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NEWS CLIPPINGS –09-04-2018

Cotton arrival estimates lowered for fifth time	Times of India https://timesofindia.indiatimes.com/city/chandigarh/cotton-arrival-estimates-lowered-for-fifth-time/articleshow/63672718.cms

Even as over 90% cotton crop has arrived in the markets and new crop season has already set in, the estimate for cotton arrival has been lowered fifth time for Punjab. On the other hand, the estimates have been revised upwards in the neighbouring states of Haryana and Rajasthan.

A loss of another over 30,000 bales of cotton is likely in Punjab as per the revised estimate of the arrival of fibre crop in state as against the earlier estimate in the beginning of March 2018. In the revised estimates, the crop arrival in grain markets of Punjab has been lowered at 9.67 lakh bales (1 bale = 170 kg) by cotton trading body Indian Cotton Association Limited (ICAL). The ICAL keeps tab on cotton arrival and price fluctuation in three states of Punjab, Haryana and Rajasthan and records sales.

Initially, the estimate was put at 12 lakh bales at the start of the season in October-November 2017 and was lowered to 11 lakh in December and again to 10.37 lakh in January and 9.97 lakh bales at the end of February 2018.

In Haryana, the estimates has been revised to 25.47 lakh bales on March 31 up from 24.30 lakh bales expected on February 28 and likewise estimates in Rajasthan has been revised to 23.12 lakh bales up from estimate of 22.14 lakh bales at the start of March. The less arrival in Punjab, as per market watchers, points towards Punjab crop sold in Haryana and Rajasthan.

Tirupur MP asks for pan-India implementation of ZLD norms	The Hindu http://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/tirupur-mp-asks-for-pan-india-implementation-of-zld-norms/article23461387.ece

Member of Parliament (Tirupur) V. Sathyabama recently met various Union Ministers to reiterate the need for mandatory pan-India implementation of the zero liquid discharge (ZLD) norms followed only in the wet processing segment of apparel production chain in Tirupur knitwear cluster.

In the representations given to Union Environment Minister Harsh Vardhan and Union Textiles Minister Smriti Irani, Ms. Sathyabama has said that the enforcement of ZLD norms in Tirupur knitwear cluster had resulted in reducing the environmental pollution and ensured recycling of the used water. “Since the implementation of ZLD norms is not mandatory for other textile clusters in the country, cost of wet processing for the apparel manufacturers in those clusters naturally comes down by almost 15 %. The situation thus places Tirupur apparel manufacturers at a disadvantage when it comes to cost-competitiveness”, she said.

The MP wanted mandatory implementation of ZLD norms across the country for providing a level playing field for Tirupur businessmen and also for protection of environment.

Arun Jaitley’s message: Economy to consolidate in FY2019	Financial Express http://www.financialexpress.com/economy/arun-jaitleys-message-economy-to-consolidate-in-fy2019/1126210/

The Indian economy, which saw temporary disruptions caused by demonetisation and the roll-out of the goods and services tax (GST) over the past two years, will see consolidation in the current fiscal.

The Indian economy, which saw temporary disruptions caused by demonetisation and the roll-out of the goods and services tax (GST) over the past two years, will see consolidation in the current fiscal, finance minister Arun Jaitley said on Sunday. In a message to the CII annual session, Jaitley said reforms such as GST, Insolvency and Bankruptcy Code and new income tax regulations are contributing to a better investment climate. “An aspirational India, an impatient India, has accepted the idea of reforms,” the minister said in the message. Jaitley, who was supposed to address the event, couldn’t attend due to health issues. Speaking at the CII event, economic affairs secretary Subhash Chandra Garg said India is aiming to become a $10-trillion economy by 2030, from roughly $2.5 trillion now. He said four kinds of businesses would drive growth – those in manufacturing, start-ups, infrastructure and the small and medium scale sector. He said creating a conducive environment for businesses would rest on four factors: improving the ease of doing business by streamlining procedures and reducing cost of operation; ensuring a stable macroeconomic environment that would entail a stable rupee, benign inflation, adequate resources for the private sector and promoting FDI; access to credit at low costs to spur investments; facilitating skill development and simplifying labour laws.

CII president Shobana Kamineni stressed the need for widening of the tax base through lowering of the corporate tax, better allocation of resources and right pricing, and deregulation of labour laws. “We value the assurance of a red carpet but cannot live under fear that it can be pulled out from us at any moment,” she said. She added the industry needs to take risk and build new capacity and massive investment is required in the R&D space, investments in which currently account for just 0.3% of the GDP.

Devolution of funds to states should be based on performance indicators: NITI Aayog NITI Aayog vice-chairman Rajiv Kumar on Sunday pitched for building ‘performance indicators’ for the devolution of funds to states, reports PTI. Kumar also said while fiscal irresponsibility is bad, “fiscal fetish” is also not desirable and a delicate balance has to be maintained. “I think it is clear that these (devolution of funds) criteria has to include some performance-based criteria. And therefore, those states which have done better in certain performance should not be punished. I think it is better deal now to start process of building some performance indicators for the devolution of funds and then increase it in phased manner,” Kumar said at the same event. Kumar’s observations come in the backdrop of some states expressing disquiet about the terms of reference of the 15th Finance Commission to decide the sharing of tax resources between the Centre and states. The NITI Aayog was in favour of recommending to the 15th Finance Commission to consider sustainable development goals performance for allocating a small percentage of funds to different states, Kumar said.

CGST Mumbai zone mops up Rs 72,509-crore revenue till February	Economic Times https://economictimes.indiatimes.com/news/economy/finance/cgst-mumbai-zone-mops-up-rs-72509-crore-revenue-till-february/articleshow/63665545.cms

The Mumbai zone of the Central GST Commissionerate has mopped up revenue of Rs 72,509 crore till February this year, tax officials said. The new Goods and Services Tax (GST) regime, which harmonises all central and sales levies, was implemented by the government from July 1 of last year.

The Mumbai zone consists of 11 tax payers commissionerates including Mumbai, Thane, Navi Mumbai, Palghar, Raigarh, Bhiwandi and Belapur, among others. The Mumbai city has four zones - West, East, Central and South. The total revenue collection from the zone from July last year to February stood at Rs 72,509 crore, they added.

Among the 11 commissionerates, the highest collection was from Mumbai-East at Rs 19,405 crore between July 2017 and February 2018, GST Commissioner (Mumbai East) Vijay Risi said. The Mumbai-South zone collected Rs 15,351 crore, while Mumbai-Central's revenue stood at Rs 13,812 crore in the eight months. The collection from Mumbai-West zone was Rs 6,581 crore in the same period, a senior tax official said.

CGST collection of Thane zone was Rs 2,931 crore, while Belapur netted Rs 4,106 crore, he said. These revenue figures refer to the collection of GST by the central GST offices in Mumbai. The figures for March CGST collection from the zone will be known by April-end, the official said.

Meanwhile, in order to help tax payers from the Mumbai zone file GST returns, the Central GST authority of the area has set up a return filling facility (RFF). The facility is functioning at GST Seva Kendra, GST Commissionerate of Mumbai (East) at Parel, central Mumbai, since February on a pilot basis.

The facility, which provides free service to tax payers, has been been rolled out in partnership with the Western Indian Regional Council (WIRC) of the Institute of Chartered Accountants of India (ICAI).

Explaining the reason for starting the facility, Risi, said, "Our analysis shows that tax payers were not able to file returns because of high cost of filing returns, non- availability of computers, Internet and in some cases, due to lack of understanding of law and procedures." He said as per data, only 69 per cent of the tax payers are filling returns across the country due to high cost and lack of infrastructure, necessitating such a window.

This facility provides tax payers with computers and Internet to help them file returns, under the supervision of GST officials, he added. It can handle up to 50 returns every day and between 500-1,000 in a month. Risi said initial response to the facility has been lukewarm, but expressed hope that more number of tax payers will use this unit going ahead.

He said efforts are being made to create awareness about return filing facility. Officials are also sending SMSes to non-filers to improve awareness.

Cotton fibre procurement by India's CCI rises eight-fold	Fibre 2 Fashion http://www.fibre2fashion.com/news/textile-news/cotton-fibre-procurement-by-india-s-cci-rises-eight-fold-241517-newsdetails.htm

Higher price volatility resulted in state-owned Cotton Corporation of India (CCI) recording an eight-fold rise in fibre procurement fiscal 2017-18. It procured 1.2 million bales (of 170 kg each) of cotton fibre under minimum support price (MSP) and commercial operations in the last fiscal compared to 150,000 bales in 2016-17. A third of the total was MSP buying.

The cotton season is coming to an end and CCI plans to buy another 200,000 bales before that, according to a report in a top Indian business daily.

Private procurers had started matching the post-January price offers by CCI, resulting in the level staying high. The state body then auctions the natural fibre for textile mills at the market price. The price began recovering since January, to trade above the MSP.

CCI estimates the output at 36.2 million bales for the coming year, 0.5 million less from its last month's estimate of 36.7 million. Total output for 2016-17 is estimated at 33.73 million bales.

Plastic ban hits farmers, e-commerce firms alike	Times of India https://timesofindia.indiatimes.com/city/pune/plastic-ban-hits-farmers-e-commerce-firms-alike/articleshow/63661608.cms

The state government's ban on plastic has put farmers, traders, e-commerce firms and manufacturers in a spot. While the farmers are busy thinking how to protect their produce during rain, garment retailers are desperately looking for ways to cover their material from dust and water. E-commerce firms, which depend heavily on plastic packaging, are yet to figure out an alternative to plastic for wrapping their products. Maharashtra Plastic Manufacturers Association office bearers said huge plastic sheets were tradionally used to store food items such as pulse, rice and sugar. Association president Ravi Jashnani said plastic bags were used not only to pack processed food, but also garments and hosiery materials during transport. He said, "Expensive saris and dress material were packed in transparent plastic, while bales were wrapped in plastic sheets for protection from dust and water. Plastic bags were used to pack food even in government-initiated midday meal scheme." Jashnani added that the association recently wrote to the chief minister and the environment minister on the issue.

MAHA Farmers Producer Company Ltd director Amit Naphade said plastic was the cheapest material available to farmers to avoid crop damage. "The fodder is covered with plastic and kept in open fields because most farmers do not have sheds. After harvesting, crops such as tur, soya are covered with plastic and stored on fields. The farmers do not have the space to keep such huge quantities at home. We are not against the ban, but the state should have thought about suitable alternatives," he said.

Farmer Purushottam Mangte Patil from Vyala village in Balapur district said covering the produce in plastic to protect it from water was the easiest way. "After the ban, we will have to use jute. It is not viable because rainwater seeps through jute cover," he said. Viren Shah, president of the Federation of Retail Traders Welfare Association, claimed that no country in the world has imposed a ban on the use of plastic in storage, handling, displaying and transportation.

Pakistan : Cotton Sowing Starts Across Province	Urdu Point https://www.urdupoint.com/en/pakistan/cotton-sowing-starts-across-province-308550.html

A ban imposed on cotton sowing in the province has been lifted and farmers could start its cultivation without any delay. Punjab Agriculture Department sources told APP that department had imposed a ban on cultivation of cotton till the first week of April to avoid the attackchances of pink bollworm which, in case of early-sown cotton, increases.

And keeping in view the possibility, the department had banned early sowing of the crop, they said. Sources further said that field teams have been mobilised to counter the attack of white fly and pink bollworm.

"The step had been taken after thorough consultations with cotton scientists in order to control pink bollworms," they added. The department had prepared a plan to offer various free-of-charge services to cotton growers to enhance the crop production, the sources added.

The growers will get friendly pests, facility of pest scouting, PB-ropes, gadgets to arrest enemy pests, training opportunities and consultation services under the plan, they said. The agriculture department had advised growers to use certified varieties of cotton seed, he said, adding that spray of recommended varieties of pesticide should be launched in the first phase of cultivation process of the cotton crop.

Pakistan textile exports up by 7.32%	Apparel Sources https://apparelresources.com/business-news/data/pakistan-textile-exports-7-32/

Export-friendly policies and incentives announced by Pakistan Government of late and the renewed focus towards seeking better market access by Ministry of Commerce seem to have finally yielded some positive results for the textile export industry of the country. As per the latest data released by the Pakistan Bureau of Statistics (PBS), the country noted a 7.32 per cent growth during July 2017 to February 2018 to US $ 8.8 billion as against US $ 8.2 billion in the corresponding period of FY 2016-17.

The recorded growth in textile exports has helped Pakistan to report an overall export revenue of US $ 14.8 billion during the eight-month period under review as compared to US $ 13.3 billion in the same period last fiscal. According to the Ministry of Commerce, this rising trend in exports is expected to be sustained in the coming months as well due to the rising international demand and exchange rate correction. Notably, the value-added textile sector was the chief growth driver for the increase in textile export, as stated in reports. In the previous review report that came out in November 2017, textile exports clocked US $ 1.12 billion, up by 7 per cent on the year-on-year basis. Then also, the growth was primarily driven by the value-added segment, which noted a 12 per cent yearly growth during the reporting month.

Further, exports of ready-made garments, knitwear and bed wear increased by 13.08 per cent, 13.3 per cent and 4.51 per cent, respectively, during the reporting period. Excluding towels, made-up articles also reported a 7.32 per cent increase in exports while art, silk and synthetic textile exports marked a surge of whopping 80.08 per cent during the said period. A 1.87 per cent increase in exports of cotton yarn and a slight growth of 0.04 per cent was also reported in exports of cotton cloth.

Time to adopt a visionary approach	The Daily Star https://www.thedailystar.net/opinion/perspective/time-adopt-visionary-approach-1559938

There has been a healthy debate as to whether Bangladesh should open up Foreign Direct Investment (FDI) in the apparel sector where, until now, the majority of investors are local entrepreneurs, with the exception of some foreign companies who have invested in garment businesses inside the Export Processing Zones (EPZs). Before analysing the arguments in this regard, we need to explore why and when FDI is necessary and also consider the advantages and disadvantages of adopting this practice.

Many will find it surprising that the fledgling apparel industry of Bangladesh flourished in the hands of the first-generation businessmen who got the opportunity to start their business ventures only after the independence of Bangladesh in 1971. They didn't have much knowledge of the business per se. Even Noorul Quader, the man largely credited with the revolution of the apparel business in Bangladesh, was a bureaucrat with sound knowledge on how to keep government services functioning smoothly; he was by no means an expert in the apparel field. The spirit of innovative entrepreneurship combined with a diligent workforce are the dominant forces behind the development of the country's apparel industry. Local entrepreneurs have put their efforts and made huge investment to expand the sector both vertically and horizontally, making Bangladesh the second largest readymade garment exporter in the world.

However, Bangladesh's share in the global apparel market is still relatively insignificant—only 6.36 percent—whereas China's share is 36.37 percent. In addition, most of our apparel items are cotton-based while 65 percent of global apparel is non-cotton. The majority of Bangladesh's apparel export items are concentrated in five basic product categories—trousers, t-shirts, sweaters, shirts, and jackets. We have to consider manufacturing more non-cotton apparel items where Bangladesh has huge potential. So investment in non-cotton textile is a highly feasible proposal as we have a captive market and a skilled workforce. It will, however, be necessary to continue to find methods to reduce our production lead time.

If we continue to keep our export products limited to a small number of categories, the growth in our industry runs the risk of stagnating or may even take a negative turn. Moreover, with the increasing socioeconomic development of Bangladesh, the living standards of people are improving also. In line with improvements in living standards, it is inevitable that wages will also gradually increase. To manage the demand for increased wages, the industry needs to start focusing on the production of higher valued apparel items. Upgrading of product in order to achieve a higher purchase price is an approach that needs to be adopted in order for our apparel industry to sustain its growth.

For value-added products, we need factories equipped with the most advanced machinery and staff with sound technical knowledge, for which we need huge investment. Value-added items like blazers, jackets, swimwear, lingerie, sportswear, uniforms, raincoats, and fishing wear require manmade fibres (MMF) including viscose, rayon, spandex, polyester and so on. But the MMF production capacity of our existing textile mills is still insignificant. MMF production is complex and constantly requires sophisticated machinery and regular research and development (R&D). Presently, we lack expertise in this area. However, knowledge and guidance can be gained by allowing foreign companies to set up the necessary textile mills in Bangladesh. The benefits of this approach are two-fold: our readymade garment factories will be able to procure the necessary materials from these mills, and lead times will be greatly reduced as our dependency on importing materials from China and India will be significantly reduced. In addition, it will facilitate knowledge transfer as local people, recruited in these fabric mills, will get the opportunity to work with, and learn from, experts in their field—the same way we had developed our garment industry in the 1980's with technical assistance from South Korea. So, foreign direct investment in the apparel and textile industry offers the prospect of good returns.

However, we must remember several things while considering FDI in the apparel industry. If we want to attract companies that produce higher valued items, we need to refine our regulatory system in such a way that the majority of investors will find manufacturing high-end products in Bangladesh beneficial, as too many restrictions may discourage the investors. Additionally, if we want to obtain FDI in a particular type of apparel item, we may have to consider setting up an apparel business park with facilities such as fabric and accessories suppliers, testing labs, consultants, etc.—all conducive to manufacturing that particular product type. Here, we need to remember that it is not possible to fully dictate what a manufacturer is going to produce. A winter jacket factory will produce basic items for about 5-6 months a year during the summer delivery period. Likewise, a swimwear manufacturer may produce lightweight basic blouses during winter delivery period.

An investment-friendly policy and environment is required to attract FDI in Bangladesh. The investment regime will need to be credible and predictable while it should be ensured that there are no frequent changes in policies and regulations. Facilities like infrastructure, energy supply, double tax deduction, etc., should be provided by the government to bring in investment. Tax incentives for machinery import are very important for the apparel industry as automated machines will improve productivity and, at the same time, the quality of the products. When a factory increases its investment, it will feel empowered to take orders of higher value products to cope with its higher overheads. A rule can be enforced to allow the import of only new machines or machines less than an agreed age, so that FDI will not attract companies wishing to dump outmoded machinery in Bangladesh. It should be ensured that foreign investors can bring in their own managers and supervisors. However, the government must be strict to ensure that license will be issued only if a company complies with all the FDI rules.

New factories should install all necessary equipment to control pollution and any negative environmental effects. The rising production cost in China and their shifting to higher-value goods and services has created opportunities for other countries to take the shifting orders. But we have to be very cautious, as there are reports that some apparel manufacturers in China, whose standards were not up to the mark and were notorious for polluting the environment, are now trying to scatter their production plants in different parts of the world. So, it will be necessary for the concerned departments of our government to strictly monitor the issue.

Adaptability to the changing trends is a must to sustain growth in our apparel industry in the long run. We must keep pace with the demands of the time. Our industry has now arrived at a juncture where we need to move up the value ladder by shifting from basic to higher-end products to sustain our growth. Foreign investment, therefore, will be key to opening the window to a brighter future for our apparel industry.