



## 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 –06-02-2018

<b>Survey corroborates textile sector's plea</b>	<b>The Hindu</b> <a href="http://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/survey-corroborates-textile-sectors-plea/article22648114.ece">http://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/survey-corroborates-textile-sectors-plea/article22648114.ece</a>
<p>The Economic Survey, tabled in Parliament by Finance Minister Arun Jaitley, has corroborated the plea of the textile sector for a review of taxes on products left outside the Goods and Services Tax (GST).</p> <p>The concerns, which the textile sector had been airing, were related to the implanted taxes on petroleum and electricity.</p> <p>"We have been asking for the review because only select segments of the textile industry such as apparel production units were able to get the input tax credit on petroleum and electricity. Even for select segments, the input tax credit is only 1.7 % which is insufficient," said Tirupur Exporters Association president Raja M. Shanmugam. Another major aspect in the Survey was the constraints faced by them to get leverage in global markets despite China losing market share. "The Survey has said in tandem with the versions from here that high domestic taxes on man-made fabrics, high logistic costs, and duty free access which countries like Vietnam, Bangladesh and Ethiopia enjoying in US and European markets are pushing back the Indian manufacturers. Hence, the government should not phase out incentives anymore," pointed out S. Dhananjayan, an industry consultant.</p>	

<b>Insufficient allocation worries textiles sector</b>	<b>The Hindu</b> <a href="http://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/insufficient-allocation-worries-textiles-sector/article22663863.ece">http://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/insufficient-allocation-worries-textiles-sector/article22663863.ece</a>
<p>Insufficient allocations of funds in the Union Budget for 'key focus areas' in textiles sector are likely to impede growth of business opportunities in a cluster like Tirupur, which is struggling hard to retain competency in the global market. A deeper analysis of the budgetary allocation for 2018-19 fiscal year shows that only 24 % of the planned outlay for textiles sector was earmarked for development activities with the rest pegged towards 'fixed costs' such as Amended Technology Upgradation Fund scheme, procurement of cotton, and remission of State Levies.</p>	

"It is a matter of concern that allocation for development activities in textiles sector has gone down from Rs. 2,051 crore to Rs. 1,680 crore in the Budget for 2018-19. "The allocation should have been more towards development activities considering that the textile industry is reeling under immense monetary pressures on account of modified schemes for reimbursement of central and state taxes post-implementation of Goods and Services Tax", said S. Dhananjayan, a senior chartered accountant.

Template allocation technocrats and industrialists feel alike that instead of making template allocation of funds, the attention should have been on capacity building initiatives, textile infrastructure other than machinery upgrade, implementation of lean manufacturing practices, and research at the cluster-level. Their worries of template or ritualistic type of allocations were substantiated in the cases of funds assigned for setting up of workers' hostel, which stood at just Rs. 76 lakh for the entire country, and absence of any specified funds for development of knitwear sector that generates annual export turnover of just over Rs. 50,000 crore. "With the total apportioned Rs. 76 lakh, workers' hostel could not be set up even in one cluster even though the said facility is a key necessity to retain predominant migrant skilled labourers in the midst of soaring house rentals", said Tirupur Exporters Association president Raja Shanmugam.

Cottonseed firms to govt: Remove trait value on BG-II	Business Line <a href="http://www.thehindubusinessline.com/economy/agri-business/cottonseed-firms-to-govt-no-for-removal-of-no-remove-trait-value-on-bg-ii/article22661028.ece?homepage=true">http://www.thehindubusinessline.com/economy/agri-business/cottonseed-firms-to-govt-no-for-removal-of-no-remove-trait-value-on-bg-ii/article22661028.ece?homepage=true</a>
---	--

As pink bollworm has developed resistance to technology, no point in charging royalty from farmers: seedmakers

As the sales season approaches for next kharif, the cottonseed firms have asked the Central government to remove the royalty (or trait value) component on the Bollgard-II claiming that the technology proved to be ineffective last season. Cotton-growing States have reported that on vast tracts the pink bollworm has developed resistance to the Bollgard-II technology, causing extensive damage to the crop. The seed firms have argued that since the technology has become ineffective to protect the crop from the pink bollworm attack, there is no point in collecting any trait fee from farmers.

The Cottonseed Price Control Order (CSPCO) had fixed the trait value for BG-II at ₹49 on a 450-gm packet. The seed firms collect it as part of the sale and remit the same to Mahyco Monsanto Biotech Limited (MMBL) under the licence agreement. MMBL sub-licenses the technology (which it gets from the US-based Monsanto) to the cottonseed firms in the country. A delegation that includes National Seed Association of India (NSAI) President M Prabhakara Rao, Bhaskar Rao (Kaveri Seeds) and Samir Mulay (Ajeet Seeds), submitted a memorandum to Radha Mohan Singh,

Union Minister for Agriculture and Farmers' Welfare, last week. "We briefed him about the latest developments in the cottonseed sector in Maharashtra, resistance developed by pink bollworm to Bollgard-II and how it impacted the cotton crop last year," Prabhakara Rao, who is also the Chairman and Managing Director of the Hyderabad-based Nuziveedu Seeds, said.

#### Onus on MMBL

The memorandum specifically focussed on the developments in the cotton sector in Maharashtra, following the failure of BG-II in tackling the pink bollworm. Blaming MMBL for the failure of technology, it alleged that the dealers and seed firms are being penalised for the crop losses, leaving MMBL "scot-free". Stating that the quality of the seeds has got nothing to do with the resistance developed by the bollworm, the NSAI said that it was technology that gave up. "The insect has developed resistance to the protein, produced by the Bt cotton plants. It happens because of the natural ability of the insect to adopt to changed environment," the memorandum said. "If any compensation has to be paid, it will have to be paid by MMBL, the developer of the trait, and not the seed firms. More than 99 per cent of the Bt cottonseed sold in Maharashtra are carrying the BG-II trait for which MMBL is receiving the trait value every year from seed firms," the NSAI memorandum said.

**Bt cotton doubled production,  
minimised harm by pest: Govt**

**Live Mint**

<http://www.livemint.com/Politics/vrG4Um2ZXJd7yDzzR33IVI/Bt-cotton-doubled-production-minimised-harm-by-pest-Govt.html>

Since the introduction of Bt cotton in 2002, there has been a near doubling of cotton production in the country from 158 lakh bales in 2001-02 to 351 lakh bales in 2016-17, government says

The production of cotton in the country has nearly doubled since the introduction of Bt cotton in 2002, the government told the Rajya Sabha on Monday. In a written reply to a question, union minister Mahesh Sharma also said the hybrids have helped to minimise the damages caused by pests like bollworm. The minister, however, said evaluation of each application for environmental release of GM crops is done on a "case-to-case" basis after a thorough examination of health, environment and food and safety assessment. His remarks assume significance as they come amid a controversy over the country's GM crop regulator, Genetic Engineering Appraisal Committee (GEAC), recommending the commercial use of GM mustard in a submission to the environment ministry.

Several groups, including RSS-affiliate Swadeshi Jagran Manch (SJM), have criticised the GEAC move, saying commercial use of GM mustard would impact allied agri-activities. "Since the introduction of Bt cotton in 2002, there has been a near doubling of cotton production in the country from 158 lakh bales in 2001-02 to 351 lakh bales in

2016-17, and increase in productivity from 308 kg/ha in 2001-02 to 568 kg/ha in 2016-17," he said.

After receiving representations from various stakeholders post the GEAC recommendation, the government referred the issue of GM mustard back to the GEAC. The minister was asked if the government agencies have portrayed a rosy picture on Bt cotton and whether there was a need for a scientific study about the impact of GM crops on health.

"Bt cotton hybrids have helped to minimise the damages caused by bollworm, reduce pesticide use, increase production, yield and net income of the farmers," Sharma said. Infestation by bollworm, a major pest of cotton, he said, has had a devastating effect on cotton crop during the late 1990s, with most of the available pesticides becoming ineffective to control it. Bt cotton, which is resistant to bollworm infestation, was released during 2002-03. "As per the recent data of Ministry of Agriculture and Farmers Welfare, India has become the largest producer of cotton in the world in the year 2016," he said. "Studies and risk assessment documents prepared by international regulatory agencies and by other countries are also referred for ascertaining the safety of the evaluated product," the minister said.

**Maharashtra records GST-backed surge in revenues, state's indirect tax collections rise 29% in April-June 2017**

**First Post**

<http://www.firstpost.com/business/maharashtra-records-gst-backed-surge-in-revenues-states-indirect-tax-collections-rise-29-in-april-june-4336417.html>

Maharashtra, a BJP-ruled state, has recorded a 29 percent jump in its total indirect tax collections from July to December 2017, according to a report in *The Times of India*. The state is home to largest tax base in country. Data from state Goods and Services Tax (GST) Commissioner say highest rise in indirect tax collections was at 51 percent in October 2017.

Statistics released by the state GST Commissioner show that Maharashtra's indirect tax collections were Rs 44,251 crore in July-December 2016 period when VAT was in force. The receipts rose to Rs 56,901 crore in the same period when GST came into force in 2017. With the arrival of GST, a number of indirect taxes levied by local bodies – that included octroi, local body tax, luxury tax and entertainment tax – were abrogated to make way for the new indirect tax regime. The state's indirect tax revenues increased by Rs 12,650 crore which will come down after deduction of Rs 1,000 crore in State GST refunds to dealers.

The government will also compensate local bodies for loss of revenue due to scrapping of octroi, VAT, LBT, entertainment tax and other taxes levied by civic authorities. The GST collections have been on a patchy path since the 'One Nation One tax' system was rolled out in July 2017. The very first month saw a GST collection of Rs 94,000 crore. The revenue in the subsequent months started to dwindle. In December 2017, GST revenue went up to Rs 86,703

crore, as on 24 January, the finance ministry had said in a post on Twitter. GST receipts had slipped to Rs 80,808 crore in November from more than Rs 83,000 crore in October and over Rs 92,000 crore in September, according to a PTI report. As many as 56.30 lakh GSTR 3B returns have been filed for December, it said. For the composition dealers, for the July-September quarter, the last date of filing GSTR 4 Return was December 24, it said. A total of 8.10 lakh returns were filed by them amounting to Rs 335.86 crore, PTI said.

<b>Industrial policy: govt. begins talks</b>	<b>The Hindu</b> <a href="http://www.thehindu.com/todays-paper/tp-business/industrial-policy-govt-begins-talks/article22663355.ece">http://www.thehindu.com/todays-paper/tp-business/industrial-policy-govt-begins-talks/article22663355.ece</a>
<p>Commerce and Industry Minister Suresh Prabhu set off a series of nation-wide consultations with the industry on the proposed new Industrial Policy by holding the first meeting in this regard at Guwahati on February 2.</p> <p>The focus of the exercise would be to make business easier for the industry. The policy aims to raise the competitiveness of Indian industry, equipped with skill, scale and technology, according to an official statement. On the occasion, Vandana Kumar, Joint Secretary, department of industrial policy and promotion, highlighted key ideas such as a single ID and digital platform for all government-to-business services.</p>	

<b>Textile leaders meet commercial tax commissioner</b>	<b>Times of India</b> <a href="https://timesofindia.indiatimes.com/city/surat/textile-leaders-meet-commercial-tax-commissioner/articleshow/62795543.cms">https://timesofindia.indiatimes.com/city/surat/textile-leaders-meet-commercial-tax-commissioner/articleshow/62795543.cms</a>
<p>SURAT: Commercial tax commissioner P D Vaghela has asked leaders of Surat's man-made fabric (MMF) industry to prepare a report on the losses incurred by the sector and the list of demands related to Goods and Service Tax (GST) to be submitted to the GST Council.</p> <p>A delegation of industry leaders, including Federation of Indian Art Silk Weaving Industry (FIASWI), Southern Gujarat Chamber of Commerce and Industry (SGCCI) and power loom weaving sector, met Vaghela in Ahmedabad on Monday and requested that the state government consider yarn for free movement without e-way bill in the state. FIASWI chairman Bharat Gandhi said, "The commercial tax commissioner heard the delegation members patiently and assured all possible assistance from the state government in resolving the issues related to e-way bill and GST. We have been asked to submit a detailed report on the losses and other issues to the government and the finance ministry for consideration in the upcoming GST Council meeting. The industry leaders have decided to wait for the GST Council meeting before deciding on their next course of action."</p>	

The industry has been demanding that the GST Council consider opening stock credit on the goods held by the weavers and traders pre-GST. Also, power loom weavers should get refund of the GST paid on the textile machinery purchased under Export Promotion Capital Goods (EPCG) scheme. Leader of power loom sector Ashish Gujarati said, "The government is positive in its approach and we are sure that the e-way bill issue for the yarn movement in the state will be resolved. Rest of the demands will be fulfilled by the central government and the GST Council."

<b>GM cotton boost claim</b>	<b>Telegraphic</b> <a href="https://www.telegraphindia.com/india/gm-cotton-boost-claim-206480">https://www.telegraphindia.com/india/gm-cotton-boost-claim-206480</a>
The production of cotton has nearly doubled since the introduction of the genetically modified Bt cotton in 2002, the government said on Monday.  The hybrids have also helped minimise the damage caused by pests like bollworm.  Union minister Mahesh Sharma's remarks in the Rajya Sabha came against the backdrop of the country's genetically modified crop regulator, the Genetic Engineering Appraisal Committee, recommending the commercial use of GM mustard in a submission to the environment ministry. In a written reply in the upper House today, junior environment minister Sharma said: "Since the introduction of Bt cotton in 2002, there has been a near doubling of cotton production in the country from 158 lakh bales in 2001-02 to 351 lakh bales in 2016-17, and increase in productivity from 308kg/ha in 2001-02 to 568kg/ha in 2016 17." "Bt cotton hybrids have helped to minimise the damages caused by bollworm, reduce pesticide use and increase production, yield and net income of the farmers," Sharma added.	

<b>10 countries keen to invest in handloom</b>	<b>Telephindia</b> <a href="https://www.telephindia.com/states/north-east/10-countries-keen-to-invest-in-handloom-206161">https://www.telephindia.com/states/north-east/10-countries-keen-to-invest-in-handloom-206161</a>
The commissioner and secretary of handloom, textiles and sericulture, government of Assam, Mukti Gogoi, on Sunday said 10 countries have stepped forward to invest in the sector. Taking part in a dialogue on handlooms and textiles, he said a strategic location and a strong connectivity make Assam the ideal place for engaging in business with countries of the Association of Southeast Asian Nations (Asean). Gogoi said 92 per cent eri and 98 per cent muga in the country are produced in Assam only, adding there is a domestic market worth Rs 5,000 crore for handloom, textiles, sericulture and handicraft products. The official added that the National Handloom	

Development Programme has been taken up for implementation and block-level common facility centres are being set up for weavers in rural areas.

"The handloom and textile sector has immense possibility for investment and the government of Assam welcomes investors with open arms," minister, handloom, textiles and sericulture, Ranjit Dutta, said at the sectoral session on handloom and textiles held as part of the Advantage Assam-Global Investors' Summit at the Sarusajai sports complex. Dutta said handloom and textiles have organised and unorganised sectors and both have immense investment potential. Representing the ministry of handloom and textile, government of India, S. Bandopadhyay, briefed the participants about steps taken by the Centre for development of these sectors. He announced that P.K. Madhavan, director, TechFab India, is willing to invest heavily in the technical textile sector such as geo textile and jute bags among others. The managing director, Fabric Plus Pvt Ltd, Dilip Barooah, praised the natural textiles of India. He emphasised the endeavour of the Assam government to make the state the future natural textile hub of India. He also talked about the budget highlights on steps to woo investors.

<b>Cotton arrivals at ginning factories up by 7.51pc</b>	<b>The Nation</b> <a href="https://nation.com.pk/04-Feb-2018/cotton-arrivals-at-ginning-factories-up-by-7-51pc">https://nation.com.pk/04-Feb-2018/cotton-arrivals-at-ginning-factories-up-by-7-51pc</a>
--	--

The arrivals of cotton at ginning factories across the country till January 31, 2018 registered 7.51 per cent increase compared to corresponding period last year, disclosed a fortnightly cotton arrival report released by Pakistan Cotton Ginners' Association (PCGA) here on Saturday.

The report revealed that over 11.432 million bales of cotton arrived at various ginneries in Pakistan as on January 31, compared to 10.634 million bales during the corresponding period of last season. The report pointed out that the cotton arrivals in Punjab increased by 4.84 per cent while in Sindh cotton arrivals increased by 12.34 per cent.

Of the total arrivals of 11.432 million bales at various ginneries in Pakistan, 11.432 million bales were pressed by ginners, of which 10.434 million bales were sold, leaving an unsold stock of 9,97,937 bales with the ginners, as on January 31st, according to the data. The textile mills in country consumed 1,02,18,322 million bales, while another 2,16,615 bales of cotton were sold to exporters.

Ginneries in Punjab recorded arrival of 71,81,153 bales against the last year arrival of 68,49,887 bales. Sindh ginneries recorded arrival of 42,51,721 bales while last year Sindh received 37,84,740 bales. Textile mills bought 1,02,18,322 bales while exporters bought 2,16,615 bales. The total bales sold out so far were calculated at 1,04,34,,937 bales. While 9,97,937 bales are lying unsold because some ginners are waiting for higher prices of cotton in market. The break-up shows that Multan received 2,82,342 bales, 3.97% decrease than last year,

Lodhran 1,68,363 bales, 12.14% decrease, Khanewal 7,01,642 bales, an increase of 21.39%, Muzaffargarh 3,62,176 bales, an increase of 11.45%, Dera Ghazi Khan 4,36,513, an increase of 26.83%, Rajanpur 4,47,244 bales, 34.18 % increase, Layyah 2,94,084 bales, 5.86% increase, Vehari 5,78,481 bales, 52.38% increase, Sahiwal 2,71,221 bales, 27.38% more than last year, Pakpattan 39,130 bales, 6.52% decrease, Okara 15,775 bales, 17.35% down, Toba Tek Singh 1,74,882 bales, 9.22% increase, Faisalabad 36,549 bales, 0.33% less than last year, Jhang 21,232, showing a decrease of 29.83%, Mianwali 2,06,219, a decrease of 24.94%, Bhakkar 85,097, up 35.88%, Sargodha 7,293, 25.94% decrease, Rahimyar Khan 10,67,501 bales, 7.38% decrease, Bahawalpur 10,03,078, an increase of 2.89%, and Bahawalnagar 9,73,995 bales, a decrease of 17.96%.

In Sindh, Hyderabad received 2,51,684 bales, 10.64% more than last year, Mirpur Khas (Thar) 2,21,367 bales, 18.20% less, Sanghar 13,82,037 bales, 12.56% increase, Nawabshah 3,48,299 bales, 5.92 % increase, Naushero Feroze 3,73,675 bales, 9.92% increase, Khairpur 3,35,916, 16.49% increase, Ghotki 3,83,951, 28.29% increase, Sukkur 6,15,671, 16.31% increase, Dadu 68,636, 54.77% increase, Jamshoro 1,30,110 bales, 17.85% more, Badeen 17,335 bales, 35.86% less, and Balochistan received 1,16,700 bales, up 52.45%. Total 189 ginning factories are operational in the country. Of them, 326 are in Punjab and 150 in Sindh. Total 9,97,937 bales are lying in unsold stock.

<b>Tajikistan expanding cotton fields in a bid to raise output</b>	<b>Azernews</b>
	<a href="https://www.azernews.az/region/126658.html">https://www.azernews.az/region/126658.html</a>

Cotton cultivation area in Tajikistan has increased by 13,500 hectares this year, local news agency TajikTA reported Feb. 5. "Cotton is one of the Tajik export commodities and a raw material for the local light industry. With growth of market demand cotton is now being cultivated in a total area of 187,500 hectares, 13,500 hectares more compared to 2017," Tajik Ministry of Agriculture states. Cotton fields are to be expanded at the expense of grain and fodder crop areas, according to the ministry. Earlier, cotton cultivation areas and, correspondingly, cotton production were decreasing in the country. In 2012, 418,000 tons of cotton was harvested, while the harvest was 393,000 tons in 2013, 372,000 tons in 2014, 335,000 tons in 2015, and 270,000 tons the last year. A consistent decrease in cotton cultivation fields caused the decline as 200,000 hectares were allotted for cotton in 2012, with only 160,000 hectares allotted in 2016. In 2017, Tajik farmers managed to meet the Agriculture Ministry's forecast for the first time over the past several years. Thus in 2017, 380,000 of cotton was harvested in Tajikistan, 5.2 percent more than in 2016. Cotton has always been one of the main export commodities (together with primary aluminium) for Tajikistan.

**Brazilian cotton prices start declining in late January****Fibre 2 Fashion**

<http://www.fibre2fashion.com/news/textile-news/brazilian-cotton-prices-start-declining-in-late-january-240443-newsdetails.htm>

After a sharp increase in cotton prices observed in the first three weeks of January, prices took a negative turn in later part of the month in the Brazilian market. Center for Advanced Studies on Applied Economics-Luiz de Queiroz College of Agriculture (CEPEA/ESALQ) cotton index rose 3.34 per cent in January to close at 2.7536 BRL per pound on January 31.

"When prices were on the rise, processors were more active in the market, in order to replenish inventories and adjusting bidding to asking prices. Cotton growers, in turn, were attentive to the price rises at the New York Stock Exchange (ICE Futures), the delivery of the product purchased through contracts and new contracts for exportation in 2018 and 2019. In the last week of January, however, with the international price drop, purchases ended up reducing bidding prices," CEPEA said in its latest fortnightly report on the Brazilian cotton market.

Towards the end of the month, the pace of trades slowed down, and competition between agents and some buyers limited trades in the spot market. There were also reports of lower quality in several cotton batches. Some growers, who had already sold a great part of their output, went out of the market to focus on fieldwork.

For future shipment, the pace of trades was fast, both for the 2016-17 and the 2017-18 crops – some of them involved the 2018/19 season as well. Trades were based on fixed prices (flex), on contracts at ICE Futures and on the CEPEA/ESALQ Index. Despite the gap between bidding and asking prices for both seasons, some export deals were made.

Data from the BBM (Brazilian Commodity Exchange) tabulated by CEPEA indicate that 68.2 per cent of the 2016-17 Brazilian crop, estimated at 1.529 million tons, might have been traded until January 30. Of this total, 59.1 per cent were sold to the domestic market, and 40.9 per cent to the international market. For the next season, data indicate that at least 40.5 per cent of the 2017-18 production (forecast at 1.703 million tons) may have been traded in the same period, with 63.6 per cent allocated for exportation and 36.4 per cent for the domestic market.

In January, Cotlook A Index averaged 0.9128 BRL per pound, 7.24 per cent higher than in December 2017, while dollar dropped 2.52 per cent against real in the same period.