



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 | Web: www.simamills.org

NEWS CLIPPINGS –25-01-2018

Loom World ties up with Amazon India	The Hindu http://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/loomworld-ties-up-with-amazon-india/article22516779.ece
<p>Tamil Nadu Government's chain of outlets to sell handloom products, LoomWorld, has tied up with Amazon India to sell its handloom products.</p> <p>An official of LoomWorld told The Hindu that it was already selling products worth Rs. 25 lakh a year. "LoomWorld started direct online sales in January 2016. The response was tepid in the initial months but picked up last year. On an average, our direct online sales a month is for about Rs. 2 lakh," the official said. The outlets are present in Coimbatore, Chennai, Madurai, Erode, Kancheepuram, etc.</p> <p>On Amazon, LoomWorld will initially sell cotton saris in the domestic market. As demand picks up it will offer silk saris and furnishings too. Amazon has similar tie-ups with some of the other State handloom agencies too.</p> <p>At the launch, O.S. Manian, Minister for Handlooms and Textiles, Tamil Nadu, said the State has some of the finest hand woven products which have always found resonance with shoppers across the country, a press release from Amazon said. This launch will have a positive impact on the lives of the weavers and artisans from Tamil Nadu by providing them easy access to new markets. It will enable local weavers associated with LoomWorld to showcase their craftsmanship across the country, the official added.</p>	

How will GST affect Budget 2018?	Telegraphic India https://www.telegraphindia.com/business/how-will-gst-affect-budget-2018-203467
<p>The Goods & Services Tax (GST), the biggest tax reform independent India has seen, was unrolled with an aim to be the game-changer for the economy. But the promise of bringing the entire country under one tax regime in a single swoop has been quite a task. No wonder, the economy has had a few hiccups this fiscal year, which will be reflected in this year's budget. So, let's see how GST can have an impact on the last budget before the country gears up for national elections next year:</p>	

Revenue

The GST collections are yet to meet the expectations set by the government. In fact, the collections are declining. Although, the first few months of GST collections were sprightly, the numbers have been in a freefall since November. The January collection is also expected to be muted, but analysts reckon that it will stabilise over the medium-term.

So, if you look at it from Budget 2018's point of view, the government revenues will surely be dented to a certain extent. This means the last full budget before national elections may not be as people-friendly as most people expect it to be. The government will have little legroom to divert money in that case.

Fiscal deficit

Low GST collections will have an impact on the country's fiscal deficit too. The government, for long, has wanted to achieve its fiscal deficit target of 3.2%, but a loss in revenues may hobble all efforts. Such a scenario can result in spending cuts too. That's because the government may try to rein in its spending in order to meet their fiscal deficit target.

Cess

State governments abolished many taxes post the implementation of the GST. Therefore, the central government compensates all state governments for the revenue loss. Therefore, the GST collections do matter a lot. This is why the government could hike the cess on certain items or impose a new cess in the budget to meet its revenue shortfall.

To sum up

This year's budget may show GST in poor light, but most analysts reckon that the problems will be overcome over the medium-term. However, this year's budget may be a party pooper for people who are expecting the moon.

Future Group sizing up Telangana for garment unit

The Hindu

<http://www.thehindu.com/todays-paper/tp-national/tp-telangana/future-group-sizing-up-telangana-for-garment-unit/article22517020.ece>

Eyes 60% growth in retailing business from the city next fiscal

The Future Group has been exploring opportunities to invest on a facility for readymade garments in Telangana.

“We are looking at how can we get into garmenting facilities here in Telangana,” Future Group CEO Biyani said.

The Group, whose core activity is retail, is in talks with the State government. It is, however, early to discuss the investment and other details of the project, sources in the company added. Mr. Biyani was interacting with the presspersons at the launch of Golden Harvest Sona Masoori rice by Group’s FMCG firm Future Consumer Ltd.

On the occasion, a television commercial for the new product made by actor Rana Daggubati was unveiled. The FMCG firm already has a host of other products under the Rs. 1,200-crore Golden Harvest brand, a list that comprises staples, spices, and dry fruits.

The Sona Masoori rice, its new addition, is available in six variants and expected to generate Rs. 250 crore revenue in the next fiscal. While the rice would be marketed under the Golden Harvest in south India, the company intends to take the same under Shubhra brand to the rest of the country, especially the parts where Basmati rice is preferred.

To queries on the Group revenues, he said it would be around Rs. 30,000 crore this fiscal and expected to grow to Rs. 40,000 crore the next financial year. By 2021, the Group is eyeing revenues of Rs. 1 lakh crore.

Hyderabad, he said, was expected to remain a major market for Future Group, already contributing to Rs. 2,500-crore revenues. It is expected to increase to Rs. 4,000 crore in 2018-19. On his experience as an ad maker, Mr. Daggubati said, “The TVC will always be special because it brought me back into telling short form content... any story on food and family is always fun to tell.”

Crop Protection: Addressing the Pink Bollworm challenge in White Gold	Indian Express http://indianexpress.com/article/india/crop-protection-addressing-the-pink-bollworm-challenge-in-white-gold-5038144/
<p>Gujarat has shown how the dreaded insect pest can be controlled through coordinated efforts of all stakeholders in the cotton value chain.</p> <p>2017 witnessed pink bollworm (PBW) attacks on cotton, especially in Maharashtra and also in Telangana, Andhra Pradesh and Karnataka. The infestation of this insect pest — whose larvae bore into cotton bolls through the lint fibre to feed on the seeds — happened during October, just when the crop was maturing and almost ready for its first-flush pickings, and further aggravated by unseasonal rains at that point.</p> <p>The unfortunate part about this time’s PBW outbreak in Maharashtra was that farmers there had planted a record 42 lakh-plus hectares under cotton, encouraged by the previous year’s remunerative realisations. There have been</p>	

many misleading reports since then, linking the infestation to Bt cotton technology. This article seeks to highlight the real reasons behind the PBW menace and possible solutions to address the same.

A major cause of bollworm attacks is the absence of crop rotation. Continuous planting of cotton year after year encourages breeding of the pest. The situation has been made worse this year, with around 15 per cent cotton area in Maharashtra sown under herbicide-tolerant hybrids not approved for commercial cultivation. Even with regard to approved F1 hybrids not containing the herbicide-tolerance gene, there are many cases of fly-by-night operators simply multiplying their F-2 seeds and selling these as Bt.

Complicating all this has been the large number of hybrids – over a thousand – of different durations with varying flowering and fruiting periods, ensuring continuous food availability to pests. Particularly dangerous is the practice of extending the cotton plant's life cycle beyond January-February, to allow more flushes, by giving protective irrigation. The pest cycle does not get broken as a result. Also, since the Bt toxin levels are diluted beyond 120 days, the long-duration crop is more likely to succumb to pest multiplication.

One way to reduce pest susceptibility is to plant non-Bt cotton as “refugia” in the vicinity of the main Bt crop. But farmers, especially with small holdings, don't want to lose land in growing non-Bt plants that can act as hosts for the bollworm insects. It is important to note here that PBW exclusively feed on cotton, unlike other bollworm insect species that also attack other crops such as pigeon-pea, sorghum and sunflower. Without cultivating non-Bt cotton as refugia, PBW is bound to develop resistance to Bt toxins over time, as has happened in Maharashtra. Incidentally, Gujarat, too, reported significant incidence of the pest in 2015 and 2016. But thanks to concerted efforts at crop management by farmers, government agencies and seed companies, the state has registered no major outbreak during this season.

It should be possible for stakeholders across the cotton value chain in Maharashtra also to undertake a similar coordinated campaign, involving continuous field monitoring as well as pre-cultivation and post-harvest stage measures. Cotton is sown in June-July after the onset of the monsoon. There is need to ensure that the previous crop is not just terminated by end-January or mid-February, but also its stalks be utilised for pellet making, fuel briquettes and other purposes. Given this year's severe PBW outbreak, all fields must be given two deep ploughings in the coming summer, so as to destroy all crop residues and obtain the advantages of natural soil solarisation. This should be supplemented by installation of light/pheromone traps near cotton godowns, ginneries and market yards to attract post-season moths.

Further, it is necessary to discourage farmers from sowing any pre-monsoon crop, while allowing only recommended hybrids/varieties from companies with established R&D facilities — which can vouch for the trait purity of the Bt cotton being supplied — to be grown. Also, these should ideally be of 140-160 days duration and

resistant to sucking pests. Planting of non-Bt cotton as refugia can be enforced by supplying these seeds not separately, but in the same bags that contain Bt seeds. The refugia-in-bags concept has already been tested for efficacy and must be permitted in the ensuing kharif season.

Field monitoring should involve installation of pheromone traps. The application of insecticides and Trichogramma or Bracon biocontrol agents could be initiated once the economic threshold level (ETL) of around 24 moths per trap is observed. For the first 80 days of the crop, no synthetic pyrethroid should be sprayed. Insecticides such as quinalphos or thiodicarb may be used in the early crop growth stages at the rate of 20ml and 20g per 10 litre of water, respectively. If the ETL is crossed during October-November, then chlorpyrifos (20 per cent emulsifiable concentrate) can be sprayed at 25ml or thiodicarb (74 per cent wettable powder) at 20g per 10 litre of water. No growth-promoting chemicals or even urea should be applied during the crop's grand growth phase to prevent greenness and succulence of foliage that attracts the pest. Only when the crop has grown beyond 120 days towards November-December and pest incidence has crossed ETL should pyrethroids — fenvalerate (20 per cent EC) or cypermethrin (10 per cent EC) at 10ml per 10 litres of water — be used.

The development of resistance breakdown of Bt cotton to PBW is, no doubt, cause for concern. But it only underscores the importance of a long-term policy framework that supports research and allows new farm technologies into the market. Bt technology significantly transformed the fortunes of the cotton value chain. The experience of the last 15 years (2002-17) is testimony to its adoption even by small and marginal farmers. At its peak, Bt cotton was planted on 117 lakh hectares or a whopping 92 per cent of the country's total area under the crop.

Any technology, though, gets obsolete with time and requiring replacement, including with upgraded versions. The second generation BG-II Bt cotton was introduced in India in 2006, four years after commercialisation of the original Bollgard technology. Isn't it strange that the last 15 years has seen just one technology with an upgraded version being commercialised in the agri-biotech field? Bt cotton, moreover, targeted specific pests – namely, insects of the heliothis species. Just as pesticide sprays against cockroaches cannot really be effective on bugs or flies, the same applies to Bt technology vis-à-vis PBW or sucking insects.

While there's no alternative to continuous focus on research and long-term policies supportive of new technologies with science-based evaluation (as opposed to ideology), the threat posed by PBW can be tackled in the short term through sustained campaign focusing on breaking the life cycle of the pest. The various measures suggested above should enable managing the pest problem, at least in the coming season or two.

Post-GST tax collection not as expected:

Isaac

The Hindu

<http://www.thehindu.com/todays-paper/tp-national/tp-kerala/post-gst-tax-collection-not-as-expected-isaac/article22517698.ece>

Says software hitches delayed filing of returns

Though the State has not suffered any loss in income due to the introduction of GST, it has not been able to achieve the 25% projected increase in tax collection.

Replying to questions in the Assembly, Finance Minister T.M. Thomas Isaac said the delay in filing returns on account of hitches in software had hit IGST fund settlement and this had adversely affected tax collection in Kerala. Tax evasion is taking place and only 7% had submitted the returns last month. There were no check-posts and e-way bill had not been fully implemented. The Anti-Profiteering Authority was yet to act on 153 companies that had violated rules, he said.

'GST e-way bill will pave the way for user-friendly system'

The Hindu

<http://www.thehindu.com/todays-paper/tp-national/tp-andhrapradesh/gst-e-way-bill-will-pave-the-way-for-user-friendly-system/article22517630.ece>

It will be rolled out from February 1, says official

Elucidating on the provisions of the new GST e-way bill, CGST Commissioner K. Engineer has said that the new system will ensure a series of user-friendly measures for trade across the State. Speaking during an interactive session organised by the Tirupati CGST Commissionerate on Wednesday, Mr. Engineer asserted that the new system, which would be rolled out from February 1 on 'Inter and Intra State Movement of Goods' (for distance greater than 10 km and value more than Rs. 50,000 per consignment), would reduce the travel time in trade resulting in reduction in cost of goods for customer, less delays, harassments and stoppage of consignments. "One of the main objectives of the system is to enable the government to plug in the leakages with minimum intervention, thereby ensuring transparency. Besides this, entire process of generating the 'e-way bill' has been made easy so that it can be done via desktop, smartphone or even as simple message (SMS)," he added. Mr. Engineer further called for sustained hand holding among the stakeholders to ensure more effective implementation of the system and said that they would continue to actively involve in spreading awareness on GST among trade and general public. CGST Joint Commissioner Amaresh Kumar, Central Tax Assistant Commissioners Anand Kumar Savalam, K. Balaji (Tirupati) and more than 200 stakeholders were present.

India's state of Maharashtra, the country's second-biggest cotton producing state, has cut its forecast for output of the fibre by 37 percent from its September outlook as a pest infestation has reduced yields, a senior government official told Reuters.

Maharashtra's output is now forecast to drop to 6 million bales of 170 kg each for the 2017/18 marketing year that started on Oct. 1, the source said. That is down from 10.7 million bales produced in the 2016/17 marketing year.

The forecast is down because of an infestation of the pink bollworm that has cut yields.

The drop in the output could lift local prices and reduce the exports from India, the world's biggest cotton producer, during the 2017/18 marketing year.

"As harvesting started, farmers realised the impact of the pink boll worm pest on the crop. Yield were substantially lower than normal," said the official, who declined to be named as the estimate has not been published.

Maharashtra usually accounts for over a quarter of the India's production, which the government has estimated at 37.7 million bales for the current marketing year.

The reduction in Maharashtra's production will slash the country's output and keep prices firm in the local market, said Pradip Jain, owner of cotton trader Mahavir Ginning and Pressing.

Cotton prices have surged 12 percent in the past eight weeks as spot markets were getting lower-than-normal supplies from the new season crop.

India's cotton exports could fall to 5 million bales, nearly a quarter below earlier estimates, said Atul Ganatra, president of Cotton Association of India.

Pink bollworms consume the cotton fibre and seeds inside the boll, or fruit, of the plant and cut the amount of fibre harvested.

**Telangana asks Indian govt to help
Sircilla weavers**

Fibre 2 Fashion

<http://www.fibre2fashion.com/news/textile-news/telangana-asks-indian-govt-to-help-sircilla-weavers-240260-newsdetails.htm>

India's Telangana state has requested the central government to set up a mega power loom cluster in Sircilla as part of the Comprehensive Power Loom Cluster Development Scheme. In a letter to textiles minister Smriti Irani, state handlooms minister KT Rama Rao said 36,000 powerlooms in Sircilla are not being upgraded and the power consumption is increasing.

Workers have to rely on traders for raw materials because of lack of investment and shortage of skilled workers and infrastructure is troubling Sircilla, media reports in Telangana reported citing the letter.

Rama Rao said there had been a substantial improvement in the powerloom sector in two other states after clusters were set up.

**Ministry of Textiles to accord top
priority to silk sector in the NE**

North East India

<https://www.northeastindia.com/ministry-textiles-accord-top-priority-silk-sector-ne/>

A three-day 8th international conference on wild silk was organized by the International Society for Wild Silk Moths, Japan and Central Silk Board, where Union Minister of State for Textiles Ajay Tamta graced the event as the chief guest.

The minister while addressing the gathering said that since the North-East is the only region where all four varieties of silk such as muga, eri, tassar and mulberry are found, the ministry has decided to accord top priority to develop the silk sector as a viable option for livelihood in the Northeast.

The North-East region makes up about 21% of the country's total silk production.

Assam owns the Geographical Indication (GI) tag for muga, which is known for its golden color and is found only in the Northeast region.

Northeast region so as to make the sector a sustainable source of livelihood for the people of the northeast region.

The main agenda of this conference is to highlight the importance of silk sector in the Northeast. About 15 representatives from different countries participated in this international conference.

Also speaking at the event was Ranjit Dutta, Assam's Hand loom and Textile Minister who said that nearly 3.1 lakh

families in Assam are associated with the silk sector.

A 60, 000-acre area is involved in silk production and plantations for plants for the silkworms.

Anant Kumar Singh, Secretary of the textiles ministry although appreciated Assam for being the third-largest silk producer also encouraged it to harness the potential of wild silk or vanya silk further. He also added that silk production sector can be one of the most effective tools for poverty alleviation in the Northeast region.

The centre has over the years sanctioned about 24 projects in silk sector worth Rs. 809 crore for the Northeast.

Mills Are Running At Half Their Capacity In India's Cotton Hub	Bloomberg quint https://www.bloomberquint.com/union-budget-2018/2018/01/24/mills-running-at-half-the-capacity-in-indias-cotton-hub
<p>The silence at Jolly Spinning Mills is punctuated by workers' chatter as they unload bales of cotton from trucks in the courtyard, adding to a giant fluffy white heap. It's the peak season in Gujarat, India's largest cotton producer, and unusual for the factory that runs round the clock to be so quiet at noon. The mill now clatters for barely 12 hours a day.</p> <p>Business is not as usual, said Dilipbhai Umaraniya, chairman, Jolly Group of companies at Chotila, 50 kilometres east of Rajkot in Prime Minister Narendra Modi's home state. "We don't have enough working capital after the GST was implemented." India is the world's second-largest exporter of cotton—raw and textiles. The 12.3-billion industry, like other export-oriented businesses, is yet to recover from disruption caused by the July rollout of a nationwide sales tax. The biggest tax reform yet in Asia's third-largest economy subsumed a web of levies to make business easier. But it taxes every level of the supply chain to increase compliance. Companies then claim refunds.</p> <p>Yarn makers pay 5 percent tax while procuring cotton. Earlier, there was no such levy. Other inputs like dyes and chemicals are taxed at 12 percent and 18 percent. They also pay a 5 percent tax at the time of exports. Together, that blocks working capital as refunds take time. Umaraniya says his Rs 8 crore is blocked. Sureshbhai Patel of Rajkot-based Siddhnath Cotex Mill awaits Rs 4 crore.</p> <p>The industry won't exist for long if this continues, Patel said. "Earlier my turnover was Rs 350 crore. Now it looks like it won't go above Rs 150 crore because I operate only one shift now." Invoice-matching is a key aspect of GST compliance. Two separate invoices showing sale and purchase of goods uploaded on the GST Network portal must tally for them to be considered. The government was struggling with this, according to Suresh Rohira, partner at Grant Thornton India. Documents were filed but invoices were not matching, he said. Refund applications were</p>	

rejected for issues like an 's' missing in 'yarns' in two returns that needed to match, he said. The government recently allowed exporters to ship products without paying the Integrated GST after submitting a letter of undertaking in lieu of a bond or a guarantee. "Hopefully, that will help us get refunds quickly," said Vijay Mehta, a manager at Siddhnath Cotex Mill.

The GST also increased paperwork. Businesses have to file three monthly returns—on sales, purchases and a summary of accounts. Accounting work has doubled, said Mehta. "The paperwork needs to be reduced. There are not many educated people in the industry." Emailed queries to DS Malik, spokesman for the Finance Ministry, on delayed refunds and compliance remained unanswered. November to April is the peak season for ginning, or separating cotton fibre from the seed, as the kharif crop arrives from the fields. The output this year is expected to stay around last time's 350 lakh bales of 170 kilograms each. And there is demand overseas. "But we need to have capacity to export so much," said Umaraniya. With mills running for only 12 hours a day, capacity utilisation has also fallen by half.

Mill owners are even sceptical about applying for new loans. Banks are wary of lending more as bad loans are rising, said Umaraniya. "If we don't have the money, how will we work? The problem is huge." Patel said a fourth of his loans could sour as he wouldn't be able to repay on time if the situation doesn't improve.

Lower Wages For Workers

The textile industry is among the largest job creators in India. But workers at spinning mills are not earning enough during the peak season—the best time of the year for them. Gabru Ganghad, 30, a labourer employed at Siddhnath Cotex Mill, says since the factory runs for half the time and fewer trucks of cotton arrive at the mill, his daily wages have fallen from Rs 200 to Rs 150. That's not all. Ganghad gets work on 15 days compared to the whole month earlier. "The money is barely enough to buy food."

The mill laid off half the labourers as it struggles with a cash crunch. "I had no other option," said Patel. Parab Jhokra, 22, who also works at Patel's factory, said he has to support a family of eight. "It's difficult to survive like this."

Upgrade your wardrobe with khadi pants, clothes in pastel shades and shirts with small floral prints, experts suggest for fashion conscious men.

Aditya Singhal, Founder at IML Jeans Co. and Shreyasi Pathak, Stylist at Vajor have listed clothing essentials for men this year:

* Khadi pants, denim/checked shirts and denim jackets in dark shades with boro, shashiko and patchwork are unconventional and uniquely stylish. Designers are experimenting with denims more than ever before. People will find quirky embroidery, floral embroidery, and embroidered patch over no-stretch denims.

* Customised jeans are the one-stop solution for those who are always on the lookout for a perfect fit. In addition to the basic staples, go for darker tones on denim as they are versatile and can be paired easily with crisp white, checked, blue, grey, or pastel shirts.

* Cotton stretch chinos with leather jackets like hood, biker or bomber jackets make for really cool outfit.

They have been in trend for past couple years and they're not going anywhere anytime soon.

* Invest on henleys, T-shirts, polos, biker jeans, denim shirts and jackets. Balance it out with the right accessories and footwear and you are good to go.

* Use pastel hues on almost every piece of cloth that you are about to own. Pastels are definitely going to be a nice change from bold warmer shades that rocked 2017. Whether it is a shade of lavender, baby pink, powder blue or mint yellow, ice-cream shades of are here to stay the coming season.

* Although most of us think of checks as the winter print, this year will see more of checks throughout the year.

* Floral trend is about to blow up this year. While 2017 was more about smaller floral patterns with complementing colours, 2018 will be categorised by larger floral patterns with dramatic colours denoting the comeback of the 1960s print.

Long lead times, fabric imports reduce competitiveness of woven garment exports	Dhakatribune https://www.dhakatribune.com/business/2018/01/25/long-lead-times-fabric-imports-reduce-competitiveness-woven-garment-exports/
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Currently, Bangladeshi manufacturers mostly produce basic fabrics, which is not for higher-end products

Increased dependence on fabrics import and a lack of proper policy on energy supply are negatively impacting the competitiveness of Bangladesh's woven garment exports in the global market. Industry insiders and trade analysts have blamed longer lead time, poor backward linkage, the absence of value addition and modern technology and lack of proper policy support on gas and electricity connection for the decline.

According to the Export Promotion Bureau (EPB), export earnings from the woven garment products have seen a 2.35% fall in the last fiscal year to \$14.39 billion. It has, however, posted a 4% growth in the first half of the current fiscal to \$7.17 billion. During the same period, knitwear products earning has seen an 11.47% rise to \$7.6 billion. The woven sector has also seen negative growth in major export destinations including Germany and the US, two of the largest export destinations.

Experts have suggested new investments in backward linkage to reduce import dependence and technology upgradation for value addition in order to make a comeback.

Lack of competitiveness

To boost export of woven garments, the issue of longer lead time caused by import dependence is a key factor while the price edge is another important element. "Bangladesh is doing better in knit products exports. This is because of we have strong backward linkage industry," Faruque Hassan, BGMEA senior vice president told the Dhaka Tribune. "However, woven products manufacturers are highly dependent on import for fabrics, which costs more. As a result, export earnings from woven goods have seen slower growth and it is losing its strength in the global market," he added. On the other hand, value addition of woven products is less than the knit products which led to lower prices, Hassan said.

"We do not have manmade fibre, polyester and petrochemical, which we have to import. We will be competitive if we can meet the demand from the local sources," he added. "Stakeholders are investing to upgrade machinery to go value addition. This will boost the buyers' confidence and they will place orders for higher end woven products in Bangladesh," the BGMEA senior vice president said.

The challenges

Shorter lead time is the key to remaining competitive in the global market. To reduce the lead time, Bangladesh

has to improve its backward linkage industry to meet the demands locally. It takes about 35 days to ship goods to the US from Bangladesh. But shipping from China takes 20 days and it is 15 days for Turkey, Exporters Association of Bangladesh president Abdus Salam Murshedy noted. "As a result, Bangladesh cannot take urgent orders from buyers due to longer lead time," he told the Dhaka Tribune. While getting a gas connection is a big challenge, business will not be viable if the manufacturers have to run a factory with diesel instead of gas. "Only using gas can make the production less expensive, which will help us be competitive," he said, urging a proper energy policy for the sector. The size of investment and costs of land are two other challenges. "Setting up woven fabric factories cost two to three times more than establishing a knit composite factory," Salam said. "It also needs more land."

Ways forward

Bangladesh can only meet 30% to 35% of local demands of woven fabrics. So, there is a huge gap between the supply and demand of woven fabrics. It is clear that there is big opportunity to grow by making new investments.

"First, we have to try to meet the demands locally to reduce lead time as it takes so many days to import fabrics. For this, new investment is a must to increase production capacity in line with the demands," said Salam, also managing director of Envoy Textile. "Then, the government should ensure infrastructure to ship finished goods within a possible shorter time as it is the key to success to grab more orders and remain competitive in the global market," he added. The former BGMEA president said there were many capable investors but they were unwilling to make investments due to lack of proper policy support and utility services. "Losing market share of woven garments is alarming for Bangladesh as over 82% export earnings come from apparel sector and the woven sector contributes almost half of it," former caretaker government adviser AB Mirza Azizul Islam told the Dhaka Tribune.

"We have to ensure balanced export earnings to attain a sustainable exports growth," he said. "The government, along with the stakeholders, should jointly take steps to overcome the challenges." He said he believed that new investment could improve the industry capacity to meet the demand of fabrics locally. Currently, Bangladeshi manufacturers mostly produce basic fabrics, which is not for higher-end products. "Since the fashion trend is changing every day and the consumers want latest fashion products, the clothing retailers are looking for more technical fabrics instead of basic ones. To cope up with the latest demand, we should focus on multifunctional fabrics to diversify products," Md Mostafiz Uddin, managing director of Denim Expert Limited, told the Dhaka Tribune. He also suggested product development by research and innovation as well as introducing technology in manufacturing to get higher prices.

RMG backward linkage could flourish under govt support'

Dhaka Tribune

<https://www.dhakatribune.com/business/2018/01/25/rmg-backward-linkage-flourish-govt-support/>

The garment sector is playing a great role in development of Bangladesh, but export dependency on a particular sector is not good for the country. Garment accessories and packaging manufacturers have called on the government to provide them with long term policy support including cash incentives and equal corporate tax for the backyard linkage industry to enlarge direct export.

They also urged the government to declare garment accessories and packaging products as the product of the year for 2019. Leaders of garment and garment accessories and packaging manufacturers came up with the demands while addressing the inaugural ceremony of the ninth edition of Garments Accessories and Packaging Exposition (GAPEXPO-2018) in the capital on Wednesday.

Finance Minister AMA Muhith inaugurated the four day expo as chief guest, and BGMEA president Siddiquir Rahman was present as special guest. Bangladesh Garments Accessories and Packaging Manufacturers and Exporters Association (BGAPMEA) organized the four-day international expo on garment accessories to showcase the latest products, machinery and raw materials to attract buyers.

The show is being held at the International Convention City, Bashundhara (ICCB) in the capital till Saturday. "In the course of time, Bangladesh has turned into a sourcing hub for garments products. These days, garment accessories and packaging manufacturers have also started to export directly," BGAPMEA President Abdul Kader Khan said.

"Despite having a large contribution to the total export of the country, we are deprived of cash incentives, while the manufacturers have to pay 35% corporate tax even though the RMG exporters pay 12%," said Kader. Urging the government to provide cash incentives and to cut the corporate tax, Kader said: "If the government provides equal facilities and policy support, we will be able to contribute \$12 billion to export earnings by 2021." The industry has the ability to meet over 95% of local demand, and is now exporting to some other countries, BGAPMEA leaders said. In the last fiscal year, deemed export earnings of garment accessories and packaging stood at \$6.70 billion, which is 9.47% higher compared to \$6.12 billion in FY16.

"Accessories and packaging goods are the heart of apparel industry," Exporters Association of Bangladesh President Abdus Salam Murshedy said. The government has given authority to issue Utilisation Permission (UP) to BGAPMEA but it is not implemented, he said. If it is implemented and the sub sector gets policy support, the capacity of the sector will increase manifold and it will help the manufacturers to export more directly, said Salam.

The garment sector is playing a great role in development of Bangladesh, but export dependency on a particular

sector is not good for the country, said AMA Muhith. “When the sector started business, the sector was import dependent. Now, the sector produces about 50% to 60% and the credit goes to sector people,” said the minister.

It is good that the manufacturers create markets and export, he added.

In response to the business people call, the minister said, that the government has created a business friendly environment to do business and provide all the support needed. A total of 278 companies from 17 countries including Bangladesh India, Sri Lanka, China, Taiwan, Malaysia, Vietnam, Singapore, Hong Kong, Thailand, Japan, South Korea, Germany, Italy, France, USA and Turkey will participate to display garments accessories and packaging items with machinery, all kinds of garments machinery with boiler and spare parts.