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NEWS CLIPPINGS –07-02-2018

Textile conclave on February 10	The Hindu http://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/textile-conclave-on-february-10/article22672926.ece
<p>Textile conclave</p> <p>A 'Textile Research Conclave' will be organised here on February 10 by the Tirupur Exporters Association (TEA), NIFT-TEA Knitwear Fashion Institute, and the Indian Texpreneurs Federation.</p> <p>TEA president Raja Shanmugam told reporters here that the conclave would bring together scientists and industrialists on a single platform. "The objective of the event is to encourage product diversification, productivity, and sustainability in textile clusters," he said.</p>	

E-sealing of export goods mandatory from March 1	The Hindu http://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/e-sealing-of-export-goods-mandatory-from-march-1/article22672915.ece
<p>It replaces self-sealing done by exporters now</p> <p>E-sealing of goods is mandatory for exports through three ports in the State from March 1 and exporters need to register to get the e-seals, according to Ashok, Commissioner of Customs, Tiruchi. Mr. Ashok was in the city on Tuesday to take part in a meeting organised by Federation of Indian Export Organisation on e-sealing. He told The Hindu that e-sealing will replace self-sealing done by exporters now. In e-sealing, the seals cannot be tampered. Exporters need to register on the portal and they can also track the movement of the goods. According to K. Ramesh, Assistant Commissioner - Customs (Cuddalore), who also spoke at the meeting here, e-sealing is mandatory from March 1 for exporters using the Inland Container Depot-Tirupur, and the Chennai and Thoothukudi ports. For the other ports, it is mandatory from April 1. Both, manufacturer exporters and merchandise exporters, are covered under this and the seals are available with Government-identified agencies. All exporters who have applied for the e-sealing have been registered in the portal so far.</p> <p>Earlier, Mr. Ashok said at the meeting that since Coimbatore is part of the Tiruchi Customs from January 15,</p>	

exporters or importers who have any problem can write to him with all the details. From the department side, “We are trying to re-engineer business processes such as making reporting easy and controlling costs for the industry,” he said. A. Sakthivel, regional chairman of FIEO - south, said one of the issues that continues to be a matter of concern to the exporters is the delay in getting refunds from the Customs. The department has also acknowledged that there are delays in IGST refunds due to several reasons. The department should permit manual clearing of errors like invoice number in shipping bills, mismatch in amount as in the shipping bill.

<p>CII mulls using Tiruchi manpower to boost textile sector</p>	<p>Fibre 2 Fashion http://www.fibre2fashion.com/news/textile-news/cii-mulls-using-tiruchi-manpower-to-boost-textile-sector-240464-newsdetails.htm</p>
<p>The Confederation of Indian Industry (CII) is mulling over boosting the Tamil Nadu state economy by combining the strength of labour availability in Tiruchirappalli (Tiruchi) with the textile industry in Karur and Tirupur districts, which face manpower shortage. CII held discussions in this regard last week with top Tiruchi district officials.</p> <p>CII discussed with Tiruchi district collector P Rajamani the establishment of infrastructure for finishing and packing of export-quality textile products being transported to Tuticorin port from the two districts via Tiruchi. The collector agreed to speak to textile industrialists in Karur and Tirupur on the issue, according to Indian media reports. Also discussed were ways to utilise the land banks in sub-urban and rural pockets, including Tiruverumbur, Manapparai, Thuraiyur for setting up industries on cluster basis, harnessing water, improving air connectivity to domestic destinations, expanding cargo activities and focus on agro-processing.</p> <p>CII’s Tiruchi zone will soon release the district development plan with specific details</p>	

<p>Tamil Nadu earns 22% more under GST till December</p>	<p>Times of India https://timesofindia.indiatimes.com/city/chennai/tn-earns-22-more-under-gst-till-december/articleshow/62811431.cms</p>
<p>Tamil Nadu's fears over the GST have been proven to be unfounded as eight months after its roll out, GST has raked in more money for the state exchequer than the erstwhile conventional VAT-based taxation system. Data of the state commercial tax department show that the state received Rs 23,317.76 crore under GST from July to December 2017, as against Rs 19,017.87 crore under VAT during the corresponding period the previous year. The state GST, called SGST, was around Rs 15,008.10 crore between July and December last year. The state will add a few more crores to its coffers from the inter-state GST as many assesseees are yet to file their returns.</p>	

Tamil Nadu being a manufacturing state and GST being a consumption-based tax, former chief minister J Jayalalithaa had opposed rolling out the new tax structure. She wanted the Centre to compensate for the revenue loss if GST revenue was less than VAT. But now it has been proven that Tamil Nadu is not only a manufacturing state but also a consumption state too.

"When the GST was rolled out there was a belief that governments like Uttar Pradesh and Bihar, where the consumption is high, will get more revenue. But as the months went by after GST was rolled out, we found that apart from being a consumption state, Tamil Nadu also has the financial power to purchase goods and services," said a senior GST official.

Tamil Nadu has the second highest number of companies and individuals registered under GST. "The state also stands second in terms of GST revenue in the country. Under inter-state GST (IGST), we received Rs 4,483 crore. But this is only a part of the total revenue under IGST, which we have to get. There are around 6 to 7 components which an assessee has to file under GST and only after all these are filed and taxes paid, will Tamil Nadu get its share of IGST," said the official. The state received nearly Rs 1,000 crore as compensation since the GST was introduced as the tax revenue was less than VAT revenue of 2015-16 - which was taken as the base year - during the initial months. But in subsequent months, after seeing the GST revenue being more than VAT, Centre has deducted the compensation while giving Tamil Nadu's share of IGST. "In Tamil Nadu, consumption of commodities in the 18-28% GST bracket is high. High-end cars, two-wheelers and white goods are some of the items which earn more revenue to the state," the official said.

Bt cotton doubled production, minimised harm by pest: Govt	Live Mint http://www.livemint.com/Politics/vrG4Um2ZXJd7yDzzR33IVl/Bt-cotton-doubled-production-minimised-harm-by-pest-Govt.html
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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.

Corporate tax to come down to 25% once exemptions end, says FM

Money Control

<http://www.moneycontrol.com/news/business/economy/corporate-tax-to-come-down-to-25-once-exemptions-end-says-fm-2500441.html>

In the Union Budget 2018-19, Jaitley provided a lower tax rate for corporates with turnover of up to Rs 250 crore.

Finance Minister Arun Jaitley said today that corporate tax rate can be brought down to the promised 25 percent only after all the exemptions given to the industry have ended.

Speaking at a post-Budget meeting, organised by industry body Ficci, he said he had in 2015 promised to cut corporate tax rate to 25 percent, from 30 percent, in four years.

Jaitley added however that he had also set a condition -- all exemptions would have to go.

It would not be proper to end exemptions midway as some industries may have been set up based on them, he said. And therefore, the opportunity to reduce the corporate tax rate to 25 percent will arise when all the exemptions end in the due course, he said. In the Union Budget 2018-19, presented last week, Jaitley provided for lower tax rate for corporates with turnover of up to Rs 250 crore.

For the remaining 7,000-odd companies, the average effective tax rate after considering the exemptions comes to about 22 percent, he said. On fiscal deficit, he said the target of trimming it down to 3.2 percent of the GDP in the current fiscal, ending March 31, was missed largely due to GST revenues accruing only for 11 months as against the expenditure being accounted for 12 months.

Revenues under the Goods and Services Tax (GST), which replaced 17 central and state levies including excise duty, service tax and VAT, accrue only after a month in which the sales are made. In contrast, the revenue from excise used to accrue just as the products left the factory. So, for the current fiscal, the government accounted for revenue for only 11 months, with the accruals of March coming in only in April.

Next year onwards, the 12-month cycle would be complete, he said, adding that the buoyancy in GST collections, as well as indirect taxes, gave him confidence that it would be easier to meet the fiscal deficit target of 3.3 percent set for 2018-19. For the current fiscal, the deficit target has been set at 3.5 percent as against 3.2 per cent previously stated. The fiscal deficit or gap between total expenditure and revenues has been pegged at 3.3 percent for 2018-19, as against the FRBM mandate of 3 percent.

Times of India	
No notice to taxpayers in case of minor filing mismatch: CBDT	https://timesofindia.indiatimes.com/business/india-business/no-notice-to-taxpayers-in-case-of-minor-filing-mismatch-cbd/articleshow/62805454.cms
<p>From now on, the taxman will not issue demand notice to taxpayers in case there is a minor mismatch between their income tax return (ITR) and the corresponding tax credit data collected by the department from banks and other financial institutions. The measure, introduced in the latest Financial Bill, is aimed to provide relief to small and salaried class of taxpayers and aims to ease out issues of small discrepancies that sometimes crop up between the information on Form-16 (provided by the employer) and Form-26AS (tax credit statement received by the tax department).</p> <p>"A policy decision has been made not to issue tax demand notices in case of minor mismatch in these instances. We trust the taxpayer and the step is aimed to make easy the processing of income tax returns," CBDT chairman Sushil Chandra told PTI. He said the policy measure will be enforced in respect of any return furnished for the</p>	

upcoming assessment year (2018-19) commencing from April 1. These demand notices, as per the existing procedure, were issued by the I-T Department's central processing centre (CPC) located in Bengaluru. It is the repository to process the ITRs and match the data provided by the taxpayer through their Form-16 and the Form-26AS received by the department from multiple banking and financial institutions.

Chandra, however, said in cases where the mismatch amount is high or gives rise to any sort of suspicion of tax evasion, such a case will be taken up for a detailed scrutiny. A senior I-T official explained that the Central Board of Direct Taxes (CBDT), the policy-making body for the tax department, proposed the move to the Finance Ministry as hundreds of such cases were stuck for final processing as communication between the taxpayer and the taxman was ongoing. "There could be genuine reasons for such mis-matches and hence it was decided to change the existing procedure in this context," the official said.

Centre working to make glitch-free e-way bill take off in 2-3 months	Business Line http://www.thehindubusinessline.com/economy/policy/centre-working-to-make-glitch-free-e-way-bill-take-off-in-2-3-months/article22670684.ece?homepage=true
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The e-way bill under the Goods and Services Tax (GST), a mechanism to avert tax evasion on inter-State movement of goods, is likely to be re-notified in two to three months once the technical glitches are addressed.

Further, to ensure that IT problems do not hold up the system in future, the government is looking at an alternative option that can be used by businesses if they are unable to generate the e-way bill, which is an online ticket for movement of goods over ₹50,000 for distances over 10 km.

"A final date for making the e-way bill mandatory will be notified once the problems are sorted out and further tests are carried out," said an official.

"The GST Council will also review the progress," the official added.

The Finance Ministry, the GST Network and the National Informatics Centre (NIC) are understood to be discussing various options. The NIC is also working to address the technical glitches on the e-way bill portal.

"There is a thinking that there should also be an alternative option so that if there are problems in generating the e-way bill, businesses are not impacted and can easily use another option," said an official. Sources said that this time. the government wants to wait until it is fully satisfied with the IT system before announcing the date. It is learnt that the Finance Ministry and the GST Network are closely monitoring the developments. The GST Council

had decided to implement that the e-way bill on a trial basis from January 16 and on a mandatory basis from February 1.

However, due to technical problems, the trial phase was extended indefinitely. It continues to be one of the deferred provisions of the GST regime, which was launched on July 1, 2017. In the interim, the Centre and the States are also encouraging businesses to familiarise themselves with the e-way bill system. Officials are also meeting trade and industry representatives to address their concerns. GSTN officials met with industry chamber FICCI for an interactive session on Tuesday on the e-way bill.

Cottonseed firms to govt: Remove trait value on BG-II	Business Line 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
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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 Mahycho 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.

Textile policy for 2018-23 gets Cabinet nod, aims to attract Rs 36,000-crore investment	Indian Express http://indianexpress.com/article/business/textile-policy-for-2018-23-gets-cabinet-nod-aims-to-attract-rs-36000-crore-investment-5054112/
<p>Several schemes of Rs 4649 crore will be implemented under the policy. The policy intends to create infrastructure for textile cluster and garment parks. The policy has suggested to prepare proposal for setting up textile university in Vidarbha region.</p> <p>The state Cabinet Tuesday gave its approval to the new textile policy for 2018-2023 with an aim to attract investment of Rs 36,000 crore in Maharashtra and generate 10 lakh employment. Sources in the government said some of the major aspects of the policy include reducing the power tariffs and increasing capital subsidy to 45 per cent for spinning mills. Officials from the state textile department said the policy takes forward the Make in Maharashtra concept to strengthen the cotton industry and silk business. It aims to reduce the regional imbalance in the state as higher concessions would be given for setting up units in Vidarbha, Marathwada and North Maharashtra region. Separate emphasis will be on cotton producing regions, which have reported large number of suicide by farmers, said an official.</p> <p>Several schemes of Rs 4649 crore will be implemented under the new policy. The policy intends to create infrastructure for textile cluster and garment parks. The policy has also suggested to prepare a proposal for setting up a textile university in the Vidarbha region.</p> <p>“We have made provisions in reducing power tariffs for spinning mills. Besides, spinning mills were given financial assistance in several installments. Now, we have decided to give them financial assistance in two installments only,” said Subhash Deshmukh, state Textile Minister.</p> <p>Another official said one of the major reasons for spinning mills incurring losses is the higher power tariffs, compared to other states. “The power tariffs in Gujarat, Karnataka and a few other states are between Rs 4 and Rs 6 per unit while it is Rs 9 per unit in our state. So, the spinning mills will be encouraged to set up solar power plants on their</p>	

land and the power generated from it will be utilized by the spinning mills. Hence, the power tariffs are likely to be reduced to Rs 3.5 per unit,” said an official adding that it would give major boost to spinning mills.

Besides, capital subsidy has been increased substantially for processing units, spinning mills, and modernisation of power looms. It proposes to give 45 per cent capital subsidy for processing units, and 25 per cent for spinning mills and modernisation of powerlooms. It has also proposed to give additional subsidy of 20 per cent for processing and garment units in Vidarbha, Marathwada and North Maharashtra.

Apparel manufacturers’ body holds zonal fair in Hyderabad	Business Line http://www.thehindubusinessline.com/news/apparel-manufacturers-body-holds-zonal-fair-in-hyderabad/article22671094.ece
<p>Apparel Manufacturers of India, a group of manufacturers and traders, on Tuesday inaugurated their first zonal fair at Hitex Exhibition Centre in Hyderabad.</p> <p>The 13th edition of the fair was inaugurated by Suresh Raja Mouli, Director, RS Brothers Pvt Ltd (Telangana). The fair will see the coming together of over 2,000 retailers from Telangana, Andhra Pradesh, Karnataka, Tamil Nadu and Kerala in the next three days.</p> <p>TP Seetharaman, Executive Director, Kalyan Silks (Kerala), expressed concerns over the alleged neglect of the country’s apparel sector and called for the need to work together to get the concerns addressed. He said that while the GST brought down prices, the market is faced with money flow crunch, especially in the businesses such as garments, gold, real estate. “The small players are the one who are reeling in crisis. Footfalls are down. Hopefully, we should see brighter business environment in the next financial year,” he said. Nikhil Furia, Key Organiser, Apparel Manufacturers of India, said, “Market has not been great for the last few months but is picking up. The wedding season ahead should bring back the business.”</p> <p>The association seeks to bridge the gap between manufacturers, retailers, agents and suppliers and build a robust community. So far, the association conducted five fairs in Chennai, six in Kochi and one in Hyderabad over the last 2 years.</p>	

<p>Pakistan's exports increase 10.58 percent in July</p>	<p>Samaa.tv https://www.samaa.tv/economy/2017/08/pakistan-exports-increase-10-58-percent-in-july/</p>
<p>The country's exports witnessed 10.58 percent increase during the first month of the ongoing fiscal year (2017-18), compared to the corresponding month of last year. Pakistan exported goods worth \$1.631 billion in July 2017 compared to the exports of \$1.475 billion in July 2016, showing upward growth of 10.58 percent, an official in ministry of commerce told APP on Saturday. The merchandise imports during the month under review also increased by 36.74 percent compared to July 2016. The imports into the country during July 2017 were recorded at \$4.835 billion compared to the imports of \$3.536 billion, the data revealed. He said the trade deficit during July 2017 was recorded at \$3.204 billion, which showed growth of 55.46 percent when compared to the deficit of \$2.061 billion during July 2016.</p> <p>Meanwhile, on month-on-month basis, the exports from the country witnessed negative growth of 14.70 percent in July 2017 when compared to the exports of \$1.912 billion in June 2017. The imports into the country increased by 6.64 percent in July 2017 when compared to the imports of \$4.534 billion recorded during June 2017, according to the data. Replying to question, the official said the ministry was contributing to the national economy through trade facilitation and liberalization, improve export competitiveness and reduce the cost of doing business. The government is committed in providing direction and diversification to internal trade for enhancing supply chains to enhance the country's exports. "We are working to explore new trade avenues and markets in different regions to get access to these markets for promotion of country's trade," he said. He said that new trade policy mainly targeted the international and internal trade for improving supply chain, enhancing use of technology and providing competitiveness.</p>	

<p>Rains bring relief to cotton farmers</p>	<p>Herald http://www.herald.co.zw/rains-bring-relief-to-cotton-farmers/</p>
<p>Cotton farmers, whose crop had started showing signs of moisture stress, have renewed hope amid moderate to heavy rains that have fallen in most parts of the country since last week. While cotton is naturally a drought tolerant crop, the prolonged dry spell that the country experienced since end of December last year, had resulted in part of the crop suffering from moisture stress. And if the dry spell had persisted, a significant hectarage of the crop would have been written off. However, the country started receiving the rains last week, renewing hopes for many farmers. "We are happy we are now receiving the rains after experiencing a long dry spell and this should help us to produce better yields," Yeukai Zerera of Nyanyadzi in Manicaland said. The majority of the farmers benefited under the Presidential Input Scheme, which saw nearly 400 000 cotton growers benefiting. Last year,</p>	

The Cotton Company of Zimbabwe, which is administering the programme, distributed inputs to about 155 000 cotton growers, pushing the national production to about 75 000 tonnes from 28 000 tonnes. This year's package was made up of 8 000 tonnes of seed, 40 000 tonnes of basal fertiliser and 20 000 tonnes of top dressing fertiliser. The first tranche of inputs being planting seed and Compound L fertiliser have been disbursed to the targeted farmers. Farmers in Birchenough Bridge and Jerera also expressed optimism of better harvests following the rains.

"We started receiving decent rains last week in some of the areas surrounding us, but the rains have now spread all over the entire region and this has revived our crop, which had started showing signs of moisture stress," said Ngoni Jairus, who farms in Jerera, Masvingo Province. Even farmers who had a late crop also said the wet spell would help reviving their crop. Cotton Producers and Marketers Association chairman Steward Mubonderi, said the rains had brought much relief to farmers whose crop had been affected by the dry spell. "The crop, particularly the late planted, is beginning to show signs of recovery," said Mr Mubonderi in an interview. "Although there was a setback, the rains have kept us on course to meet our targets," he said, adding the association would disclose the estimates of projected output upon completion of a validation exercise. "But we are likely to have an improvement on last year since we have more farmers participating (under the Presidential Input Scheme) this year. "We now encourage our farmers to ensure the crop is well managed (pest control) to ensure better yields. Cotton used to be one of the country's largest foreign currency earners before production slumped due to viability challenges resulting from inadequate funding and poor prices. Agriculture analysts say to some extent, the "mid-season drought" will help boost production. "Unlike last year when we had incessant rains, which resulted in excessive vegetative growth, we are seeing an increase in average balls per plant because of the hot conditions," said an agronomist with a local Non-Governmental Organisation.

<p>Cotton Prices Are Reflecting Demand Meeting Supply</p>	<p>Agro Professional \https://www.agprofessional.com/article/cotton-prices-are-reflecting-demand-meeting-supply</p>
<p>To start the year, cotton prices were seeing a steady climb. Recently, they have seen a bit of a pull back. To John Payne of This Week In Grain, this signifies that the gins are finally catching up to the strong supply. "At the beginning of harvest and as the gins started to fill up, we had all these hands go up from overseas," he said on AgDay. "The price spiked to try to get some of those sales slowed. The gins have really worked the last couple of months." Payne thinks moving into 2018, the price could be right to see more cotton acres replace wheat. "It certainly beats trying to throw a loser after the wheat and a lot of them throw in the towel on the wheat market, and with corn prices where they are, not that attractive," he said.</p>	

Will robots completely replace humans from textile factory floors?

TRT World

<https://www.trtworld.com/magazine/will-robots-completely-replace-humans-from-textile-factory-floors--14930>

A lot of the work that goes into making a t-shirt or a pair of jeans has been automated, except for cutting and sewing. Now machines are taking over one of these last surviving manual jobs, which humans have performed for hundreds of years.

Some forty years ago, Ijaz Khokhar's father set up a factory in Sialkot, a dusty industrial town of Pakistan, to make karate and martial arts uniforms. Over the years, as the country faced several political and economic upheavals, Khokhar's clothing company, Ashraf Industries, prospered.

It has now become one of the the country's largest exporters of karate and martial arts outfits with loyal clientele from Japan to Europe.

Along the way, Khokhar saw profound technological shifts in the way business was done. The just-in-time inventory system, cross-border outsourcing, internet and cloud computing—innovations that have drastically shaped his business since the 1960s. Every year, Khokhar travels to textile machinery exhibitions to see the latest innovations in manufacturing processes. "I try to keep myself up to date with new trends," he told *TRT World*. "There's no escaping it." Yet he never imagined that one day he'd be talking about the possibility of robots becoming a threat to the way garments are sewn in his factory. "I remember watching a documentary on it, but never thought it could become a reality."

The automation onslaught

From harvesting cotton in the farms, to making thread, then weaving it into cloth in looms, followed by the stage of printing—the textile manufacturing cycle has largely been automated in the past two hundred years. What remains in the hands of humans is when fabric is sewed into the clothes that we wear. That might change as tech start-ups, encouraged by lightning technological changes, make robots that can imitate humans. Softwear Automation, a company based in Atlanta, in the US, has built an entire assembly line manned by robots that can pick a piece of garment, arrange it properly and then sew it. This technology is called the Sewbot. Just picking up a piece of fabric is a massive step forward for robots. Sewing and stitching has eluded machines because cloth is floppy and crumbly, difficult to handle even for humans who are not trained tailors. Nimble finger movements can quickly adjust a piece of fabric under the needle of a sewing machine. It's a grueling job for a worker to continuously adjust the garment under the striking needle, making sure the seam stays straight and smooth.

It's a skill that garment factory workers in developing countries such as Pakistan, Bangladesh and India acquire over many years of mentorship. What has come to drive them out of the factories is a combination of powerful algorithms, fast computing speed and the ever-decreasing cost of technological products. The Sewbot work-line robots rely on high speed cameras, which see the individual threads in fabric, pinpointing the exact location where a needle strikes and adjusting the garment accordingly. Softwear Automation sees this as a disruptive technology, which will have a lasting impact on how apparel, home textiles and garments are made. And it can do that without workers.

"Our Sewbot work-line can produce nearly twice as many finished t-shirts in an eight-hour shift as manual sewing and can running 24 hours a day," Softwear Automation's CEO Palaniswamy Rajan said.

"It's 80 percent more efficient."

Rajan, a venture capitalists, invested in Softwear Automation after the company was founded in 2012. Multiple studies by organisations such as the OECD and the World Bank have warned that automation can leave millions of people jobless, not just in developing countries but also in advanced economies. The use of industrial robots across the automotive, electronic and others industries is at its highest, said the International Federation of Robotics.

The growth in industrial robot sales is led by Asia. Between 2011 and 2016 robot sales increased by an average of 12 percent.

An inevitable transition

Besides Softwear Automation, another start-up working to automate the repetitive sewing job, is called Sewbo, the brainchild of 30-year-old New Yorker Jon Zornow. He devised a method to stiffen fabric by using a dissolvable chemical solution. This allows cardboard-like hard patches of material such as denim to be handled by robots. Once sewed the garment is washed with water without compromising its quality. Zornow's inspiration came from 3D printing. "That technology also uses water-soluble scaffolding to temporarily support objects as they are being created on the 3D printer," Zornow told *TRT World*. His robots come off the shelf, making it easier for companies to find replacements when needed. That's a tell-tale sign of how one technology is giving birth to another. It also explains why prices are continuously coming down. In his seminal book, *The Rise of the Robots*, Martin Ford writes that advanced vision technology being used in industrial robots emerged from gaming consoles.

The US government has played a crucial role in the promotion of this technology as well.

Softwear Automation's Sewbot concept was conceived by Dr. Steve Dickerson, a Professor Emeritus of Mechatronics at Georgia Tech. The US Department of Defense supported him with \$1.7 million, seeking locally

manufactured military uniforms for the US soldiers in return.

His firm was later acquired by Rajan's investment fund, CTW Venture Partners.

Made in USA—by the robots

Softwear Automation and other proponents of robotics say that automation will help bring manufacturing back to the US. But unlike what US President Donald Trump has been telling his supporters, this won't necessarily translate into more jobs. Up until the 1990s, the US met most of its garment and apparel needs from domestic factories. But then the tide turned. Production was outsourced to Mexico, China and India, almost eliminating all local production, and leaving thousands of people jobless. Between 1990 and 2012, the US textile and apparel sub-sector lost 1.2 million jobs, or more than 76 percent, as imports replaced domestically produced garments, according to *The New York Times*. The companies that do remain in business face ageing workers on sewing machines, high wages and an uninterested workforce that views textile factories as sweatshops.

And it's not just the wages that pose a challenge.

"In the firms I visit, people have forgotten how it is to run this business," said Zornow. Even though some manufactures want to bring apparel and garment production back to the US, chances of that happening on any large scale are slim, he said. "People ask me if it's possible for factories to move back to the US, and they want the answer to be yes. But I am not sure. Garment manufacturing is a complicated process. You still need humans to analyse every piece that comes off the line."

Khokhar agrees.

"Take silk or chiffon. How do you think the machine will handle that?" The supply chain plays a crucial part as well, he said. "Where do you source the cotton from, do you have all the materials? All these things come into play," Khokhar said. Perhaps the most encouraging point for bringing back the automated sewing work to the US is proximity to the consumer market. Big retailers such as Walmart, which source garments and apparel from developing countries, have to wait months before they can put a new line clothes on the shelf. This is because clothing samples are sent back and forth for approval. Softwear Automation has received funding from Walmart as the retail giant wants to meet the demand of its customers before fashion wears out.

What about the people?

Both Rajan and Zornow are focusing primarily on the US market for their robots. They see a timeline of at least five years for the technology to start making any marked change. "A brand or manufacturer that's willing to commit can have up to 10 percent of its manufacturing to the US within five years of setting up a Sewbot factory," Rajan

told TRT World.

However, the change, they said, is inevitable. And it won't necessarily be bad for the workers.

"Sewbots are not meant to replace all of garment manufacturing," said Rajan." Using automation for high-volume basic apparel enables sewing machine workers to focus more on complex garments, while advancing their skill sets and commanding higher wages all around the world."

The shift to e-commerce and on-demand manufacturing makes this even more important, he said.

For Zornow, automation is a necessary step in the cycle of industrialisation. "Two hundred years ago, how many people were living in poverty and dying of starvation? Has industrialised technology helped? The answer is definitely yes."

He said he went public with his plans at an early stage to provide an opportunity to people in textile-dependent countries such as Bangladesh to prepare for the technological onslaught.

"I read Bangladeshi newspapers everyday. There is so much fanfare every time there is investment in the garment sector. But I don't wanna see that because we know that economic landscape is changing and that money could be invested in other sectors."

The fear of automation replacing humans has already pushed industry leaders like Elon Musk to debate this incoming disruption. "AI is a fundamental risk to the existence of human civilisation and I don't think people will fully appreciate that," Musk said in July 2017.

Here again, it would be the workers in developing countries that are most likely to be hit by automation.

Pakistani businessman Khokhar said it won't be easy for governments of developing economies to deal with large scale job losses in the textile industry.

"I'm still skeptical. Automaton is not going to take jobs away from humans any time soon. This work is too complicated for machines to handle," he said.

"But if that happens, the consequences would be devastating."