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NEWS CLIPPINGS –18-06-2018

Cotton production may be higher: CAB

The Hindu

<http://www.thehindu.com/business/agri-business/cotton-production-may-be-higher-cab/article24187154.ece>

'Crop damage from pests contained'

The Cotton Advisory Board (CAB) estimates cotton production for this season (October 2017 to September 2018) to be 370 lakh bales.

The board had estimated cotton production to be 345 lakh bales and exports at 59 lakh bales for the season when it had met in December.

Bollworm attack

Production estimates were lower in the beginning of the season as the board expected damage to the crop from bollworm attack. However, state governments took steps to contain the damage, said J. Thulasidharan, president, Indian Cotton Federation.

He said there was not much scope for increase in cotton exports.

He also described as conservative CAB's closing stock estimate of 43 lakh bales. This could rise when the season ends, observed Mr. Thulasidharan.

"Cotton position is very comfortable. However, domestic cotton prices are up, reflecting the international trend. There is no reason for the textile mills to panic," he added

Hike cry in units that feed global brands

Telegraphindia

<https://www.telegraphindia.com/india/hike-cry-in-units-that-feed-global-brands-238304>

Hard-working Vasantamma Kumar had to pawn her jewellery and take out two loans to ensure her children were back in class when term began last week.

The seamstress, who is paid little for the eight-hour day she spends cutting cuffs for branded shirts, was forced to call on money lenders to keep her children in school.

Now she is among tens of thousands of workers in India's \$40 billion-a-year textile and garment industry who are seeking higher wages from the factories that supply global brands.

"May-June is the month that we regularly take a big loan to pay children's fees, buy new uniforms and books," said Kumar. "My daughter's college also asked for a donation. It all came from borrowed money. I want them to study but there are days it looks impossible."

Despite minimum wage laws, salaries continue to be "grossly low" for thousands of workers, many of whom are still not given pay slips or are only hired as apprentices, campaigners say.

Vasantamma has a take-home salary of Rs 7,000 and has to repay loans worth more than Rs 2 lakh.

"Everyone is indebted and it is a vicious cycle of never-ending loans," said Sujata Mody of Penn Thozhilalargal Sangam, a Chennai-based women workers' union. "The women in this industry are constantly borrowing money from someone to pay back someone else."

An estimated 45 million workers, mostly women, are employed in India's thriving garment industry, with major hubs in the southern states of Tamil Nadu and Karnataka.

The clothes they stitch are exported around the world and sold by big brands, which have long promised better conditions in their supply chain.

Promises aside, campaigners say little has changed, with low wages, verbal and sexual harassment and long hours the norm.

A year-long study of more than 500 workers in Cambodia, India and Bangladesh found women often work overtime or borrow money just to feed their families and pay rent.

Despite earning the minimum wage and logging overtime, researchers found most were still short of money.

It was a tough decision for Savita Rajesh to end her teenager's schooling this year.

But with mounting debt and no increase in her wages or festival bonus, the seamstress said she had no choice.

For 12 years, the 35-year-old has stitched shirts and blouses for leading fashion brands and takes home Rs 8,500 a month. "My elder daughter passed out of grade 10 but will not go back for further studies this session. It's not about whether I want it or not. It's about not being able to afford it," Kumar told the Thomson Reuters Foundation.

"The garment factory my husband worked in closed without notice a few months back. He is still unemployed. We took a loan of Rs 20,000 for the younger daughter's fees and books. The interest is already mounting."

The pressure to repay forces most workers to resign every few years so they can access their factory's employee saving fund, union leaders said.

GST Amendments: Changes to include RCM, return filing, refund on exports

Indian Express

<https://indianexpress.com/article/business/business-others/gst-amendments-changes-to-include-rcm-return-filing-refund-on-exports-5220705/>

At present, the Central GST (CGST) Act defines RCM as the provision where the registered recipient of goods and/or services is liable to pay GST instead of the unregistered supplier.

Clarification for refunds of cess on goods to be exported, changes in the enabling provisions for reverse charge mechanism (RCM) and composition scheme and returns filing are part of about 35 amendments being finalised in Goods and Services Tax (GST)-related laws. The government is likely to amend the GST laws to introduce enabling provision of bringing in any transaction under RCM, with an aim to extend it first for the composition scheme, government officials said.

At present, the Central GST (CGST) Act defines RCM as the provision where the registered recipient of goods and/or services is liable to pay GST instead of the unregistered supplier. "Now, the definition will be modified to enable it for registered persons also under GST," a senior official said, adding that this would enable inclusion of composition scheme under the RCM mechanism. The liability to pay tax on reverse charge basis was deferred till June 30 by the GST Council.

The final draft for amendments will be introduced in the next GST Council meeting, following which it would need to be cleared by Union Cabinet before its introduction in the Monsoon Session of Parliament, another senior government official said. One of the amendments is related to the GST (Compensation to States) Act, 2017 to provide more clarity for refunds of cess to manufacturers for goods to be exported. Explaining the proposed change, an official said: "The amendment will bring in more clarity. Say, an automobile manufacturer is selling the car to an exporter, he would have paid cess on it. But, since it is meant to be exported, cess would need to be refunded. So, certain tweaking of the law is required..."

The other proposed amendments for the composition scheme relate to inclusion of supply of services by composition taxpayer up to Rs 5 lakh per year and increase in annual turnover eligibility to Rs 2 crore from Rs 1 crore, after which the eligibility will be increased to Rs 1.5 crore per annum, as approved by the GST Council last year.

Also, amendments would be made to enable taxation of renting of immovable property by government or local authority to a registered person under RCM while renting of immovable property by government or local authority to unregistered person shall continue under forward charge, officials said.

Bt cotton to cover even larger area this year

Business Standard

https://www.business-standard.com/article/economy-policy/bt-cotton-to-cover-even-larger-area-this-year-118061600720_1.html

The desi variety of cotton is also registering yields better than the national average

After a surge in the area under Bt cotton last year, cotton cultivation under this high-yielding and genetically-

modified seed is set to go up further this year.

Acreage under Bt cotton declined significantly from over 95 per cent of the total area under cotton in 2013-14 to below 90 per cent in 2016-17. This happened due to stagnation in yield in the latest Bollgard variety and pest attacks on Bt cotton seeds.

Increase in the overall area, however, benefited Bt cotton more than the conventional, hybrid and desi varieties.

Of the total cotton area at 12.44 million hectares for 2017-18, the acreage under Bt was reportedly 11.07 million hectares, which works out to 89 per cent.

When compared with the total area of cotton cultivation at 10.82 million hectares, the coverage under Bt cotton stood at 81 per cent (8.77 million hectares) for 2016-17. This means the acreage under Bt cotton went up in 2017-18. "Farmers adopt Bt cotton for high yield. We expect the increase in cotton sowing under Bt to continue. In states like Rajasthan, however, farmers have chosen the desi variety, which fetched yields that are equally high under the guidance of many cotton bodies," said Kavita Gupta, textiles commissioner, under the ministry of textiles.

Gupta had announced the cotton output estimates for 2017-18 after the second Cotton Advisory Board (CAB) meeting on Saturday.

The CAB lowered its cotton output estimates of 37.7 million bales to 37 million bales for 2017-18 on Saturday. This was largely attributed to pink bollworm attack on cotton crops in Maharashtra, Telangana and Andhra Pradesh. The estimated cotton output of 37 million for 2017-18, however, is higher by around 7 per cent from the previous year's output of 34.5 million bales.

Meanwhile, the textiles commissioner asked the ministry to collaborate with the ministry of agriculture to help farmers follow best practices in cotton farming that are adopted globally.

Some of the proposals include intercropping of soybean with cotton, branding of cotton, production of contamination-free cotton and use of water efficient techniques for vertical growth of plants, among others.

"Soybean plant can add nutrients to the cotton crop which may boost production. Hence, we have recommended to the ministry of textiles to engage the ministry of agriculture for better cotton production in the country," said Gupta.

Against the national average of 500 kg/hectare, some farmers in Punjab have yielded 2,000 kg/hectare. This is double the world average of 750 kg/hectare but similar to the world's best production of 2,200 kg/hectare in Australia.

The desi variety of cotton is also registering yields better than the national average.

Gupta was also confident that the Maharashtra government's advisory for farmers to wait for rain before sowing this kharif season is unlikely to lower cotton output this year. This is because farmers have adopted global best practices for a higher yield.

Textile lobby behind uniform procurement order'	Times of India https://timesofindia.indiatimes.com/city/hubballi/textile-lobby-behind-uniform-procurement-order/articleshow/64618790.cms
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Former chief minister Jagadish Shettar alleged that the previous state government led by Siddaramaiah passed a resolution in a Cabinet meeting in March to allow big textile companies to supply school uniforms to schoolchildren studying from class 1 to 8, and snatched the rights of school development and monitoring committees (SDMCs) to procure school uniforms of their choice.

Shettar told reporters here on Saturday that SDMCs, comprising of the school headmaster and parents whose children are studying in the said school, were procuring school uniforms. "They were procuring the uniform at nearby shops. They were selecting the colour of their choice. After procuring them, they would entrust local tailors, many of them women, with stitching the uniform after taking proper measurement of children. The cost of each uniform was Rs 200. This practice was smooth. However, the Siddaramaiah government bowed down to the lobby of big textile companies from various parts of the country and allowed them to supply uniform," he alleged.

Shettar said the state government earmarked Rs 96.31 crore for the procurement of uniform. "In order to dissuade small companies from participating in the bidding and snatch the rights of SDMCs, the government has imposed many conditions, including turnover of not less than Rs 23 crore for supplying uniform in Bengaluru division, Rs 14.36 crore for Mysuru division, Rs 32 crore for Belagavi division and Rs 26 crore for Kalaburagi division," said Shettar.

The former CM said he will urge chief minister H D Kumaraswamy to set aside the order and allow SDMCs to procure uniforms and thereby help local tailors. "Otherwise, it will be clear that the chief minister is also the part of the irregularities," he said.

On crop insurance

Shettar termed the way crop insurance units are formed in Hubballi under the Pradhan Mantri Fasal Bima Yojana as unscientific. He said that 22 villages have been included under Hubballi ULB Insurance Unit. "When some villages of the unit get less and some get sufficient rain, there will be confusion in deciding crop insurance. Hence, I urge the re-modification of the unit and include the 22 villages in three separate units," he said.

Telangana Cultivators Join Hands With 100 Consumers To Launch India's First Community-Supported Model Of Agriculture	First Post https://www.firstpost.com/india/telangana-cultivators-join-hands-with-100-consumers-to-launch-indias-first-community-supported-model-of-agriculture-4527161.html
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Chakri Bai of Arjunnayak hamlet near Zaheerabad in Telangana cannot help teasing the assembled crowd which has travelled 120 kilometres from Hyderabad. "You people are not able to withstand this mild sun even for a while, you have already become shrivelled. But barring a two-hour break during the day, we women farmers are in the field from dawn to dusk. We can withstand it because of the food we eat. You people are like broiler chicken, we are like country

chicken," said Bai.

Saturday was a special day for Bai and 250 farmers like her. She was part of a signing ceremony between farmers and consumers where cultivators pledged to give customers a basket of produce every year for a certain amount of money. This is the first time in India that a group of urban consumers have decided to look beyond organised markets for organic food and decided to partner in the production process with farmers. The financial support from the 100-odd customers will also reduce the dependency of farmers on money lending agencies and state sops.

Two packages are on offer: Rs 25,000 and Rs 12,500. As part of the plan, six varieties of grains, four varieties of pulses, two kinds of oilseeds and jaggery are provided at periodic intervals. For instance, the Rs 25,000 package includes 24 kilograms of flour made from jowar/bajra, 30 kilograms of ragi rava, 40 kilograms of tur dal, 40 kilograms of green moong dal, 25 kilograms of urad dal, 8 kilograms of jaggery and much much more. Under the Rs 12,500 package, you get half the produce.

"What I am conveying by part of this bond is that I am with my farmer," said Telugu TV host Jhansi Rani. "And I am not looking at it as a capital investor from which I want returns. The idea is not to approach this with a consumer mindset but that of a supporter who also desires a change in lifestyle."

In fact, that is the hidden agenda. At a time when fitness challenges are taking the virtual world by storm, the idea is to make India healthy. That Indians should cut down on consumption of rice and wheat and shift to more healthy grain options, which are also not input resource intensive, in terms of water and fertilisers. So, this pact is not just about putting money in the pockets of farmers, but also about making a promise to lead a more healthy lifestyle by changing breakfast, lunch and dinner options.

"Frankly, farmers could have done with just one or two varieties of grain or pulses, and pledged to provide that to the consumer. But then the idea is to transfer our biodiversity of agriculture, the multiplicity of crops to the table as well and provide an escape route for the consumer who has been fed only cheap rice," said PV Sathesh, director of the Deccan Development Society (DDS). The memorandum of understanding is the brainchild of the DDS.

What this pact means is that these select consumers have understood the soul of agriculture, and they are understanding the process instead of merely receiving the product. And over a period of time, it will hopefully lead to personality changes, understanding of issues, empathy for farmers and respect for land and crops.

"It is an effort to move from feeling good about buying organic foods to feeling better that you have supported that as a lifestyle. This was long overdue," said Vinod Pavarala, professor of communication at Hyderabad University. "This will also lead to an alternative socio-economic model of agriculture, with consumers picking up a greater stake in it through this expression of solidarity."

The overhead is less, which means farmers will not get pushed into a debt trap. The seeds they use are indigenous, passed down through generations, with the women of the community deciding what works best in different conditions. In the past 30 years that DDS has been working with farmers, there has not been a single agrarian distress-related suicide in these parts.

The irony is that just a few kilometres away in neighbouring Medak and Warangal districts, several hundred farmers take the extreme step every year. When it comes to farmer suicides, Telangana figures in the top three states. The big difference is that farmers here, largely women who call themselves millet sisters, have not lost their spirit for agriculture. How different is this pact from the K Chandrasekhar Rao government's decision to give Rs 8,000 per acre to the farmer every year to reduce his dependence on external lending agencies?

"Any rupee put into farmer's pocket is important," agreed Satheesh. "But the question is: Through this incentive, what kind of farming are you encouraging? What we are seeing now in most parts of India is toxic agriculture: Pushing poison into the soil with no respect for the earth. The support has to be more nuanced, you cannot put the millet and the cotton farmer on the same page."

As Mallamma, her husband and daughter plough their field ahead of sowing, they hardly look skywards. The family is not unduly worried about the monsoon playing truant. Though farming in this part is largely rain-fed, they are confident their different 15 to 20 varieties of seeds can survive even in a stingy monsoon season. Other varieties will survive even if there is a downpour, providing them with an insurance cover of sorts. Confident they now have the consumers' backing, they want to ensure this model of community-supported agriculture tastes success.

NITI Aayog meet: Modi vows steps to take India's growth rate to double digits	Live Mint https://www.livemint.com/Politics/bKJcqpopvt5JNujr1uww6L/Niti-Aayog-meet-Modi-says-important-steps-will-be-taken-for.html
<p>At the fourth governing council meeting of the NITI Aayog, PM Narendra Modi laid down a blueprint to make development more inclusive and correct economic imbalances</p> <p>Prime Minister Narendra Modi on Sunday vowed to accelerate India's GDP growth to more than 10% and laid down a blueprint to make development more inclusive and correct economic imbalances. Modi said the world expects India to almost double its GDP to \$5 trillion soon.</p> <p>In his opening remarks at the fourth meeting of the governing council of policy think tank NITI Aayog, Modi said that after having recorded a 7.7% growth in the March quarter, the challenge now is to accelerate the growth rate, for which many more important steps have to be taken.</p> <p>The new economic growth goal follows the implementation of structural reforms such as creating a single market through the goods and services tax and a bankruptcy code to tackle bad loans.</p> <p>Industry executives said it is possible to have double-digit growth with the right policy support. "Right cost of energy is essential for promoting manufacturing and boosting economic growth," said Sudhir Mathur, chief executive of Vedanta Cairn Oil and Gas.</p> <p>Modi's message also indicated the priority of his government in its final year in office before national polls early next year—effective and quick implementation of all welfare schemes meant to benefit the rural population. The meeting also witnessed chief ministers from some non-BJP-ruled states seeking financial support for farm loan waiver schemes and some protesting at the mandate given to the 15th Finance Commission, which they claim favour states</p>	

that have failed to control population growth.

Modi laid out key areas of work to achieve an inclusive and fast-growing economy by 2022—doubling farmers' income, development of backward districts, implementing the proposed health insurance scheme that seeks to give Rs 5 lakh annual health cover to 100 million families, immunization of children and raising nutrition levels.

Modi also emphasized the need to tackle economic imbalances and suggested that all parameters of human development need to be improved upon in 115 districts identified as backward.

The prime minister said gram swaraj abhiyan, a drive to reach out to every household to enrol potential beneficiaries of welfare schemes, has become a new model for implementing schemes. This has so far been extended to 45,000 backward villages. Modi said the target is universal coverage in seven key welfare schemes—LPG connection without upfront charges, power for all households, distribution of energy efficient bulbs, financial inclusion, state-backed life insurance and accident insurance schemes and immunization of all children. He said this target was recently accomplished in about 17,000 villages.

In his closing remarks, Modi also called for a debate on simultaneous elections for Lok Sabha and state legislatures, which will lead to financial savings. Modi also urged states to make policies that attracts private investment in warehousing, transportation, value addition and food processing.

NITI Aayog is a key pillar in the federal set up that gives states and union territories a say in deciding national priorities, unlike the erstwhile Planning Commission, which was reconstituted as NITI Aayog in 2015.

Modi also assured chief ministers of central government help in dealing with the flood and landslides in certain parts of the country. Several states in North East, including Assam, Manipur and Tripura, are facing flood that caused a few deaths and damaged roads.

Mandalay weavers face tougher challenges

MM Times

<https://www.mmtimes.com/news/mandalay-weavers-face-tougher-challenges.html>

Small and medium weaving businesses are facing difficulty to continue their trade amid rising prices of raw materials and the decline in sales of their products, said some weaving business owners in Amarapura township in Mandalay Region.

The prices of raw materials such as silk yarn, has increased sharply compared to the cotton price, and that is why the silk weaving business has almost stopped, said Ko Thae Ko Ko, a businessman in Pangyi village tract in Amarapura.

“Silk thread price has increased up to about K160,000 (US\$117.50) per pack, and it was about K80,000 per pack three years ago. Cotton thread price has increased to about K47,000 per pack, and it was about K42,000 per pack before.

“Lowering the selling prices of finished products also affected the weaving businesses. There is no problem if businesspersons can store finished products in this difficult situation; however, there is problem for those who have

to run their businesses with the money they earn from selling the finished products,” said Ko Thae Ko Ko.

Small and medium weaving business people said although the prices of raw material have increased, they cannot raise the prices of finished products due to competition from products from other countries such as China and India.

“Weaving machines can produce about seven longyis. If there are 10 machines, nearly 70 longyis can be produced. The number of subsistence scale looms is increasing. Retail merchants cannot take in large amounts as there are plenty of products. We need to wait for them when they tell us to do so. But we have to pay wages for the workers. We are managing our work although the raw material prices are increasing. Now, we are nearly at a standstill in our industry,” said Ko Thae Ko Ko.

Trade has been declining badly for the past six months. Although the raw and finished material prices are unstable, wages are being paid depending on the designs of the textiles, said U Nyunt Wai, owner of a loom in Amarapura township.

“As the number of looms is enormous, some looms cannot resist the market forces. It is very sad as the skilled loom owners have shut down. According to my experience, the market sometimes drops, especially for hand-loomed silk. But it gradually becomes lucrative again. We are keeping our business going and expecting a good market,” said U Nyunt Wai, whose family has been in the weaving business for generations.

Although local looms produce garments that are better quality than Chinese-made garments, the prices cannot be raised too much. Local cotton fabrics weaved by machine cost around K5000 but Chinese-made ones cost only about K2000, said Ko Thae Ko Ko.

Low wages and the garment sector what can the karnataka government do for employess

The news minute

<https://www.thenewsminute.com/article/low-wages-and-garment-sector-what-can-karnataka-govt-do-employees-83163>

Employees say that it is impossible to make a living from the wages that they are paid for their work.

The garment sector in Karnataka is plagued by several issues and the concern which has been dominating of late is regarding low wages.

The textile industry is one of the oldest and most labour-intensive industries in Karnataka, operating out of both the unorganised sector (ex: handlooms, handicrafts and sericulture) and the organised sector (wholesale and retail stores) and employing both skilled and unskilled labour. And this mix of the formal and the informal is a double-edged sword.

“As per the State of Karnataka’s official documents, there are about 3.5 lakh garment workers,” Saroja K, the General Secretary of Garment Labour Union says. “But in reality, there are about 6 lakh workers and may be a little more than that.”

But while the industry seems to be large on an overall basis, it is mostly comprised of small units which are beyond

the reach of labour reforms and standards set therein. Therefore, work conditions are often dismal and reports of worker abuse are plenty.

“The sector creates a lot of employment but no one cares... neither the factory, brand owners and nor the government. Everyone only sees the benefits that the sector brings,” Saroja adds, in the context of the large scale employment provided by the sector and the export revenue.

“As of today, the wages add up to to 8000-8500 rupees per month. Can anyone live in Bengaluru with 8500 rupees?” she asks. “60% of such wages go into house rent. How can a family manage all the other expenses - food, education, children's marriage?”

Raju BC, a Union activist says, “As per Asia Floor Wage recommendations based on cost of living, the minimum wage in Bengaluru should be 23,000 rupees.”

The Asia Floor Wage Alliance is an international alliance of trade unions and labour rights activists who are working together to demand that garment workers be paid a living wage.

“We get paid depending on how many pieces we work on,” Muthu and Shamu, two garment factory workers say. “For us bachelors 9,000 rupees per month is good. But you should talk to ladies with families.”

Speaking to the women who work in the sector, it's clear that they're left feeling helpless with the low pay.

“The salary is not enough but what can we do?” Radha, a garment worker asks.

“I have been working here for 10 years,” a woman worker says, hurriedly rushing off to her second job as an assistant at a clinic.

Speaking of the last time the minimum wages for the garment sector was revised, Saroja says, “It was in 2014 - it brought a hike of about 1500 rupees per month. And there have been no revisions since then. Many workers are pushed to take up other odd jobs.”

She goes on to add, “Legally, minimum wages are to be revised every 3-5 years but this doesn't happen. It takes a lot of time for a committee to be set up and the discussions and meetings drag on further - beyond 5 years.”

“As of now a committee has been formed and the unions are demanding 18,000 rupees based on the reports of the 15th conference of the International Labour Organisation and our own calculations. We have submitted various memorandums on this to the Chief Minister, the labour ministry the labour secretary, noting how difficult it is to live on low wages” Saroja says.

The reason the burden of setting wages falls on the State government is the fact that labour unions aren't recognised by the garment factories. And while such unions exist on the official documentation of garment factories, in reality the relations between unions and the management is often hostile. This hostility can become very discouraging to workers and go on to reduce the power of collective bargaining - the very reason unions were formed in the first

place.

“Many times, the clothing associations and the factory management submit their own counter proposals to the government saying that they cannot bear the burden of higher wages,” Saroja says. And now, a tripartite meeting is to be held with unions and workers on one side, the factory owners on the other and the government.

The other issue is about the pressure the workers face to meet the pre-set per-day production targets. Speaking about this, Saroja says, “When I was a garment worker, I remember the number of times I used to bring back my full tiffin box because I couldn’t afford to take time off for lunch.”

From the outside, the sector looks good, Saroja notes.

“It provides a lot of employment, especially to women - 90% of the workers are women. People see them dressed neatly in their saris going into work every morning and they think the garment sector is a good employer - and at times, it is. But there are a lot of problems also. We met Deve Gowda on May 29th and have submitted our memorandum. He said he will discuss the same with the CM,” Saroja says, hopefully.

Apart from specifics like wage revisions and better health standards, the sector, much like the farming sector, needs a revamp where efforts need to move from the ground up. One such attempt was made in Mewat. With a revolutionary view to bring about labour standards to informal work, a project was undertaken in Mewat wherein all the stakeholders were brought together. Gap Inc. was working with exporters and local home-based embroidery workers while the Ministry of Women and Child Development (MoWCD) acted as the de-facto monitor, and Society for the Promotion of Youth and Masses (SPYM), an NGO that links them all, anchored and ran the project on a daily basis.

In a paper titled ‘Relational Contracting at the Bottom of Global Garment Value Chains: Lessons from Mewat’, published in 2017 by The Indian Journal of Labor Economics, the author Meenu Tewari speaks of how the Mewat project’s progress brought about lessons in building contracting networks even in the most informal segments at the base of global production networks.

The linkages between exporters and embroidery workers built over social sector institutions which had provided personal finance and group savings over the years helped build “a well of trust that the actors (public, civic, private) could repeatedly turn to as conflicts and challenges demanded modifications and adjustments in operating practices.”

Surprisingly, the experiment is also a case where the involvement of the State supported the free market rather than stifled it.

In conclusion, Meenu notes “the Mewat case sheds light on how intermediation by the State - and even its material involvement early on during the 15 years of organising the communities socially - was of critical importance to providing a platform of legitimacy on which other private and collective actors could come together and collaborate... Diffusing good labour standards requires institutional continuity. The State can be the actor that can bring continuity by holding open the space for new organisational partnerships to emerge even as private supply chains and markets

shift. This is especially important in countries and contexts where 90 per cent of the total employment is in the informal sector, outside the reach of both labour laws as well as the monitoring protocols and codes of conduct of buyers and private companies.”

In effect, the Mewat project provided a unique example where the ideal link between the State, the private sector, the workforce and civic activists was established and conscious, continued efforts brought about a reform. It may be a noteworthy lesson for the newly elected ruling party in Karnataka.

Trump Spares Made-in-USA Apparel With Most Machinery Tariff-Free	Bloomberg https://www.bloomberg.com/news/articles/2018-06-15/trump-spares-made-in-usa-apparel-as-most-machinery-tariff-free
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The clothing and footwear industry was largely spared as the Trump administration slapped tariffs on \$50 billion in Chinese imports, but a looming trade war could still do damage to an apparel sector that’s more global than ever.

The actual shirts and shoes imported from China won’t get new tariffs, according to the full list of 1,102 product lines released Friday, and only some of the equipment used to make them, like textile rolling-machine parts and injection molders for shoes, were included in the final list. A host of other Chinese machinery used by American apparel companies that had been on a preliminary tariff list -- like textile printing equipment, sewing machines and looms -- made it through unscathed.

“We applaud the decision to remove most of the equipment and machinery used in our domestic textile, apparel and footwear manufacturing that were proposed by the administration in April,” said Rick Helfenbein, president of the American Apparel & Footwear Association, an industry trade group. “Levying a tariff on these items would have increased costs for domestic manufacturers across our industry, leading to higher prices and lower sales.”

Read More: [Trump’s China Tariffs Met With Retaliation Vow From Beijing](#)

While much of the U.S. apparel manufacturing industry has moved abroad to chase lower labor costs, the country still remains home to a multibillion-dollar textile industry. Many fashion labels and shoemakers, including L.L. Bean Inc., Allen Edmonds and American Giant, still make products domestically. The exclusion of most apparel equipment from tariffs has allayed fears that manufacturers would push higher costs on to consumers.

Retaliation Fears

But while many of the machines used for American-made apparel didn’t make the final list, the industry isn’t out of the woods yet.

“We remain deeply concerned,” Helfenbein said, citing the threat of retaliation. “China previously identified almost \$1 billion worth of American cotton exports to China as a target, which will hurt American farmers and U.S. textile manufacturers, and add costs to our supply chains.”

“Ramping up tariffs doesn’t help bilateral trade talks reach a successful conclusion,” he added. “It’s hard to see how

anyone benefits from this.”

However, a trade group representing the U.S. textile industry praised the actions, and said the tariffs didn't go far enough. The National Council of Textile Organizations wants them applied to clothing, high-performance fabrics and home furnishings like carpet to slow the flow of Chinese imports that it claims have hurt the domestic industry.

'Deterring Effect'

“It would have a greater deterring effect, however, if more textile and apparel end products were included,” NCTO President Auggie Tantillo said in a statement. “NCTO looks forward to working closely with the Trump administration to refine it.”

President Donald Trump's administration announced the tariffs on Chinese imports early Friday and China has vowed to retaliate. Trump pledged additional tariffs if the country follows through on the threats. The first set of tariffs will total \$34 billion and take effect July 6, with another \$16 billion still to be reviewed, the U.S. Trade Representative said.

Related: Across the U.S., Wary Businesses Gird for a Trump Trade War

A previous study from the National Retail Federation and the Consumer Technology Association found that imposing tariffs of \$50 billion on Chinese imports, coupled with any retaliation, would reduce U.S. gross domestic product by nearly \$3 billion and eliminate 134,000 American jobs annually.

“Tariffs are taxes on American consumers, plain and simple,” Matthew Shay, chief executive officer of the NRF, said in a statement Friday. “These tariffs won't reduce or eliminate China's abusive trade practices, but they will strain the budgets of working families by raising consumer prices.”

US, China firms brace for escalating trade war

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BEIJING: Companies and trade groups in the US and China have expressed concern over how the escalating trade spat between the world's two biggest economies could affect operations. Beijing retaliated immediately to tariffs on tens of billions in Chinese imports imposed by US President Donald Trump on Friday (Jun 15), igniting a trade war that threatens to cut into the pair's massive bilateral trade - potentially harming exporters and US multinationals keen on China's huge market.

Top among American products hit with duties by China are agricultural exports, with soybeans, sorghum, oranges, pork, poultry and beef included in the US\$34 billion in goods targeted for higher border taxes starting next month.

Agricultural trader Cargill, the largest US private company, called for dialogue between Beijing and Washington so businesses, farmers and consumers would not be caught up in an all-out trade war. "Trade conflict ... will lead to serious consequences for economic growth and job creation and hurt those that are most vulnerable across the

globe," said Devry Boughner Vorwerk, a vice president at Cargill.

A spokeswoman for grain trader Archer Daniels Midland also said bilateral dialogue should be pursued, adding that China "continues to be an important export market for American food and agriculture".

Friday's announcements cap months of sometimes fraught shuttle diplomacy between Washington and Beijing, in which Chinese offers to purchase more US goods failed to assuage Trump's grievances over a soaring trade imbalance and the country's industrial development policies.

Beijing has left the door open to negotiations, even as it matched Washington with tariffs and bellicose rhetoric.

"The Donald Trump administration has once again proved inconsistent and precarious," state-run newspaper China Daily said in an editorial Saturday. It added that given the "frequent flip-flopping" in the US, "it is still too early to conclude that a trade war will start".

'FIXATED WITH TARIFFS'

US trade groups also stepped up their criticism, while some large companies such as Boeing said they were beginning to evaluate the tariffs' possible effects.

Boeing garnered about 12.8 per cent of its 2017 revenues from China and is frequently seen as among the more vulnerable US multinationals to a full-on trade war.

"We are assessing the impact these tariffs and any reciprocal action could have on our supply chain and commercial business," said Boeing spokesman Charles Bickers. "We will continue to engage with leaders in both countries to urge a productive dialogue to resolve trade differences, highlighting the mutual economic benefits of a strong and prosperous aerospace industry," he added.

The American Apparel & Footwear Association - while praising the Trump administration for dropping an earlier plan to place levies on key equipment and machinery used by the industry - said Friday that China's retaliatory measures could harm American farmers and textile manufacturers and add costs to the industry's supply chain.

"President Trump is fixated with tariffs, which he believes he can wield freely; but there are grave consequences," said AAFA president Rick Helfenbein. "Congress needs to step in now to end this dangerous obsession."

Other trade groups opposing the US tariffs included the Business Roundtable and the US Chamber of Commerce. US automakers, which have targeted China as a key growth market, are also slated to be hit by the bruising tariffs.

American auto giant Ford has sold 338,386 cars thus far in China in 2018, about one-third the number in the US, and had welcomed a Chinese plan to lower tariffs on auto imports. It had even planned to cut prices for its imported Lincoln vehicles. That may be in jeopardy as gas-powered and electric vehicles are due to be slapped with the border tax increase.