominated areas and rejecting the Patidar reservation agitation. "Weavers are demanding refund of the input tax credit (ITC) from the day one of the GST implementation, but the GST council and even the Central government is not responding. The diamond sector had not sought the reduction of GST on diamonds from 3 per cent to 0.25 per cent, still they have got the benefit" said president of Pandesara Weavers' Cooperative Society Limited, Ashish Gujarati.

Gujarati added, "The CM considers only diamond industry in Surat and what about the presence of country's largest MMF industry?"

Chairman of Federation of Surat Art Silk Weaving Industry (FIASWI), Bharat Gandhi said, "We have submitted our demands and will wait till the union budget gets over. If our demands are not met then we will launch the agitation in a peaceful manner by wearing black ribbons" Senior leader of Federation of Surat Textile Traders' Association (FOSTTA), Devkishan Manghani said, "For the Chief Minister of a state, all industries should be equal. When it comes to Surat, there are only two big industries—diamonds and textile. If one brother gets something, a father should not demoralize the other son"

**'Centre, TN govts should
intervene;reduce silk yarn price'**

Business World

<http://businessworld.in/article/-Centre-TN-govts-should-intervene-reduce-silk-yarn-price-/21-01-2018-137923/>

A silk weavers body, which is on an indefinite stir here for the past one week,demanding reduction in silk yarn price, today urged the Centre and Tamil Nadu governments to intervene in the issue and reduce the price.

The Handloom Silk Weavers Association, representing about 1.5 lakh weavers in Erode, Tirupur, Coimbatore and Namakkal districts made this demand at a meeting here today. Association Secretary Rangaraj said the meeting passed a resolution to this effect.

It said silk yarn price had shot up to Rs 4,900 a kg of China silk and Rs 4,500 a kg of Bengaluru silk against Rs 3600 and Rs 3300 a kg three to six months back. As a result,weavers could not buy the yarn and sell it at a higher price after production. In another resolution, the meeting urged the Tamil Nadu Government to increase mulberry cultivation in the state. It demanded that the Government arrange for increase in silk yarn production in Tamil Nadu,for which all subsidies and arrangements should be made for silk yarn weavers' benefit.

The meeting also decided to take out rallies in the four districts on January 24 to draw the Tamil Nadu government's attention to their plight.

How world's biggest producer of cotton is now threatened by bollworms

Economic Times

<https://economictimes.indiatimes.com/news/economy/agriculture/how-worlds-biggest-producer-of-cotton-is-threatened-by-bollworms/articleshow/62583191.cms>

Chandubhai Patel, 56, has a sense of satisfaction that both his sons are educated —the elder, Vijay, is an engineer and the younger, Ajay, is waiting to pursue a higher degree after graduation. Like many other well-to-do cotton farmers in Saurashtra, Patel too engages labourers on a yearly contract basis, allowing him to avoid the drudgery of being in the farm every single day. Once in a while, he visits his farm in Vadod, egging his sons to accompany him, first to educate them on the nuances of cotton farming but more importantly to instil in them a sense of their legacy. A little prodding and Patel tells you that he is not happy. Unreliable Bt cotton seeds, perennially low cotton prices, an uncaring political regime and, above all, the gulabi pest — the pink bollworm. To prove his point, he breaks one cotton boll after another to demonstrate the pink pestilence that has been the bane of his farming life. "Before the pink bollworm menace, we used to produce 800 kg per bigha (2.5 bigha is equal to 1 acre), now we produce only 500-600 kg," says Patel, sipping cutting chai in his farm. In between, he instructs the workers clearing a part of his cotton field to sow chickpeas. "This is the first time I am experimenting with a crop other than cotton."

Read More on

<https://economictimes.indiatimes.com/news/economy/agriculture/how-worlds-biggest-producer-of-cotton-is-threatened-by-bollworms/articleshow/62583191.cms>

85% of pest-hit cotton fields uninsured, aid may be halved

Times of India

<https://timesofindia.indiatimes.com/city/mumbai/85-of-pest-hit-cotton-fields-uninsured-aid-may-be-halved/articleshow/62586381.cms>

With crops on nearly 85% of the pest-affected cotton fields in the state not being insured, 27.6 lakh loss-stricken farmers are facing a double whammy. They will not only miss out on relief under the crop insurance scheme, but also get only half the compensation from the National Disaster Response Fund(NDRF) compared to those with crop insurance.

Cotton farmers are facing a crisis following a major pest attack on standing crops. The resistance of genetically modified seeds to pest attack has failed, triggering the crisis. Nearly 96% of cotton farmers in Maharashtra use genetically modified seeds.

According to data collated by TOI from different departments, cotton is cultivated on 43 lakh hectares. And crops on 34.56 lakh hectares have been ravaged by pink bollworm—a major pest— affecting the last crop picking

season. Of this, only 5.38lakh hectares (15%) has been insured. According to the data, of the 34.39 lakh farmers affected, only 6.99 lakh (20%) have crop insurance. Officials say that under the Prime Minister Crop Insurance Scheme, the premium that a farmer has to pay is 2% of the loan amount sanctioned for the season, the rest is borne by the state and the Centre. The scheme has an indemnity coverage up to 70% of the loss. "Small and marginal farmers feel the premium is very high and some terms and conditions are absurd. Many feel the premium amount would go waste," said a senior official.

LATEST COMMENT

The Moral of these Insurance Business Story is to be better Insured than sorry IF NOT and Govt trying to offer such Insurance for these farmers and NOT accepting is NEVER forced BUT LOSS is NATIONAL ... Read MoreSuresh Kamath. The state government has a sent a proposal to the Centre seeking Rs 2,425 crore compensation to farmers under the National Disaster Response Fund (NDRF). Nearly Rs 2,100 crore of this is for cotton farmers and the remaining for farmers who suffered losses due to the cyclone Ockhi. Officials said farmers who have not taken insurance would be given half the compensation as compared to farmers who had insured their crops.

Farmers who have insured their crop can get insurance compensation up to Rs 8,000 per hectare, up to 70% of the loss. Under NDRF, compensation is given up to two hectares of area. For non-irrigated land NDRF compensation is capped at Rs 6,800 per hectare, and it is Rs 13,500 per hectare of irrigated land. Insured farmers can get insurance amount as well as the NDRF compensation depending on the type of land they cultivate on.

<p>Building of Ethiopian textile unit by Chinese firm starts</p>	<p>Fibre 2 Fashion http://www.fibre2fashion.com/news/industrial-textiles-news/building-of-ethiopian-textile-unit-by-chinese-firm-starts-240206-newsdetails.htm</p>
<p>Chinese firm Wuxi No. 1 Cotton Mill will build a textile plant in Dire Dawa Industrial Park (DDIP) in eastern Ethiopia, investing \$220 million. A cornerstone-laying ceremony was held recently for the plant, which will take 30 months to build and is expected to employ 3,000. The park is now being constructed by China Civil Engineering Construction Corporation.</p> <p>The plant's foundation stone laying ceremony was held in the presence of Liu Yu, economic and commercial counsellor at the Chinese embassy in Ethiopia and Ibrahim Usman, mayor of Dire Dawa city administration, according to a Chinese news agency report.</p>	

The company, part of the Guolian Development Group and one of the largest textile manufacturers in China, had last year signed an investment agreement with the Ethiopian Government to establish an integrated textile plant in the country.

Wuxi will invest in a spinning plant and a large scale integrated fabric mill, with production targeted at export markets. DDIP, currently being built at a cost of \$159 million on 159 hectares of land, is expected to attract industries specialising in textile, apparel and agro-processing. The Ethiopian Government is financing the construction of the industrial park.