



The Southern India Mills' Association

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NEWS CLIPPINGS –28-04-2018

Textile mills hopeful of announcement on hank yarn soon

The Hindu

<http://www.thehindu.com/news/cities/Coimbatore/textile-mills-hopeful-of-announcement-on-hank-yarn-soon/article23700486.ece>

The Southern India Mills' Association (SIMA) is hopeful of the Union Government reducing the hank yarn obligation for textile mills soon as demand for the yarn in hank form has reduced after implementation of the Goods and Services Tax.

The Confederation of Indian Textile Industry (CITI) and SIMA submitted a memorandum to the Union Textile Minister Smriti Zubin Irani last month in this regard.

The associations pointed out that under GST, hank and cone yarn attract uniform 5 % duty. Earlier, hank yarn attracted 0 % duty. Further, handlooms can take input credit of the duty paid on yarn. So, there is no incentive to use hank yarn. The Government can give the subsidy to the National Handloom Development Corporation directly for the hank yarn purchased and supplied to the weaving units.

The number of handlooms in operation in 2002 was 31.37 lakh and in 2017 it is estimated to have reduced to 21.46 lakh. The proportionate obligation is almost 16 %. The obligatory quantity of yarn required is 929.04 million kg in 2002 and 1596.23 million kg in 2017. A study by the National Institute of Public Finance and Policy in 2008 showed that 38 % of hank yarn is diverted to the powerloom sector. So there is no need to continue with 40 % obligation. The associations had appealed to the Ministry to reduce it to 10 %.

ICE cotton futures up on lower stocks, dry weather concerns

Investing.Com

<https://in.investing.com/news/commodities-news/ice-cotton-futures-up-on-lower-stocks-dry-weather-concerns-1135689>

ICE cotton futures inched up on Friday in thin volume trade, on lower tenderable stocks and on dry weather concerns in Texas - the major cotton-producing area in the United States.

- * The most active ICE cotton contract for July expiry CTN8 settled up 0.34 cent, or 0.40 percent, at 84.51 cents per lb.
- * It traded within a range of 83.96 cents a lb. and 84.78 cents a lb.
- * The contract was down for the first time in four weeks.
- * The weekly U.S. Commodity Futures Trading Commission (CFTC) Cotton On-Call report, which shows the quantity of call cotton bought or sold on unfixed price, was released on Thursday.

- * "The On-Call report being 42 percent of the open interest in July and there doesn't seem to be that much more tenderable cotton left here in the U.S.," said Louis Barbera, partner and analyst at VLM Commodities LTD.
- * "The qualities that are left are of the low mike variety that are not tenderable."
- * Traders are also watching rain forecasts in Texas.
- * "There's a tremendous problem in West Texas. ... Dryness that has been prevalent for the last six months is going to present a problem not only for timeliness of the crop but also yields of the crop," Barbera added.
- * Speculators raised their net long position in cotton by 4,603 contracts to 84,116 contracts in the week to April 24, U.S. CFTC data showed on Friday. CFTC/
- * Total futures market volume fell by 9,493 to 13,959 lots. Data showed total open interest gained 2,249 to 265,991 contracts in the previous session.
- * Certificated cotton stocks CERT-COT-STX deliverable as of April 26 totaled 71,561 480-lb bales, up from 68,686 in the previous session. Cotton Outlook (Cotlook) in its April forecast reduced its projections for both global consumption and production of cotton in the 2018-19 crop year

Textiles Min convenes state ministers' meet on handloom, handicraft sectors

Business Standard

http://www.business-standard.com/article/pti-stories/textiles-min-convenes-state-ministers-meet-on-handloom-handicraft-sectors-118042701219_1.html

The Textiles Ministry has held discussions with state textile ministers on ways to boost the growth of handloom and handicraft sectors.

"A meeting of state textiles ministers was held on 26th April here for taking comprehensive view on the schemes of Government of India for handloom and handicraft sectors," the Textiles Ministry said in a statement.

Minister of Textiles Smriti Irani presided over the meeting with Minister of State for Textiles Ajay Tamta and Secretary Textiles Anant Kumar Singh. Irani appealed to the state ministers and representatives to play a pivotal role in decision making for the growth of the textiles sector, it said.

Underlining the need for all-round development of weavers and artisans, the minister requested officials at the Centre and the states to ensure that the benefits of all schemes reach the beneficiaries.

She emphasized on the need for educating weavers and artisans and their families by encouraging them to enrol with NIOS and IGNOU through initiatives taken by the ministry. State ministers of Arunachal Pradesh, Jharkhand, Madhya Pradesh, Telangana, Uttar Pradesh and Uttarakhand were present at the meeting.

India Handloom Brand' ensures quality, increased earnings: Textiles min	Reader https://kashmirreader.com/2018/04/28/india-handloom-brand-ensures-quality-increased-earnings-textiles-min/
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For taking comprehensive view on the schemes of government of India for handloom and handicraft sectors, a meeting of state textiles ministers was held on Friday in New Delhi. Minister of Textiles and Information & Broadcasting Smriti Zubin Irani presided over the meeting with Minister of State for Textiles Ajay Tamta and Secretary Textiles, Anant Kumar Singh.

Secretary textiles highlighted the crucial role of state governments in identification of weavers and artisans and their active participation in implementation of the government of India schemes. A detailed presentation on schemes of government of India for development of handloom and handicraft sectors was made by the concerned development commissioners.

Minister of textiles and information & broadcasting reiterated the belief in cooperative federalism and appealed state ministers and representatives to play a pivotal role in decision making for the growth of the textiles sector. Underlining the need for all-round development of weavers and artisans, the minister requested officials at the centre and the states to ensure that the benefits of all government of India schemes, like Ujjwala Yojana, Swachhta Abhiyan, reach the beneficiaries along with textiles ministry initiatives. She said, "India Handloom Brand launched by the Prime Minister, Narendra Modi, is a bridge between weavers, manufacturers and consumers, ensuring increased earnings for weavers and quality products for consumers."

The minister urged everyone present at the meeting to "encourage stakeholders to register their products with India Handloom Brand". She also requested state ministers to "set targets and regularly review activities at handloom and handicraft clusters". She emphasised the need for educating weavers and artisans and their families by encouraging them to enroll with NIOS and IGNOU through initiatives taken by the ministry of textiles. State ministers of Arunachal Pradesh, Jharkhand, Madhya Pradesh, Telangana, Uttar Pradesh and Uttarakhand were present at the meeting along with senior officials of the ministry of textiles and development commissioners for handloom and handicrafts.

On the long road to sustainability	Tribune India http://www.tribuneindia.com/news/trends/on-the-long-road-to-sustainability/580595.html
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It was a journey that began more than 30 years ago. Despite leading a fairly low-key existence away from the Page 3s and cut-throat competition of the fashion world, Madhu Jain had been quietly working and earning for herself an enviable reputation as a craft revivalist and textile conservationist. And last year, coinciding with her landmark third decade in the fashion business, she unveiled a brand new fabric created by her — bamboo silk ikat.

"It's the first of its kind in the world. The birth of a new textile is always something special, so, I am glad that something that took me 15 long years to create is being cherished and will be part of my legacy," says the 57-year-old who has worked relentlessly with artisans in Andhra Pradesh, Odisha and Tamil Nadu besides collaborating with BRAC in Bangladesh and has been instrumental in bringing the focus back on weaves such as Dhaka muslin that the country had lost after the Partition. "This needed to be done — we couldn't have let these fabrics die. They needed

to be resurrected, given a fresh lease of life and preserved for posterity," she says, sitting in her tasteful home in Noida as a craftsperson who has come a visiting from Ahmedabad nods in agreement.

The beginning

With no formal background in fashion design, Jain knew she had to put in effort that was several notches higher. And there were moments, she confesses, when she felt dejected and "really apprehensive about moving on" in this field. "But my friends who had seen me design and wear my own creations to college were determined that I will not give up," she smiles.

And so her journey began. Honed by her mother's exquisite collection of saris and father's taste for all things fine, her aesthetic sensibilities zeroed in on handwoven textiles. "I started work with ikat and was the first to show it on the ramp in 1989. It was a big hit," she informs. Needless to say, the creators of this fabric, who were there at the event, were thrilled with the response. "This was particularly great because many among them were almost giving it all up to take to some other profession," says Jain who has since worked hard to revive fabrics such as nakshikantha, kalamkari, upadas and Dhaka muslin (in India), among others by giving them a contemporary touch.

A fabric is created

The bamboo story began more than 15 years ago when she, together with her partner, actor-model Milind Soman, who joined hands to create a new label, Projekt M, was asked to create bamboo textiles for the VIIth World Bamboo Congress to be hosted in Delhi in 2004. "As we put our heads together, a new set of creations emerged with the use of bamboo fibre woven with chanderi, khadi and wool and we presented them before international delegates," she says. However, she says that convincing the craftspeople and weavers was no mean task. It was only after she placed an order of more than a thousand metres that they started creating exactly what she wanted.

Six years later, among the high-points of the Delhi Commonwealth Games in 2010 was the 115-foot high installation, Tree of Life, which Jain created with bamboo fibre and raw silk together with kalamkari craft.

After she launched the bamboo silk with ikat last year, there's been no looking back. "As we are the second largest producer of bamboo in the world, we need to make full use of it as it will help provide immense livelihood options for its growers. Being biodegradable, it has so many advantages. Also, it does not leave any carbon footprint, is soft on skin, easy on the pocket and is sure to be the fabric of the future," says the designer who is constantly working to create new patterns and designs by taking inspiration from similar genres originating in Thailand, Uzbekistan and Indonesia.

Handspinning hope

Through her work, and seeing a growing interest in handspun fabrics among the city folk, she hopes that the younger generation of weavers who are mulling over moving to other more lucrative streams to earn their livelihood will continue to do the work that's been part of their families for generations. "The government needs to chip in its bit too — and just as the way countries like Bhutan, Bangladesh, Sri Lanka and Pakistan take pride in their own heritage, ensure that our countrymen do too," she adds.

Time for an Industrial-Policy Race, Not a Trade War

National Interest

<http://nationalinterest.org/feature/time-industrial-policy-race-not-trade-war-25585>

Wariness of a trade war between the United States and China has rattled investors worldwide. Hopes remain high that threats of imposing and retaliating with punitive tariffs will remain mere threats. But while proponents of free trade continue to insist that there can be no winner in an all-out trade war, they also are well aware that the current playing field is hardly even. The Trump administration's insistence on reciprocity in trade is certainly one that enjoys support from free-traders and protectionists alike. The problem, though, lies in placing far too much emphasis on reducing the trade deficit, and not giving enough attention to investing in future U.S. competitiveness.

To be sure, the fact that the U.S. trade deficit worldwide rose by 12 percent in 2017 to \$566 billion, with the deficit with China alone reaching record levels of over \$375 billion, is alarming. But instead of putting up trade barriers to protect select industries, the more competitive approach would be to learn from Asia's recent past by investing strategically in key sectors that will strengthen America's economic foundation. That is certainly the approach China is taking with its Made in China 2025 plan, which identifies ten key sectors that it wants to bolster by 2025, including biotechnology, robotics, IT and aerospace. The core driver of the strategy is an acknowledgement that China no longer wants to compete in low-skill manufacturing industries. Moving up the value-added chain is especially pressing, as China is already losing to lower-cost countries, including Thailand and Vietnam, in sectors such as textiles and footwear manufacturing.

Industrial policies are hardly unique to China or even to Asia. One of the most recent notable government-driven plans is Germany's Industry 4.0 plan. The initiative was adopted in 2013 to integrate technology and manufacturing to enhance efficiency and competitiveness, and was much touted by Chancellor Angela Merkel to help ensure that Germany remains a leading economic power. Japan's history of close relations between the government and the private sector, and of prioritizing resources to targeted areas, also remains a lesson in how public policy can bolster growth.

Currently, the United States remains the undisputed global leader in technology and, more broadly, in the services sector. Indeed, it has a surplus of \$262 billion in the service sector, thanks to its competitive edge in twenty-first-century industries such as telecommunications, information technology and financial services. But the question is whether it can remain so without proactive support from Washington, while other countries step up their own interventionist policies to challenge U.S. leadership in technology, innovation and the service sectors.

Yet instead of taking measures to protect its lead in the industries of the future, Washington has traditionally been reluctant to take the initiative in pursuing industrial policies. Instead, the focus has been on taking protectionist measures, echoing the steps taken in the 1980s and 1990s against Japan, then seen as an economic hegemon, to salvage the manufacturing sector and reduce the trade deficit in goods, rather than to expand the surplus in services still further. According to Peter Navarro, director of the White House National Trade Council, the administration's strategy involves hefty tariffs on a far range of products, including solar panels and steel. The administration's attack against China has been even more targeted, as it looks to hit over 1,300 products with 25 percent tariffs. In addition to renegotiating existing trade deals, including the North America Free Trade Agreement and the U.S.-Korea Free

Trade Agreement, such moves are expected to lead the way to narrow the trade gap and even eliminate the goods deficit within the next year or two.

Clearly, though, the White House is also well aware of the economic threat that a longer-term Chinese economic strategy poses to the United States. From the list of Chinese items that would be hit by the administration's tariffs, ranging from telecommunications to IT equipment, it is clear that Washington wants to take a preemptive strike against China threatening to take over the United States as a global leader in key areas of future growth, even if China is not flooding U.S. markets with those products at the moment.

But as China threatens to retaliate with its own tariffs against U.S. products should Washington advance its protectionist measures, the threat of trade wars and prospect of higher prices in both countries loom large. Rather than embarking on a race to raise ever-higher tariffs on a longer list of goods, what Washington must focus on is how to counterbalance the strategic growth plans being developed—not only by China, but also by other countries in Asia and beyond. Rather than heeding to the interests of specific industries, U.S. competitiveness could be bolstered by developing a comprehensive plan that tackles longer-term concerns about protecting intellectual property and blocking technology transfers. Making better use of regulations under the Committee on Foreign Investment in the United States (CFIUS) to protect sensitive U.S. industries is a step in the right direction, but such defensive action is hardly enough.

The administration has clearly identified some of the challenges that lie ahead for the U.S. economy. It has also demonstrated that it is willing to take risks and take action on the diplomatic and economic fronts that other presidencies may otherwise have shied away from. The United States must take action through comprehensive public policies to preserve its standing as a leader in innovation and technology before it is too late.

Curious case of Pakistan's falling cotton production

Tribune India

<https://tribune.com.pk/story/1296035/curious-case-pakistans-falling-cotton-production/>

The farmer may have died but the old myth is pretty much alive: Pakistan is an agrarian economy. After decades of discreet slow poisoning amid high-pitched rhetoric, the cotton crop is no more the same it once used to be.

They say reality is best served plain. At the risk of being condemned for being melodramatic, I would say the cotton produce has not just declined steadily over the years but also with the help of the high and mighty. Owing to complex produce statistics thrown in your face, the real story remains hardly spoken.

Analysis: Is PM's textile package the answer to falling exports?

For instance, a recent assessment by the Cotton Crop Assessment Committee (CCAC) Pakistan puts expected produce at 10.542 million bales (1 bale equaling 170 kgs) during the current season. Without being contextualised, the numbers make little sense for an average Pakistani.

To contextualise, the highest cotton produce recorded so far was in 2004 registered 11,138 million bales while the nearest spike was in 2014 at 10,600. Why on earth is the country's signature cash crop registering steady decline when technology and seed both should have helped otherwise. The year 2015 was the worst since 1998 as

production fell to 7,000 million bales.

The decline in cotton crop production can be understood by examining certain key factors, for instance area of cultivation, impact of insect pests, disease situation, market pattern and above all role of the regulator (the state).

Reason for declining production

Here is the reason as to how and why: In 2016, cotton was sowed on 20% less area in Punjab given the consistent trend of lower prices, decreasing rate of return relative to other crops and of course overall weather forecast. If a not-so-scientific crop assessment criterion is to be believed, the CCAC estimate Punjab producing 6.903 million bales, Sindh 3.6 million, Balochistan 3,800 and Khyber Pakhtunkhwa 1,000.

Cotton import: APTMA urges govt to remove duty

The imminent affectee of discouraged cotton producers is the ginner who waits throughout the year for a bumper yield. The Pakistan Cotton Ginners Association (PCGA) is totally disappointed at the projected estimates. To them, 20,000 million bales will be at par not only with their needs but also for the country's economy. Dr Jeso Mal who heads the association recently asked the government to take practical measures to be able to export the high value produce and value-added products while saving Rs40 billion otherwise spent to import some 4 million bales.

The industry as well as farmers disagree that climate change and erratic rainfall can be blamed for the cotton produce crisis. While they seek better seeds and better price, they remain extremely doubtful about outdated and untested genetically modified seed. During the Zardari regime in 2010, the GM seeds legitimately entered the Pakistani market after being smuggled from India for almost a decade. While smuggling of cheaper and vulnerable GM seed sees its highs and lows, it is basically driven by weak pricing regime the cotton crop has been facing over the years. The trend raises questions about Pakistan's seriousness to evaluate GM or BT (*Bacillus Thuriengisis*) seeds from the perspective of its peculiar climate, soil and fertilisers etc.

Sans stringent GM seed evaluation criteria along with incentive to the farmers, the produce will increasingly become unpredictable and vulnerable. Moreover, local research on cotton seeds has been a crucial guiding star until funding crunch hit it hard. The ugly reality is that the existing GM seed is too weak against the pest and worms, which have evolved strong immunity to its toxins.

Govt will not allow cotton import duty-free: Bosan

The issue of decline of cotton produce due to seed-related issues, lack of proper pricing and soaring cost and use of pesticides is here to stay, requiring urgent consultation and policy formulation. The not-so-idealistic dream of doubling Pakistan's cotton produce can't be realised without restoring the growers' confidence, which not only begs boost by ensuring good price but also provision of quality seed. The writer is an investigative journalist and academic with extensive reporting experience in the Middle East and North Africa.