



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 –10-05-2018

Weavers to file complaints against yarn spinners with anti-profiteering committee

Times of India

<https://timesofindia.indiatimes.com/city/surat/weavers-to-file-complaints-against-yarn-spinners-with-anti-profiteering-committee/articleshow/64101157.cms>

Surat: Power loom weavers are preparing to take on yarn spinners for not passing on the Goods and Services Tax (GST) benefits following the formation of anti-profiteering screening committee in the states by the central government.

The anti-profiteering screening committee, which has been set up by the central government to ensure that the consumer is protected from arbitrary price increase in the name of GST, is headed by GST commissioner from central government Sunil Kumar Singh and additional sales tax commissioner, Gujarat, Supreet Singh Gulati.

The power loom sector had demanded formation of anti-profiteering screening committee as yarn spinners had gone on a spree of increasing yarn prices despite the GST Council lowering GST rates from 18 per cent to 12 per cent. With the formation of the anti-profiteering screening committee, the weavers are preparing the cases of price hike by yarn spinners. They allege that the yarn spinners have formed a cartel and are increasing yarn prices every fortnight by Rs 2 to Rs 3 per kilogram. They alleged that front and second line spinners have gone on a spree of increasing yarn prices, which is main raw material for the power loom weavers. The price hike has come even as there is subdued demand for polyester fabrics across the country and export is dwindling.

In January, the spinners had increased yarn prices by almost Rs 50 per kilogram in nylon filament yarn and Rs 20 in other categories, giving a tough time to the power loom weavers.

Sachin Industrial Cooperative Society Limited secretary Mayur Golwala told TOI, "The GST on yarn has been reduced from 18 per cent to 12 per cent. Instead of passing on the benefit of rate reduction to the weavers, the spinners are continuously increasing yarn prices every fortnight by Rs 3 per kilogram. Now, that the anti-profiteering screening committee has been formed, we will file cases against the yarn spinners for arbitrarily increasing the prices."

Pandesara Weavers Association president Ashish Gujarati said, "Yarn is a basic raw material and the increase in prices has severely impacted the power loom sector. Even though we are investing in modernized machines, but the cost of raw material is bringing down our net profit margins."

ICE cotton futures edged up in low-volume trade on Wednesday ahead of the U.S. supply, demand report and export sales data on Thursday.

- * The most active ICE cotton contract for July expiry CTc1 CTN8 settled up 0.48 cent, or 0.56 percent, at 85.86 cents per lb.
- * The contract traded within a range of 85.18 and 86.04 cents a lb.
- * "We are recovering on a chart basis, we got close to support near the 85 area and that seems to have held the least so far today," said Jack Scoville, vice president with Price Futures Group in Chicago.
- * The U.S. Department of Agriculture's (USDA) World Agricultural Supply and Demand Estimates (WASDE) report and weekly export sales report are due on Thursday.
- * "The U.S. export demand really has been very high this year and there is a chance that we can see USDA increase the export demand and decrease the ending stocks estimates."
- * Market participants are keeping a close watch on rain in Texas, the major cotton-growing region in the United States.
- * ICE cotton contract for December expiry CTZ8 rose 0.6 percent to 80.56 cents.
- * "Markets are looking a little ahead at the new crop that remains very dry in most of Texas ... there are definitely some problems with getting the crop planted in a timely way in West Texas and that's a huge part of the crop, that has got the market on the edge a little bit as well," Scoville said.
- * Total futures market volume fell by 9,859 to 19,754 lots. Data showed total open interest gained 775 to 286,386 contracts in the previous session.
- * Certificated cotton stocks CERT-COT-STX deliverable as of May 08 totaled 72,999 480-lb bales, down from 73,541 in the previous session.
- * The Indian Meteorological Department (IMD) forecast a near normal Southwest Monsoon for 2018 as per USDA attache.

The Sri Lankan free trade agreement (FTA) negotiators want India to implement interim remedies for the non-trade barriers that exist in the current Indo-Lanka Free Trade Agreement (ISFTA) prior to the signing of the Economic and Technology Co-operation Agreement (ETCA), in order to build up the confidence on the ETCA among Sri Lankan stakeholders.

Speaking at a recent press conference at the International Trade and Development Strategies Ministry premises, Sri Lanka's Chief FTA Negotiator K.J. Weerasinghe said the Sri Lankan negotiating team has taken up several key issues in the ISFTA, particularly with regard to non-trade barriers on food and processed food exports and the quota on apparel exports from Sri Lanka.

"India wants to implement the mechanism after signing the ETCA, however, we are insisting the Indian authorities to implement the measures early," he said.

Weerasinghe pointed out that India currently doesn't recognise the certificates issued for food and process food items by Sri Lanka laboratories, which acts as a major non-trade barrier for Sri Lankan food and process food exports.

The Indian authorities check each and every consignment of these export shipments to assess compliance with the Indian product standards and regulations at customs. According to exporters and analysts, the resulting delays, uncertainty and additional costs, such as storage and demurrage, act as a barrier to trade with India.

"We want five labs to be recognised by the Indian authorities as an interim measure until the Mutual Recognition Agreement is finalised," he said

A delegation from the Food Safety and Standards Authority of India (FSSAI) is expected to visit Sri Lanka to inspect the select five labs in mid-May.

"They will visit these five laboratories to evaluate the equipment, expertise and capacity and based on those criteria, they will recognise the five labs."

Weerasinghe also said the Sri Lankan FTA negotiation team has taken a strong stance with the Indian negotiators in order to remove the eight million apparel piece quota imposed on Sri Lankan apparel export to India.

"We want the apparel quota to be removed. However, the Indian negotiators want to review the quota. We are maintaining the position that it should be removed."

According to local apparel exporters, Lankan apparel exports to India have already reached the imposed quota at the end of 1Q18.

Weerasinghe noted that the removal of these bottlenecks would provide a big boost for Sri Lankan exports to India.

Speaking of the extent of liberalisation of tariff lines to India, he said, "One of the important elements of the Indian agreement is the acknowledgement of the asymmetry between the two countries so the extent of liberalisation that India is going to do will not be matched by us."

According to Weerasinghe, Sri Lanka is likely to maintain a 30 percent negative list with India while protecting domestically sensitive industries.

The Sri Lankan FTA negotiators plan to conclude the technical negotiations of the ETCA by the end of the year. The 10th round of the ETCA talks is scheduled to be held in Sri Lanka from May 23-25.

Meanwhile, the Sri Lankan FTA negotiators expect the Sri Lanka-China FTA talks to continue to beyond this year as there is a lot to be discussed with regard to the proposal made by the Chinese negotiators to liberalise 90 percent of tariff lines where the two parties have to thoroughly discuss the sectors and the timelines of liberalisation.

Weerasinghe said the government has proposed to hold the next round of FTA talks with China in June and Sri Lanka is currently awaiting a response from the Chinese government to continue the negotiations.

Cotton handloom and handcrafts exhibition to be held in Chennai

Times of India

<https://timesofindia.indiatimes.com/city/chennai/cotton-handloom-and-handcrafts-exhibition-to-be-held-in-chennai/articleshow/64099623.cms>

CHENNAI: As the mercury rises, it's time to refresh your wardrobe with fabrics that can breathe. Head to 'Cool Cotton' – an eleven-day exhibition of cotton handloom and handcrafts by Central Cottage Industries Emporium India Ltd in Chennai. The exhibition showcases cotton saris, dress material, kurtis and home linen. It will also showcase jewellery, paintings and handicrafts from all over India.

The handloom saris on exhibit are sourced from Odisha, Rajasthan, Andhra Pradesh, Tamil Nadu, Madhya Pradesh, West Bengal and Bhagalpur. "The exhibition aims at contributing to the Indian handloom and handicrafts sector by enabling direct participation of the artisans and weavers from across the country. Around 25 artisans are participating and since many of them do not have the means to market their products, we help them do it with this platform," says Mahendra Kumar Behera, manager of the showroom.

Titled 'Cool Cotton', the exhibition will be held at Central Cottage Industries Emporium showroom, Temple Towers, 672, Anna Salai, Nandanam, till May 14.

Despite demonetisation and GST, India becomes fastest growing economy in 2018: IMF

India Today

<https://www.indiatoday.in/education-today/gk-current-affairs/story/despite-demonetisation-and-gst-india-becomes-fastest-growing-economy-in-2018-imf-1229287-2018-05-09>

The International Monetary Fund (IMF) released a report, which affirms that India will become the fastest growing economy in 2018. The growth rate is expected to rise from 7.4 per cent to 7.8 per cent in 2019 as the economy is showing positive signs.

HIGHLIGHTS FROM THE REPORT:

India has proved to be one of the most resilient nations, despite the infamous backlash of demonetisation, introduction of Goods and Services Tax.

The IMF's Asia Regional and Pacific Economic Outlook report said: "The recovery is expected to be underpinned by a rebound from transitory shocks as well as robust private consumption."

The forum appreciated the country for medium-term consumer price index inflation "is forecast to remain within but closer to the upper bound of the Reserve Bank of India's inflation-targeting banda of four per cent with a plus or minus two per cent change", the report said.

WORD OF ADVICE:

The report said: "In India, given increased inflation pressure, monetary policy should maintain a tightening bias."

"The current deficit in fiscal year 2017-18 is expected to widen somewhat but should remain modest, financed by robust foreign direct investment inflows," the report said.

The IMF urged the countries in the region to follow conservative policies "aimed at building buffers and increasing resilience" and push ahead with structural reforms.

INDIA RULES AMONG OTHER ASIAN COUNTRIES:

Bangladesh is following India's footsteps and is the second fastest-growing economy in South Asia with a growth rate of seven per cent for 2018 and 2019.

After Bangladesh, Sri Lanka is taking a queue with four per cent growth rate in 2018 and 4.5 in 2019.

Lastly, Nepal which showing a downward trend by plunging from five per cent in 2018 to four per cent in 2019.

Overall, Asia contributes 60 per cent of the global growth and three-quarters of this comes from India and China, which is expected to grow 6.6 per cent in 2018 and 6.4 per cent in 2019, it said.

The medium term said the report said "downside risks dominate" and it is going exert pressure on global financial

conditions, which will show a shift toward protectionist policies, and an increase in geopolitical tensions.

WHAT IS IMF?

IMF stands for the International Monetary Fund, an organisation whose "primary purpose is to ensure the stability of the international monetary system-the system of exchange rates and international payments that enables countries (and their citizens) to transact with each other. The Fund's mandate was updated in 2012 to include all macroeconomic and financial sector issues that bear on global stability."

It does so in three ways: keeping track of the global economy and the economies of member countries; lending to countries with balance of payments difficulties, and giving practical help to members," the official website said.

Rethinking wind energy

The Hindu

<http://www.thehindu.com/opinion/op-ed/rethinking-wind-energy/article23828827.ece>

Global research is slowly revealing its high indirect impact on the ecosystem

The bald tops of the Western Ghats are a pristine ecosystem replete with innumerable animal species and, apparently, an abundance of wind and windmills.

As the country tries to achieve an ambitious renewable energy target of 175 GW, windmills have popped up in at least 65 sq km of forested area, with permissions for another 30 or so sq km still pending. This isn't surprising given that India's potential wind power map envelops the Western Ghats (from Kerala to Gujarat) and even large parts of the Eastern Ghats.

While this has often led to expressions of concern over the environmental impact — as often in localised protests or civil action suits — these must be articulated in policy to prevent irrecoverable changes in the local ecosystem. Global scientific research has also highlighted the impact of windmills on wildlife. For example, in the first few months of 2018 alone, published papers have shown that in the Pacific islands, bat activity is as much as 20 times lower in areas with windmills. In Poland, higher stress levels have been observed among rodents in the windmill areas of Poland while in Portugal, windmills close to wolf breeding sites are leading to lower breeding rates. And in Texas, there has been a staggering 77% decrease in redhead ducks in coastal ponds within windfarms.

The situation may not be different in India. In fact, it may be worse considering the high levels of biodiversity in every square kilometre of forest. In Rajasthan, for instance, transmission lines and spinning blades have reportedly led to increasing mortalities of the critically-endangered Great Indian Bustard. In studies of wind farms from Kutch to Andhra Pradesh, direct collisions have been reported. In Karnataka, where over 6,000 acres of forest land have been diverted for windmills, anecdotal evidence suggests that not only birds, but also amphibians and mammals such as wolves could be affected.

What global research has indicated, and which Indian research is yet to do, is the high indirect impact on the ecosystem.

At the Indian Institute of Science, Bengaluru, Maria Thaker and her team have been studying the fan-throated lizard around windmills. They have observed that apart from birds, even smaller rodents and mammals avoid these patches due to the constantly whirring turbines. In this predator-less micro-environment, the lizard population has increased, leading to an increase in competition and decrease in consumable resources. “The whole aspect of the ecosystem is changed. The food web is inter-connected, and it is out of whack in these areas,” she says. Only long-term research can reveal if these changes have led to cascading effects on insects, vegetation and the soil. Further, construction denudes forests, fragments them through access roads and transmission lines, and even raises the risk of forest fires.

Currently, the guidelines for wind energy skirt wildlife impact, while the process for forest land diversion focusses primarily on compensatory afforestation. In some cases, only studies on the direct impact on bird and bat species are called for. However, any mitigation based solely on direct collisions cannot prevent the indirect impacts and the jolts to the local ecosystem.

Tamil Nadu govt, SVPITM to train textile entrepreneurs

Technical Textiles

<http://www.technicaltextile.net/news/tamil-nadu-govt-svpitm-to-train-textile-entrepreneurs-242117.html>

The department of handlooms and textiles of the Tamil Nadu government in association with Sardar Vallabhbhai Patel International School of Textiles and Management (SVPITM) will organise a series of workshops, seminars and conferences in technical textiles for the young and budding entrepreneurs. The workshops beginning from May 17 includes three phases.

In the first phase, training will be held on various sectors in technical textiles, product development, manufacturing process and market. The second and third phase comprises of planning and execution business plan on technical textiles sector respectively.

In sectorial programme, participants will undergo training in their respective sectors including industrial visit. This sectorial programme includes sessions on agro / home textiles – products, manufacturing process, technology, machines, standards, market demand and marketing strategy.

A field visit has been arranged for the participants to manufacturing and application site to understand the practical aspects. Participants will also be provided with questionnaire to conduct a survey at various industries / agro / home textile product dealers / end users. In the last day, sessions on new product development, brain storming session, SWOT analysis, discussion on intellectual property rights and new business startups has been planned. The resource persons will be from various manufacturing industries research associations, center of excellences, higher learning institutions, etc.

These technical textiles workshops will be a platform to provide technical support, knowhow and the entire necessary infrastructure at one place. It will provide an opportunity for the conventional textile entrepreneurs to extend their business in technical textiles field with the existing facility. And also it is going to be a key for the budding entrepreneurs to start a business in technical textiles field, SVPITM press release said.

World Bank projects Textiles and Leather based industries among highest job creators even in the era of robotics for countries like India

KNN India

<http://knnindia.co.in/news/newsdetails/global/world-bank-projects-textiles-and-leather-based-industries-among-highest-job-creators-even-in-the-era-of-robotics-for-countries-like-india>

In a recent report on emerging trends in manufacturing, the World Bank has mentioned Textiles, Garments and Leather based industries will continue to be biggest job creators in low and medium industrialised countries like India. However, growth in export from these sectors in India has remained stunted for quite a long time, which may be a good indication of the status of these sector. More than the resultant poor export revenue, it is playing havoc with job creation. And what is more important, these sectors will remain comparatively safe and create jobs even in the era of automation and artificial intelligence.

The world bank report cryptically titled ' Trouble in the Making?' has cautioned that widespread use of robotics and 3 D printing will cause a disruptive change in the global manufacturing sector and the first casualty will be jobs.

This is of great concern for countries like India where the large mass of low and zero skilled youth joining the job market can only be absorbed in the manufacturing in the low technology sectors. And here the silver lining is low skill sectors like garments and leather products will remain comparatively immune from the automation wave and continue to be job spinners. However, with a focus to hi – tech manufacturing, the policy makers probably has put the low priority tag on the traditional industries. The results are evident. Almost all sectors with high employment potential, which also contribute significantly in countries export basket, are in negative or near zero growth rate for a considerable period.

Commenting on the scenario, Animesh Saxena, a leading exporter of Textiles and Garments and Member of the Central Committee of FISME, mentioned that the industry today is throttled by the current business environment – starting from arbitrarily set high minimum wages to imposition of GST on exports. While fully agreeing to the world bank report Saxena mentioned that a number of studies has brought out the high employment potential of Garments industry vis a vis capital intensive industries and its ability to absorb and skill a large number of unskilled youth.

If the Government is really interested in Growth with Employment, this sector should be immediately provided relief from the arbitrary regulations, Saxena opined. The World Bank report also provides a prescription for the countries to survive with manufacturing and prescribed 3Cs – competence, connectivity and competitiveness as remedials.

The report shows that while India has achieved some level of competitiveness in the internal market, its connectivity or ease of trade is much lower than other developing countries, even behind Bangladesh and Pakistan.

And exactly this is being continuously advocated to the Government. The invisible barriers in the trade regime, the catch the thief approach of the revenue officials and rent seeking at every node of the import / export chain is making international trade really difficult in India. With the added confusion created by GST and also the global protectionism has made the situation hopeless particularly for the Textiles, Garments and leather exporters, largely in the MSME sector

<p>Japan's clothing brand UNIQLO to enter India next year</p>	<p>Economic Times https://economictimes.indiatimes.com/industry/cons-products/garments/-textiles/japans-clothing-brand-uniqlo-to-enter-india-next-year/articleshow/64092981.cms</p>
<p>New Delhi: Japanese apparel retailer UNIQLO will foray in India next year with the first store in the national capital, a company statement said today.</p> <p>This will also mark the brand's entry in the South Asia region.</p> <p>After the launch in Delhi, UNIQLO plans to expand in the national capital region (NCR) before considering other areas. "India will become the latest in a string of new markets for UNIQLO worldwide, following earlier announcements to launch in Sweden and the Netherlands in 2018," it said.</p> <p>Following the establishment of a wholly-owned subsidiary in India this month, UNIQLO said it will begin recruiting local talent as it prepares to open its first store in the country.</p> <p>UNIQLO has around 2,000 stores in 19 markets worldwide including Japan, Australia, Belgium, Canada, China, France, Germany, Hong Kong, the UK, US, among others.</p> <p>The company reported global sales of approximately 1.8619 trillion yen (USD 16.87 billion) for 2017 financial year ended August 31, 2017.</p>	

<p>Huge potential for boosting Vietnamese textile and garment exports to Australia</p>	<p>Nihandhan http://en.nhandan.org.vn/business/item/6136202-huge-potential-for-boosting-vietnamese-textile-and-garment-exports-to-australia.html</p>
<p>NDO – Vietnam has become an important supplier in terms of textiles and garments to the Australian market, with increasing growth in both value and supplier ratings, heard a workshop in Hanoi on May 9.</p> <p>With imports of textiles and garments in 2017 reaching over US\$6.2 billion, Australia is considered as a lucrative market for Vietnamese textile enterprises, particularly in the context that Australia has become a member of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).</p> <p>To provide further details on the Australian market, and the opportunities for the Vietnamese exporters in making use of the CPTPP, the Vietnam Textile and Apparel Association (VITAS) hosted a workshop on Wednesday, with the participation of several large domestic textile exporters and experts to offer them opportunities to expand their exports to Australia and the CPTPP market in general.</p> <p>According to VITAS, the CPTPP was officially signed on March 9 between 11 countries, facilitating the promotion of economic growth and opening up one of the largest free trade blocs in the world, with a market of 499 million people and its GDP at approximately US\$10.1 trillion, accounting for 13.5% of the world's GDP.</p> <p>Statistics show that the import value of textiles and apparel by the CPTPP bloc in 2017 reached over US\$53 billion, of</p>	

which Australia is the third largest importer with a value of over US\$6.2 billion, accounting for 11.67%.

Meanwhile, Vietnam's textile and garment exports to the CPTPP market in 2017 reached over US\$4.8 billion, accounting for 9.07% of the market share, posing great potential for the Vietnamese products to be exported to the CPTPP in general and the Australian market in particular.

According to Nguyen Phuc Nam, Deputy Head of the Asian - African Market Department under the Ministry of Industry and Trade, Australia is a potential market for Vietnamese garments. As committed to in the CPTPP, from the date of the CPTPP coming into force, Australia will reduce its import duties to 5% in the first year and 0% in the fourth year for most of suits, jackets, and blazers (HS 6203 and 6204). Particularly, for HS 6205, tariffs will be 0% from the first year of the agreement. Meanwhile, the basic import tax rate for garment products is usually 5-10%.

In addition to the tariff advantages, retail prices of goods in general, and textiles in particular, in the Australian market are often very high, while Australia currently tends to import and order processing from Vietnam due to the cheaper labour compared to others, plus the preferential tariffs.

Australia has a huge consumption demand for textiles and apparel, but the market share of Vietnamese textiles is still negligible. According to Truong Van Cam, VITAS Vice President and General Secretary, Vietnam's textile exports to Australia was just below 10%. However, with the advent of the CPTPP, the expected growth rate could reach double digits.

To boost exports to the Australian market, Cam suggested that Vietnamese textile companies promote trade connections and join trade fairs in Australia in order to introduce their products to local importers and customers, while forming links between Vietnamese and Australian enterprises. He also proposed to apply modern techniques and technology transfer to improve the product quality to meet the selective demand in the Australian market.

Tran Van Quyen, Australian Woolmark Representative for Vietnam, said that Australia's buying power is even greater than that of consumers in the US and Europe. However, orders from Australia are usually small because the form of sales is mainly online business that is suitable for Vietnamese small-scale businesses. He suggested that domestic textile companies ensure quality assurance for their items exported to the Australian market, event with small orders.

Sharing the same view as Quyen, Rajesh Bahl from the Seam Consulting Group Australia, said that despite a small population with over 24 million people, the market is selective for textile and apparel products. If Vietnamese enterprises can satisfy their requirement on orders and product quality, they will gain a strong foothold in this market, he said.

` Textile jobs to empower Syrian refugees	Daily Sabah https://www.dailysabah.com/turkey/2018/05/10/textile-jobs-to-empower-syrian-refugees
--	---

The Istanbul Apparel Exporters' Association (İHKİB) signed a deal with the International Labor Organization (ILO) to provide employment for Syrian refugees in Turkey.

The project aims to integrate refugees in the workforce. The İHKİB and ILO will cooperate on the project in cities with a high population of refugees.

The Turkish association's president Mustafa Gültepe says they would coordinate businesses' recruitment of refugees, from the production process to their social adoption and management of human resources, in order to boost employment of refugees. ILO's Turkey director Numan Özcan says the international body was working since 2015 for integration of Syrian refugees to the Turkish workforce and the project would be carried out in 10 cities including Istanbul, Ankara, Bursa, Gaziantep and Şanlıurfa. "We believe that collaboration with İHKİB is highly important in the apparel industry where Syrians and host communities are, or have the potential of being, employed in large numbers. As a most important sectoral organization with more than 7,000 members representing the Turkish apparel industry, the İHKİB makes significant contributions to the sector and Turkish economy," Özcan said.

Under the deal, the association's members will be informed on incentives for employment and on-site consulting services would be provided to companies for proper recruitment of refugees.

Turkey hosts more than 3.5 million refugees from war-torn Syria, the largest Syrian refugee community in the world. The country is praised for its continuous humanitarian aid to displaced Syrians and modern refugee camps in its border cities. Still, only a small fraction of the large refugee population live in these camps and others mostly depend on aid. With no end in sight to the conflict in Syria which broke out in 2011, Turkey seeks for ways for integration of refugees. It started issuing work permits to refugees two years ago. One-year permits that can be renewed are confined to the textile, construction and manufacturing sectors.