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 –04-02-2019

Budget 2019: Textiles Ministry FY'20 allocation pruned to Rs 5,831.48 crore	Economic Times https://economictimes.indiatimes.com/industry/cons-products/garments-/-textiles/budget-2019-textiles-ministry-fy20-allocation-pruned-to-rs-5831-48-crore/articleshow/67816222.cms

Finance Minister Piyush Goyal has proposed Rs 5,831.48 crore budgetary allocation for the textile ministry for 2019-20, which is 16.01 per cent lower than the current fiscal.

As per the budget document tabled in Parliament on Friday, the revised expenditure (RE) for the textile ministry has been pegged at Rs 6,943.26 crore during 2018-19.

The original budget proposal was Rs 7,147.73 crore to fund various programmes and schemes for the textile sector.

The low allocation for ATUF & ROSL schemes for textiles is worrisome as it is clearly not sufficient to meet obligations under the schemes, both backlog and expected fund requirements in 2019-20.

"However, since this is an interim budget, we hope more funds will be allocated for these schemes," Confederation of Indian Textile Industry Chairman Sanjay Jain told PTI.

According to the budget document, Rs 700 crore has been allocated towards the Amended Technology Upgradation Fund Scheme (ATUFS) for the next fiscal, as against Rs 622.63 crore for 2018-19.

Besides, a provision of Rs 1,000 crore has been made towards the Remission of State Levies (ROSL) as compared to Rs 3,663.85 crore in the revised estimate of 2018-19.

The government had earmarked Rs 2,163.85 crore for ROSL in the previous year's Budget.

Cotton and Currency Markets	**Kotak Commodities Research Desk** **For more details contact :** Research@kotakcommodities.com & aurobinda.gayan@kotakcommodities.com

A. Cotton		
Spot price (Ex-Gin) 28.5 to29 mm		
Rs/Bale	Rs/Candy	USD Cent/lb
20287	42400 (-0.26)	75.37
Domestic Futures price (Ex-Warehouse Rajkot) January		
Rs/Bale	Rs/Candy	USD Cent/lb
20900	43681(-167)	77.64
International Futures		
NY ICE USD Cents/lb. (March 2019)		73.64(-0.76)
ZCE Cotton: Yuan/MT (May 2019)		15250(-30)
ZCE Cotton: USD Cents/lb.		102.56(0.47)
Basis difference (ICE March -Domestic Spot)		1.73(-0.17)
Cotlook A Index - Physical		83.75(+0.05)
WTI Crude USD / Barrel		55.26(+1.47)
B. Currency		
USD/INR	Close	Previous Close
Spot	71.68	71.26(+0.18)
USD Dollar Index	95.60(0.04)	

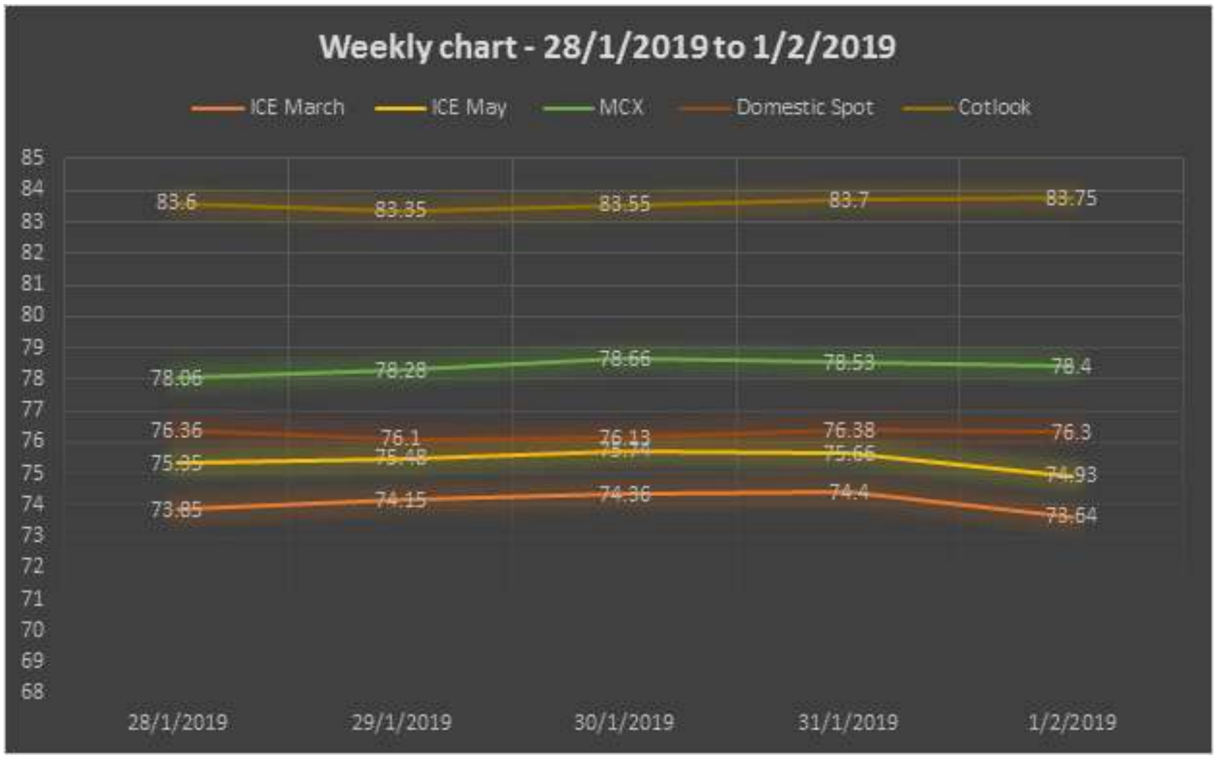
Cotton Guide

Another week gone by which showed a trading range of 73 to 75 cents/lb. The ICE March contract for the week traded in the range of 73.16 cents/lb to 74.85 cents/lb. The Cotlook Index A also did not see major changes during this week with no major fluctuations. The range to which cotlook Index A was adjusted was 83.35 cents/lb to 83.75 cents/lb. The MCX February contract on the other hand ranged in the bracket of 20860 Rs/bale to 20990 Rs/Bale i.e. 78.06 cents/lb to 78.66 cents/lb, whereas the Domestic spot rates were in the range of 76.10 cents/lb to 76.38 cents/lb. Let's have a look at the graphical representation of the above:

On Friday the ICE contracts were all in negative figures which ranged from -76 to -50 for contracts of March till Oct 2019. The reason which was attributed to this decline was a no show of positive results between the US China negotiators. The ICE March contract settled at 73.64 cents/lb with a decline of -76. Similarly the ICE May and ICE July contracts ended in negative figures by -73 points and -69 points settling at 74.93 and 76.21 cents/lb respectively. We expect the prices to still trend sideways and show range bound movement.

The MCX contracts on the other hand also matched its steps to the tune of the International ICE contracts. The changes were on the sloping end. The February contract ended at 20900 Rs/bale with a negative change of -80 Rs/bale. The MCX March contract ended at 21190 Rs/Bale with a negative change of -70 Rs whereas the March contract ended with a negative change of -90 at 21450 Rs/Bale.

Arrivals in India are estimated to be 170,000 lint Equivalent bales (private estimates). The Prices of Shankar 6 are around 42,400 Rs/Candy (average prices). Cotlook Index A has been adjusted higher to 83.75 cents/lb with a positive climb of +0.05 cents/lb.



The acting Finance Minister Piyush Goyal announced a new scheme in the Interim Union Budget today. The name of the scheme is Pradhan Mantri Kisan Samman Nidhi which will enable farmers (who own less than two hectares) to fetch a payment of Rs 6000/- per year under three installments. It is expected to benefit around 1.2 crore farmers.

ICE cotton futures almost retraced 38.2% of the range (82.00-70.70) during the month. In the weekly charts price is still trading in the downward sloping channel, with strong supports near 70.40-70.00 zones. Likewise crucial resistance seen around 75.18, followed by 76.50 levels. For now price is moving in intermediate upwards sloping channel, failure to hold the channel could witness sharp decline in prices. However RSI in the daily charts at 38 implying weakness in strength. Only a sustained move above range could bring further buying in cotton futures towards higher levels of 76.50 cents/lb, followed by 77.20 cents/lb. On the downside immediate support exists around 73.00-72.80 zones, only decline below price could slip towards 72.28 and 71.90 levels. In the domestic markets trading range for Feb futures contract will be 20650-21280 Rs/Bale

Currency Guide

Indian rupee may witness choppy trade amid mixed factors but general bias may be on the downside. Rupee weakened 0.2% against the US dollar on Friday post Budget announcement. Indian government announced a populist budget targeting farmers, unorganized sector and middle class however this rekindled concerns that it will breach its budget deficit target for a second year. The fiscal deficit in the year ending March 31 is forecast at 3.4% of GDP versus a previous target of 3.3%. Also weighing on rupee is continued strength in crude oil price which will keep trade deficit concerns high. Brent crude is trading above $62 per barrel amid reports of decline in OPEC production and US-

Venezuela tensions. However, supporting rupee is general strength in global equity markets post upbeat US non-farm payrolls data. US non-farm payrolls report noted a 304,000 increase in US jobs in the month of January as against expectations of 165K increase. Also supporting rupee is Fed's dovish stance on monetary policy. Rupee may witness choppy trade as market players assess budget and its impact on the economy however general bias is weak on higher crude oil price and fiscal concerns. USDINR may trade in a range of 70.9-71.5 and bias may be on the upside.

GST collection may grow 18% in FY20: govt.	**The Hindu** https://www.thehindu.com/todays-paper/tp-business/gst-collection-may-grow-18-in-fy20-govt/article26170564.ece

The Union government has projected over 18% growth in Goods and Services Tax (GST) collections in 2019-20 based on the rising trend in revenue mop-up witnessed during the three-month period ending January 2019, Revenue Secretary Ajay Bhushan Pandey said.

"Last fiscal our average collection was Rs. 89,000 crore. This fiscal it is averaging Rs. 97,000 crore. So, the revenue trend is on upward scale.

"If one compares November, December, January of 2017-18 with that of 2018-19, one can see a 14% increase. So, based on this assessment, we have given the increase for the next year, Mr. Pandey told PTI in an interview.

Microbial fuel cell treats textile wastewater	**The Hindu** https://www.thehindu.com/todays-paper/tp-features/tp-sci-tech-and-agri/microbial-fuel-cell-treats-textile-wastewater/article26165565.ece

The power generated in degradation can be used to sustain the process

Microbial fuel cells (MFCs) are fast emerging as an option for several specific requirements. Now, a startup, JSP Enviro, aims to use this technology to process textile wastewater and additionally generate electricity that will render this exercise energy-efficient. Initiated by Suresh Paul Jones, the startup is in the process of joining the bioincubator at IIT Madras, where its other members V.T Fidal Kumar and Priyadharshini Mani will expand the research they have done so far. Now working at the Biotechnology Department of IIT Madras with a prototype of about 200 litre capacity, the team plans to increase it to 1,000 litre capacity by 2020. "Though we have developed the technology for processing wastewater from the textile industry, it can be used with any other industrial wastewater," says Dr. Mani. The team is also working on the restoration of a lake attached to the Integral Coach factory at Villivakkam in Chennai.

The principle of using the MFC to degrade wastewater is simple. A carefully selected cohort of bacteria is made to act on the textile wastewater placed in the fuel cell. These bacteria are isolated from the very wastewater they are meant to degrade. They feed on the organic material in the water and break it down under anaerobic (without oxygen) conditions, releasing electrons in the process. The electrons are collected at the anode which results in a current in the circuit. Because the bacteria form a biofilm on the anode, the electrons are collected easily by it. "After a period, when the thickness of the biofilm exceeds a limit, it will automatically detach and bring back the thickness to optimal level," says Dr Kumar. The team is working on a nanotech filter to improve this process. "This is like a 'trickling filter' – where after thickness exceeds a limit, and it is difficult to sustain that thickness, the excess tears off. When it falls off, it shouldn't get mixed up with the water. That's where the nanotechnology filter will come in, to remove the bacteria and get clean water" he adds.

The bacteria take turns to act on the wastewater and purify it: There are many species of bacteria. If a dye is present in the water, it is broken to a simpler form by one species; this, in turn, is acted on by another species and so on. "It has a cascading effect," says Dr. Kumar.

Using MFC to process wastewater was an idea that the two used in the Carbon zero challenge, a competition hosted by IIT Madras when they were students there. They used the funding obtained through the event to develop the 200 litre prototype within the few months they were given. "We spoke to some people [in the textile industries] at Tiruppur, and they said that if it is cheaper and more energy efficient than current technologies, we will use it," says Dr Mani, describing how they started up.

While now, with the prototype, they can generate power of around 1 watt per square-metre, they aim to get to about 5 watts per square-metre. This power can be used to sustain the process. However, scaling up has challenges. The size of the chamber and its geometry and design remain to be worked out. All the power produced must be captured so that it is not wasted. "For that, we will work with some electrical engineers... ," says Dr. Mani.

Full benefits of GST only from 2020-21: Interim Budget	**Business Line** https://www.thehindubusinessline.com/todays-paper/tp-news/article26171345.ece

The Interim Budget 2019-20 may have kept an ambitious growth target for the Goods and Services Tax for next fiscal, but it doesn't expect benefits from the indirect tax regime to flow in until 2020-21.

"Accrual of the full benefit of GST reforms and revenues is expected to take some more time and, therefore, the stabilisation phase is expected to continue in 2019-20 too," the Budget documents have noted, adding that the full benefits of GST reforms should start accruing from 2020-21 and completely stabilise thereafter to ensure sustainable fiscal path.

Noting that 2018-19 was the first full year of implementation of GST with numerous rate changes, the Budget has said the full potential of the tax system would be realised only after the transition period is over.

"These rate changes have reduced the tax burden on consumers and, in the long run, will lead to improvement in compliance, reduce classification disputes and make GST more equitable," it said, while Finance Minister Piyush Goyal had in the Budget speech pointed out that the GST mop-up increased to over Rs. 1 lakh crore in January.

The Interim Budget has lowered the target for revenue proceeds from GST by Rs. 1 lakh crore to Rs. 7.44 lakh crore to Rs. 6.44 lakh crore in 2018-19 in the Revised Estimates. For 2019-20, it expects the mop up from GST to increase by 18.2 per cent over the RE to Rs. 7.61 lakh crore but compared to the BE, the increase is just of 2.3 per cent.

Revenue collection

However, despite the expectation that GST would fully stabilise by 2020-21, the Budget document has said that the revenue collection would be "slightly muted" from then on. "Whereas direct taxes are expected to show a growth rate of 14.9 per cent and 15.3 per cent, the growth rate in indirect taxes is expected to be slightly muted at 8.4 and 11.1 per cent in the years 2020-21 and 2021-22 respectively," it said, adding that among the indirect taxes, the growth rates of GST are expected to remain roughly at the rate of growth of the economy.

Meanwhile, experts have called the growth projection in GST mop-up for 2019-20 a fairly ambitious one.

"A closer look at the estimate of various tax revenue components does not inspire confidence. The GST collection growth in 2019-20 is estimated at 18.2 per cent, whereas the 2018-19 Revised Estimate growth pegs it at 9.1 per cent. This is a tall order," said Devendra Kumar Pant, Chief Economist and Senior Director (Head – Public Finance), India Ratings.

In a research report, Radhika Rao, Economist, DBS Group, has noted that the recent reduction in GST rates, higher thresholds and wider umbrella of tax payers under the composition scheme are also likely to slow collections further in 2019-20.

Officials doubt efficacy of DBT to farmers' accounts	**The Hindu** https://www.thehindu.com/news/cities/Hyderabad/officials-doubt-efficacy-of-dbt-to-farmers-accounts/article26169150.ece

The announcement of the Prime Minister's Kisan Samman Nidhi for augmenting the income of small and marginal farmers by the Centre notwithstanding, senior officials are expressing doubts over whether the amounts would reach eligible farmers effectively.

Modelled on the lines of Rythu Bandhu, the farmers' investment support initiative of Telangana, PM-KISAN envisages deposit of cheques worth ₹2,000 each in three instalments spread over intervals of four months. The officials are sceptical about such a move as there is every possibility of banks apportioning the Centre's support towards dues from the farmers. The Telangana government on its part had overcome the difficulty giving away pay orders to farmers that could be encashed in any bank, thus avoiding scope for banks to create hurdles.

Moreover, the scheme would not be applicable to farmers who are yet to have bank accounts, thus prompting the need for issuance of pay order cheques rather than directly depositing cash in the accounts. "The Centre should have consulted the States, at least those implementing schemes like Rythu Bandhu, before announcing such an initiative," a senior official said.

Sircilla weavers get Bathukamma sarees order worth Rs 300 cr	**Telangana Today** **https://telanganatoday.com/sircilla-weavers-get-bathukamma-sarees-order-worth-rs-300-cr**

Sajanna-Sircilla: The State government placed orders worth Rs 300 crore for production of 94 lakh sarees with Sircilla powerloom weavers.

To attract women, Handlooms and Textiles Department officials have finalized 50 dark colored sarees with different designs. Besides three types of borders in lace edge, there will be five strips in the border and three types of hems.

The two inch width border will cover 5 1/2 meter length of 6 1/2 meter saree. 80 cm cloth will be for jacket.

When the scheme of distribution of sarees to women on the occasion of Bathukamma festival was started in 2017, 3.75 crore meter cloth was produced in Sircilla due to shortfall of time. The remaining 2.36 crore meter was brought from Surat of Gujarat.

Thought government placed the order in the month of May last year, weavers and officials had to struggle to achieve the target. Taking previous experiences into consideration over delay in weaving of sarees, government placed order well in advance in February this year.

Now, weavers have enough time to produce 6.30 crore meter cloth since they got order three months before when compares to last year. Weavers working on 22,000 power looms will get employment in the coming six months period.

While 15,000 weavers would get employment directly, another 5,000 workers would get indirect employment up to September.

The most important thing is that the income of weavers had doubled with bulk order. Weavers who used to earn Rs 8,000 per month were getting Rs 16,000 to Rs 20,000 per month following Bathukamma saree order.

Weavers, who would usually earn Rs 1.90 per meter cloth, were getting an additional amount of Rs 3 per meter.

In order to give sufficient time to weaver to produce sarees, government placed order before eight months, Assistant Director, Handlooms and Textiles, RS Ashok Kumar told the Telangana Today.

Stating that enormous changes were taken place in the living condition of weavers with bathukamma order, he emphasised the need to continue same in the future too.

Besides bathukamma sarees, weavers will get 2 crore meters of RVM cloths production. Government was planning to give the order of Ramzan cloth and others to Sircilla weavers, it is learnt.

Odisha Govt signed MoU with KEC, Iran for mutual cooperation	**Orissa Diary.com** http://orissadiary.com/odisha-govt-signed-mou-kec-iran-mutual-cooperation/

Bhubaneswar: On the 4th day of MSME International Trade Fair-2019, the session on “Promoting Women Entrepreneurship” received an overwhelming participation from more than 300 women entrepreneurs, exporters and startups. On this occasion, an MoU between Odisha Assembly of Small & Medium Enterprises (OASME) and Khazar Electric Company (KEC) from Iran was also signed for mutual cooperation for transfer of technology and production of equipments for agriculture, food processing, agriculture and waste management in presence of ACS, MSME.

Delivering a special address on this occasion, Shri L.N. Gupta, ACS, MSME informed that there are 40,892 MSMEs led by women entrepreneurs in the state providing employment to 1.58 lakh persons. He added that 6032 micro enterprises led by women entrepreneurs have been assisted with margin money of Rs.142 crore under PMEGP since

2008-09. Also, 38 MSMEs led by women have been extended capital investment subsidy of Rs.4.5 crore under Odisha MSME and Odisha Food Processing Policy by the state government. He encouraged women entrepreneurs to come forward and take help of the entire ecosystem to further growth of their business. He also announced a system of resolution of credit related grievances at the level of General Managers of RICs/DICs on every Monday. Mrs. Subha Sarma, IAS, Commissioner cum Secretary, Handloom, Textiles & Handicraft Department, highlighted the potential for women enterprise in Textile & Handicraft Sectors. She stated that the gap in supply of Institutional uniforms/apparel and training opportunities in Incubation Centre starting from sewing to marketing may be leveraged by prospective women entrepreneurs. She emphasized on fusion of innovative ideas in traditional Handicrafts and invited the Women Designers to come forward for partnership with Boyanika. She also highlighted opportunity for aggregators to act as marketer for Handicraft products and adoption of value based packaging practices for Handicrafts.

Mrs. Sujata Kartikeyan, IAS, Commissioner-cum- Director, Mission Shakti, Odisha shared success stories of Women SHGs. She informed that Mission Shakti is associated with 70 lakh women in 6 lakh SHG Groups. The cumulative savings of Odisha SHGs is Rs. 5000 Crore. She cited the unique integration of SHGs under Mission Shakti with Government programmes, namely, Mid-day Meal, Take Home Ration, Electrical Meter Reading, and driving training to women. She pointed out the challenges for women entrepreneurs in terms of Standardisation of Product, branding, delivery of bulk order, arrangement of aggregators, & marketing Tie up and invited women MSMEs to be aggregators & mentors of SHGs.

Shi Sujay Kar, Dy. Director, ORMAS informed that 812 Producer Groups are operating with ORMAS. He added that right marketing tie-up, value addition, packaging, backward and forward linkages are essential factors for Marketing & sustenance of a women enterprise. He suggested availing the benefit of District Level Training Programme for Primary & secondary collectors conducted in sectors like Agri- Horticulture, Handloom & Handicraft Sector. Miss Reemly Mohanty, Founder of Reemly's Design Studio, while sharing experience of bringing up her own enterprise, made a vivid elaboration on Brand Building & Marketing, understanding the customer & their perception, putting thrust on customer services like delivery timely, product protection from competitors & Marketing relations. Miss Jayshree Mohanty, MD, The Luminous Info Ways Pvt. Ltd suggested women entrepreneurs to brand their product and graduate from Startup to MSME and beyond with self involvement. Smt. J. M. Mohanty, Chairperson, OASME Women Wing highlighted the problems faced by women entrepreneurs due to lack of collateral, lack of knowledge in marketing, finance, quality & standard and requested for Govt. support.

Skill training for 1.23 lakh unemployed youths	**The Hindu** https://www.thehindu.com/news/national/kerala/skill-training-for-123-lakh-unemployed-youths/article26169158.ece

Training in agriculture, construction, soft skills

The Wayanad district administration is gearing up to organise a skill-development programme for as many as 1,23,741 unemployed youths in the district under the Transformation of Aspirational District project of the Central government.

The project envisages to ensure job opportunities for unemployed educated youths by imparting employability skills in various sectors, including agriculture, construction, soft skills, and service sectors in a phased manner, District collector A.R. Ajayakumar told *The Hindu*.

It was planning to train as many as 20,000 youths in farming-related sectors; 40,000 in the service sector; 23,000 in soft skills; and 40,000 in construction sectors in four years, Mr. Ajayakumar said.

“We give preference to short-term training programmes to ensure job opportunities for the youth,” he said.

Training partners

Institutions such as **Kerala** Academy for Skills Excellence (KASE); Uralungal Labour Contract Cooperative Society(ULCCS); Nettur Technical Training Foundation, Thalassery; and Bharat Petroleum Corporation had offered their willingness, apart from the technical institutes in the district, to train the youth, he said.

The training programme will begin by the middle of February. Union Minister of State for Skill Development and Entrepreneurship Anantkumar Hegde will hold a videoconferencing on the project on Wednesday.

Those technical institutes wishing to participate in the programme should submit a proposal to the District Planning Office before Monday, he added.

The Niti Aayog has selected as many as 117 backward districts in the country for executing the project and Wayanad is the lone district from the State.

US tariffs hit Chinese economy 'very badly', says Donald Trump	**Money Control** https://www.moneycontrol.com/news/world/us-tariffs-hit-chinese-economy-very-badly-says-donald-trump-3477461.html

The US and China have been locked in an escalating trade spat since early 2018, raising import tariffs on each other's goods

The massive tariffs imposed by America on import of products from China has badly hit the economy of the Asian nation, President Donald Trump said, with the clock ticking on a March 1 US-set deadline for Beijing to address trade concerns and avert an escalation in the tariff war between the world's two largest economies.

The US and China have been locked in an escalating trade spat since early 2018, raising import tariffs on each other's goods.

Last year, Trump imposed tariff hikes of up to 25 per cent on USD 250 billion of Chinese goods. The move prompted China to increase tariffs on USD 110 billion of American goods. During a meeting in Argentina on the sidelines of the G-20 Summit, Trump and Xi agreed to halt any further tariff increases for 90 days beginning January 1.

"We have put massive tariffs on China...it is hurting China's economy very badly. I want them to make a fair deal," Trump told CBS News. If no resolution is reached by the March 1 deadline, tariffs on USD 200 billion of Chinese goods are set to increase from 10 per cent to 25 per cent, a prospect that has rattled the global market because of the inevitable economic damage.

China has offered to hike its US goods purchases to reduce the bilateral trade deficit and also offered to discuss regulatory changes to improve market access for international investors. However, it has been reluctant to reduce its chances of competing with America on innovation and advanced technologies — and doubts remain about its willingness to cede much ground.

Trump said he is hopeful of making a deal with China.

"It looks like we are doing very well with making a deal with China...no two leaders of this country and China have ever been closer than I am with (Chinese) President Xi (Jinping). We have a good chance to make a deal...it's going to be a real deal...not going to be a stopgap (arrangement)," he said.

Textile exports can double in five years: Aptma head	**Dawn.com** https://www.dawn.com/news/1461570

Pakistan’s currency has cumulatively lost about 25 per cent of its value against the dollar since the beginning of 2018. Gas and electricity prices for the five export industries have been brought down to the level of average regional prices and textile exporters are now able to import duty-free cotton.

The government is also working on ensuring the early payment of refunds of more than Rs200 billion to improve the exporters’ liquidity position. It also announced some incentives to boost investment in greenfield projects.

All these measures have been instituted to boost the country’s collapsing exports, especially textiles and clothing, a phenomenon that has significantly contributed to the widening current account deficit and forced the government to accumulate a massive pile of expensive foreign debt over the last five years.

And yet textile and clothing exports, which fetched $13.5bn or almost 60pc of total export earnings last fiscal year, continue to struggle.

The industry’s total shipments remain flat at $6.64bn during the first half of 2018-19 on an annual basis. This raises questions about the rationale for the subsidy worth billions of rupees given to the country’s largest manufacturing industry that contributes 8.5pc to GDP and employs 46pc of non-farm labour.

Do not be impatient,” says Ali Ahsan, chairman the All Pakistan Textile Mills Association (Aptma), during an interview with this correspondent.

“Most pro-industry initiatives announced months ago are being implemented just now. Others will be executed in the next few months. Positive results will start appearing in the next few months. You’ll see growth in our shipments when the government releases trade numbers for January. I won’t say it will be massive. But it will be enough to show that we are back on the growth trajectory. Most exporters are fully booked for the next six months. Even yarn shipments, which went down 17pc in the first half of 2018-19, have gone up in January,” says Mr Ahsan.

He says it is not possible to turn around exports overnight. In textile trade, he explains, it takes at least six months before the results start coming.

"Our exporters have received massive orders at Heimtextil 2019."

Mr Ahsan has a lot of good words for the PTI government for its support for the industry and clean-up of the mess created by the preceding government.

"This government is listening to businesspeople and trying to tackle their problems. But it should also give a long-term export and growth policy to help boost investment in new projects in the downstream industry," he says.

He believes textile and clothing exports can easily double to $26bn in the next five years if the government continues to support the industry through a long-term policy.

"Those who are expecting instantaneous, massive growth in textile exports will continue to be disappointed. The government has done a lot in the last few months. But a lot more also needs to be done for sustainable, high growth in exports. The steps taken thus far can increase shipments only to an extent. We need to increase our capacity to create an export surplus and invest heavily in value-added sectors."

In the short term, he elaborates, it is crucial to remove upfront incidentals on the import of manmade fibres, which is short for industry consumption. This will enable the industry to diversify into products that are in high demand in foreign markets.

Further, the government must liquidate all outstanding refunds of the industry on account of sales tax, duty drawbacks and previous textile policies, withdraw gas infrastructure development cess (GIDC) arrears of pre-GIDC Act 2015, allow the payment of the post-GIDC Act arrears in instalments, and expedite new gas and electricity connections and tagging for the zero-rating of the industries by departments concerned, he says.

"The long-term export and growth policy should extend the long-term financing facility to indirect exports as well to boost investment in the value-added sectors, reintroduce industrial credit policy, invest in the garment industry infrastructure, enhance credit limits for new factories, discourage textile and clothing imports and stop smuggling to open up the domestic market to the local industry," says the Aptma chairman.

He is hopeful that at least half of the textile capacity closed in the last five years will return to production, thanks to the recent supportive measures by the government. The rest of the factories have already been sold out and machinery junked, he adds.

"Now we need new projects for export growth. We cannot do it without creating integrated textile and apparel parks to provide plug-and-play facilities for local and foreign investors. We export 30pc of yarn produced in the country. We need to establish new weaving, processing and garment units to convert that yarn into value-added products to boost exports. We can generate additional exports of $20bn and create 1.5 million jobs by investing $7bn," he says.

Ministry launches handicraft, homestay entrepreneur loan scheme	The Borne Post http://www.theborneopost.com/2019/02/04/ministry-launches-handicraft-homestay-entrepreneur-loan-scheme/

The Tourism, Arts and Culture Ministry has set aside RM500 million for a Handicraft and Homestay Loan Scheme to support the handicraft and homestay industries this year.

Its Minister Datuk Mohamaddin Ketapi said the allocation is an initiative of the government to empower the existing industries to propel the income of craft entrepreneurs.

“This scheme commenced early this year and is open to all craft entrepreneurs including batik and songket producers apart from assisting homestay entrepreneurs nationwide.

“The government will also be lightening the burden of entrepreneurs by giving a subsidy of two per cent to reduce the interest of the loan,” he told reporters after opening the East Coast Textile Craft Festival here yesterday.

Also present were the ministry’s deputy secretary-general (Culture) Saraya Arbi and deputy secretary-general (Tourism) Datuk Haslina Abdul Hamid.

The festival is being held at Dataran Rehal from Jan 31 to Feb 9 to empower and promote textile craft products including batik, songket, Royal Pahang weaving products from the craft community in Kelantan, Terengganu and Pahang.

A total of 56 craft entrepreneurs are participating in the festival which focuses on various activities including sales of craft products, demonstrations and interactive craft as well as an exhibition on the evolution of batik.

Mohamaddin said apart from creating awareness and providing the latest information to the people, the festival is also the best platform to enhance cooperation and the marketing chain of East Coast textile craft entrepreneurs at domestic and international levels.

Meanwhile, he said 97 entrepreneurs had received the Standard Compliance Certificate issued by Kraftangan Malaysia which enabled them to be given priority in promotional programmes organised by the department.