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NEWS CLIPPINGS –06-02-2019

India set to lose No.1 Cotton grower tag to China	**Business Line** https://www.thehindubusinessline.com/economy/agri-business/india-set-to-lose-no-1-cotton-grower-tag-to-china/article26186624.ece

Climatic adversities, insufficient rainfall in growing regions blamed for the decline

Adverse climatic conditions and water shortage coupled with a static growing area are set to knock India off its No. 1 perch in cotton production worldwide.

As per the latest international reports, for the year 2018-19, India will lose its 'top cotton producer' tag to China, which has shown improved yields with better farming practices.

The International Cotton Advisory Committee (ICAC) recently stated that India's cotton production is expected to dip by 7 per cent due to "insufficient rainfall" in growing regions, whereas production in China is expected to increase by about 1 per cent to 5.94 million tonnes. This means, "China will regain the 'top producer' title it lost to India in the 2015-16 season," ICAC noted.

The global data suggests India's cotton output is projected to be at 5.98 million tonnes for the August-December period of the 2018-19 season. However, India follows the October-September cotton season. Industry believes India's cotton output will dip further.

According to India's apex cotton trade body, Cotton Association of India (CAI), India's cotton output is expected to dip to at 335 lakh bales (each of 170 kg) for 2018-19, its lowest since 2010-11, when it reported 332.25 lakh bales. "This year, India will definitely lose to China because of the adverse climatic and water availability situation in cotton growing regions. The situation is worse in Telangana and Karnataka," said Atul Ganatra, President, CAI.

Worrying trend

"India saw cotton output growing only once in the past few years. Otherwise overall every year we see the cotton crop going down. The yields are deplorably low, and due to the pest menace there is a thin possibility of adding new areas for cotton cultivation. So, we have reached saturation in cotton cultivation," said Ganatra.

As against India's projected cotton yield of about 485-500 kg per hectare, China's yield hovers around 1,755 kg. Attributing the lower yield to the lack of awareness among farmers on good farming practices, VN Waghmare, director (in-charge), Central Institute for Cotton Research (CICR) said: "Yield is a contentious issue and a debatable one. We have demonstrated yield of upto 1,200-1,500 kg per hectare in some isolated places. Better farm management brings good productivity."

He added: “Our scientists are actively looking into developing new varieties, including hybrids, but farmers must be made aware about technology and farm management,” said Waghmare.

According to cotton experts, about 85 per cent of cotton farmers in the growing regions, including Gujarat and Maharashtra, have uprooted their plants after the first and second picking. This made the subsequent third and fourth picking nearly impossible.

The prospects for Indian cotton remain clouded by uncertainties. “In the current scenario, our crop will remain in this range, mainly because of the adverse climatic conditions. Next year also it is feared that El-Nino will impact India,” said Ganatra.

“Climate is becoming the killer for India’s Cotton as about 77 per cent of our growing region is non-irrigated, making it highly dependent on rains,” said Ganatra.

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
20335	42500(+200)	75.71
Domestic Futures price (Ex-Warehouse Rajkot) January		
Rs/Bale	Rs/Candy	USD Cent/lb
20550	42950(-62)	76.52
International Futures		
NY ICE USD Cents/lb. (March 2019)		73.40(+64)
ZCE Cotton: Yuan/MT (May 2019)		15250
ZCE Cotton: USD Cents/lb.		102.56
Basis difference (ICE March -Domestic Spot)		2.31(+0.06)
Cotlook A Index - Physical		82.25(-0.75)
WTI Crude USD / Barrel		53.66(-0.9)
B. Currency		
USD/INR	Close	Previous Close
Spot	71.52	71.57(-0.24)
USD Dollar Index	96.07(+0.24)	

Cotton Guide

The ICE contracts finally ended with positive figures yesterday. Post 9 pm yesterday we saw a huge green candle stick taking the prices from 72.89 cents/lb to 73.55 cents/lb. The ICE March contract after touching a high of 73.74 settled at 73.40 cents/lb with a positive change of +64. The other two nearby contracts also ended with positive changes in their 60’s. The ICE May contract settled at a figure of 74.69 cents/lb with a positive change of +61 whereas the ICE July contract settled at a positive figure of 76.04 cents/lb with a positive figure of +60. We presume that the range for

ICE March would be 73-75 today.

From the recent CFTC Data, it was brought to light that speculators switched to net short positions in cotton on ICE Futures in the week to December 31. In cotton the speculators cut around 9,754 contracts to flip to a net short position of 8,318 contracts which is considered as the first net short position since April 2016.

The MCX contracts on the other hand did not end with drastic changes as yesterday but the ended with descent negative numbers. The MCX February contract ended with a decline of (-30) Rs at 20,550 Rs/Bale. The MCX March contract ended with a decline of (-50) Rs at 20,830 Rs/Bale whereas the MCX April contract ended with a slide of (-40) Rs at 21,140 Rs/Bale. The volume of the most active MCX February contract dropped down drastically to 1383 from 2616 that amount to a negative change of (-1233) lots, whereas the open interest amounted to a decline of (-36) lots to 10631 lots.

The arrivals have been estimated to be 183,000 lint equivalent bales (source cotlook) including 57,000 registered in Maharashtra, 45,000 in Gujarat and 31,000 in Andhra Pradesh. The average prices of Shankar 6 is still around the 42,500 Rs/Candy range. The Cotlook Index A has been adjusted with a slide of (-0.75) at 82.25 cents/lb.

Speaking about being the apex producer of cotton, India is set to lose its spot of being the number 1 cotton producing nation to China, due to inadequate rainfall and increase of yield in China.

ICE cotton futures witnessed recovery in yesterday’s trade after previous week’s decline. Meanwhile price almost retraced 38.2% of the range (81.85-70.65) during last week and erased its gains as weakness in strength persists in the market. The RSI continued to trade below 50 suggesting momentum is still lagging for price to move above the 21 day EMA . In the near term strong supports exists around 71.90, followed by 70.60, 70.00 levels. Likewise crucial resistance seen around 74.60, 75.18, followed by 76.50 levels. For the day price is expected to consolidate in the range of 72.60-73.90 range. In the domestic markets trading range for Feb futures contract will be 20510-20840 Rs/Bale.

Currency Guide

Indian rupee may witness mixed trade against the US dollar but overall bias is still on the weaker side. Supporting Indian rupee is some correction in crude oil price and general strength in US and global equity market. Brent crude slipped below $62 per barrel amid rise in US crude oil stocks and disappointing US and European economic data. Asian equity markets are trading largely higher after gains in US market yesterday on some upbeat corporate earnings results. Fed's dovish stance has also underpinned rupee against the US dollar. Dallas Fed President Robert Kaplan said he's waiting on clarity about the US economic outlook before supporting further moves on interest rates. However, weighing on rupee are fiscal concerns as government has announced fresh measures in the Budget to support farmers and other sectors. Also weighing on rupee is disappointing economic data. Nikkei India Services Business Activity Index fell from 53.2 in December to 52.2 in January, indicating a softer expansion in output. Also weighing on rupee is general strength in US dollar amid concerns about health of European economies and general higher yields post US non-farm payrolls data. Rupee may also be affected by positioning ahead of RBI decision tomorrow. The central bank is largely expected to keep interest rate unchanged but some market players are expecting RBI to change its stance from calibrated tightening to neutral. Rupee may witness choppy trade ahead of

RBI decision however general bias may be on the weaker side owing to fiscal concerns and general uptrend in crude. USDINR may trade in a range of 71.3-71.8 and bias may be on the upside.

US-China trade war to boost Indian economy: UN study	Business Standard https://www.business-standard.com/article/news-ians/us-china-trade-war-to-boost-indian-economy-un-study-119020500689_1.html

The trade war between the US and China is expected to boost the Indian economy with a rise of 3.5 per cent in exports while the EU will be the biggest winner, taking home $70 billion in additional trade, according to a UN study.

Amid tit for tat tariff hikes between Washington and Beijing, trade is being diverted and a handful of countries will capture a slice of the giants' exports, said the report by the UN Conference on Trade and Development (UNCTAD) on Monday.

"Substantial effects relative to the size of their exports are expected for Australia, Brazil, India, the Philippines, Pakistan and Vietnam," it said.

The report, titled "The Trade Wars: The Pain and the Gain", said that "bilateral tariffs alter global competitiveness to the advantage of firms operating in countries not directly affected by them".

The study found that European exports will grow by $70 billion, while Japan, Canada and Mexico will see exports increase by more than $20 billion each.

"Countries that are expected to benefit the most from US-China tensions are those which are more competitive and have the economic capacity to replace US and Chinese firms," the UNCTAD said.

Washington and Beijing are locked in a damaging trade row that has seen both sides levy tariffs on billions of dollars worth of one another's goods. In December, both countries agreed to hold off on new tariffs for 90 days to allow for talks.

They have a deadline of March 1 to strike a deal, or the US has said it will increase tariff rates on $200 billion worth of Chinese goods from 10 per cent to 25 per cent.

The trade war will also have a number of negative effects on global trade, especially within certain markets, the UNCTAD said.

The report said that there will be huge costs if the trade war intensified and that Asian countries were likely to suffer most from protectionism.

"The implications are going to be massive... The implications for the entire international trading system will be significantly negative," said Pamela Coke-Hamilton, UNCTAD's Head of International Trade, at a news conference.

Smaller and poorer countries would struggle to cope with the external shocks, she said and added that the higher cost of the US-China trade would prompt companies to shift away from current east Asian supply chains.

According to the UNCTAD report, East Asian producers will be hit the hardest, with a projected $160 billion contraction in the region's exports. It also warned that the effects could be felt everywhere.

"There'll be currency wars and devaluation, stagflation leading to job losses and higher unemployment and more importantly, the possibility of a contagion effect, or what we call a reactionary effect, leading to a cascade of other trade distortionary measures," Coke-Hamilton said.

India's export growth may slow to 7% in FY19	**Economic Times** https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-export-growth-may-slow-to-7-in-fy19/articleshow/67855684.cms

NEW DELHI: The government expects India's merchandise exports to grow 7.3% to $325 billion in 2018-19, lower than 9.8% clocked in 2017-18 on the back of muted growth of traditional exports such as gems and jewellery, farm and engineering, liquidity crunch, and global factors.

"Many sectors including marine, agriculture, gems & jewellery are doing poorly. Engineering exports have been impacted due to expensive domestic steel and rubber," said an official who attended a meeting that the commerce department had with exporters and export promotion councils on Tuesday in the wake of slowing growth of various exporting sectors.

India's exports were $303 billion in 2017-18.

As per an official statement, the meeting was held to "discuss various issues being faced by exporters and examine ways by which India's merchandise exports may reach $325 billion by March 2019".

Our merchandise exports have been growing since 2016-17 for almost three years and are likely to reach a new peak in 2018-19," the department said in the statement.

in the April to December period of 2018-19, merchandise exports have grown by about 10% on year.

"Liquidity is the biggest concern of exporters along with their money being blocked due to Goods and Services Tax. Moreover, with China frontloading its exports recently and the US showdown that eroded consumer confidence, Indian exporters have been adversely impacted," said another person who attended the meeting.

Declining exports of labour intensive products including leather, gems and jewellery, man-made yarn, and pharmaceuticals had pulled down the overall growth of outward shipments from the country in December to 0.34% at $27.9 billion. 17 out of 30 sectors had showed a decline in exports in December. "This target may not be easy but it is doable. However, the global slowdown and weakening commodity prices will play out," the person said. India recorded growth of 13.31% in overall exports (merchandise and services combined) in 2017-18 over the same period last year. Overall exports were $498.61 billion in 2017-18 of which $303.53 billion was from merchandise exports.

22-member French delegation to participate in BGBS	Business Standard https://www.business-standard.com/article/pti-stories/22-member-french-delegation-to-participate-in-bgbs-119020501252_1.html

A 22-member French delegation to be led by its Ambassador to India will participate in the Bengal Global Business Summit (BGBS) that will begin from February 7.

Ambassador of France to India, Alexandre Ziegler,Minister Counsellor and head of the regional economic department of the Embassy of France in India Jean-Marc Fenet, and Consul General of France in Kolkata Virginie Corteval, will be leading a 22 member French business delegation comprising of 14 French companies for BGBS, Embassy officials said.

"In the occasion of the Bengal Global Business Summit with an important delegation of French companies. After our visit to Gujarat and Tamil Nadu in January, we are now showcasing in West Bengal our commitment to India," Ziegler said.

Accor, Alstom, Bassetti, Capgemini, Decathlon and Schneider Electric company would participate in the BGBS.

More than 600 French companies operate in India.

Last BGBS received participation of over 4,000 delegates across India and 32 countries and state claimed to have received proposals worth USD 145.93 billion.

Budget 2019: Did it address the key concerns of MSMEs and startups? MSMEs and startups	Economic Times https://economictimes.indiatimes.com/small-biz/policy-trends/budget-2019-did-it-address-the-key-concerns-of-msmes-and-startups/articleshow/67846996.cms

– represent the two critical segments of Indian economy. The segments are always abuzz with economic activity. While the former is considered to be the backbone of a developing, the latter, in recent times, has provided a new identity to dozens of country's new-age entrepreneurs, who, while actualising their million-dollar ideas, and transforming them into financially viable business models, have scripted numerous success stories.

Let's look at what the industry leaders from these two important domains have to say about interim budget 2019. Did Prime Minister Narendra Modi's last budget before Lok Sabha election meet their expectations or not?

A tepid response from startups

While the goodies extended by Finance Minister Piyush Goyal this time, did warm the sector a bit, many industry stalwarts highlight the key aspects neglected in his budget speech. Take for example -- the elephant in the room – the angel tax. Now consider the anomaly here, while on one hand, the Finance Minister, though touted India's startup ecosystem, as "the second largest in the world", the government, as per a recent PTI report, has reduced the funds allocated to government's 'Startup India' programme by Rs 3 crore.

Further, as per Indian Private Equity and Venture Capital Association (IVCA), more than 2,000 Angel investors' funded startups have received notices under the angel tax. Certainly, such an over-hawkish approach by the tax department is doing no good to the sector. A reported dip in investment inflow to the sector is a testimony to this fact. Further, with many firms mulling shifting bases elsewhere, industry experts have even gone to the extent of saying that India might soon lose its sheen as an ideal startup global destination.

Highlighting this anomaly in the budget, Siraj Dhanani, Founder, InnAccel Technologies, says, “The budget failed to address the biggest issue facing Startup India - the dreaded angel tax. It was hoped that this budget would decisively address this perverse tax on startups receiving funding from Indian angel investors, which is effectively a penalty for investing in Indian innovation. Hopefully, this issue will be resolved soon, and with retrospective effect, so that start-ups can continue to get funded as they seek to transform India.”

While calling the budget 2019, “a poll-targeted move”, Vinay Singhal, Co-Founder & CEO, Vatsana Technologies (WittyFeed’s parent company), maintains that the budget has few important measures that show that the current dispensation is laying out the vision for the most important dimensions for the next 10 years to make India a $10 trillion economy. Anurag Avula, another industry stalwart, and cofounder and CEO of Shopmatic, a Singapore-based e-commerce platform, feels that the 2019 budget announcements reaffirm the government’s commitment towards building a Digital India and creating opportunities for small scale Indian businesses for running successful e-commerce businesses.

Concurring with Avula’s views, Shrini Viswanath, CTO & Co-Founder, Upstox, a Ratan Tata-backed new-age online broking company, states that the proposal in the interim budget to initiate a National programme on Artificial intelligence (AI) and establishment of a National Centre on Artificial Intelligence are visionary decisions that will go a long way in spreading the benefits of emerging technologies for the betterment of human lives. “Technology and Artificial Intelligence have a big ole to play in financial inclusion and getting people, especially those who come from backward and remote areas.”

On the same note, calling out government to help create an enabling business environ for startups, Aakrit Vaish, CEO and Co-Founder of Haptik, a leading conversational AI platform, maintains that the announcement of National Artificial Intelligence portal by the FM does indicate that the country is well poised on its path of leveraging advanced and disruptive technologies for economic prosperity.

According to Abhishek Dubey, Founder & CEO, Muskaan Dreams, the government focus on addressing the fundamental needs of education in India and bridging the rural-urban gap can be helpful. “A budget of Rs 38,572 crores in BE (Budget Estimate) is allocated for National Education Mission. 10% reservation in educational institutes and government services for the poor has been implemented, to ensure that there is no shortfall of available seats for any class, and uplift the backward classes. India is amongst the most youthful nations in the world, and through policies focused on the youth of the nation, like Pradhan Mantri Kaushal Vikas Yojana, great economic development can take place,” says Dubey.

Structural issues galore on the MSME front

Akin to the startup sector, industry stalwarts from MSME sector, whose growth in recent times did nosedive due to twin disruptions - demonetisation and a not-so-smooth GST implementation, while acknowledging the positives of the budget, do highlights what they consider its key weakness i.e, it does not adequately address sector’s long-established Achilles’ heel - access to credit. The gravity of the situation can be well gauged in the light of a recent survey by Omidyar Network and Boston Consulting Group that reveals that across the country, roughly 40 % of MSME lending is done through the informal sector, where interest rates are at least twice as high as in the formal market.

Highlighting interim budget's apparent silence on this anomaly, Sai Pattabiram, CEO & Founder, Shree Sai Aerotech Innovations Pvt Ltd, says, "SME's being the largest employment generators could have been supported by enhancing the current limit from RS 2 to Rs 3 crore under the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) scheme for loans without collateral given the higher bank liquidity by way of recovery from large borrowers."

Lauding the government's decision, whereby government units, henceforth, will source 25% of their requirements from SMEs via Government e-Marketplace (GeM), Saahil Goel, CEO & Co-Founder, Shiprocket, says, " the budget clearly recognises the strain on the economy, particularly in the MSMEs along with the technology sector, and 2% interest subvention for MSME's loans with ticket size up to Rs 1 crore is a good decision that will go a long way in easing financial woes of MSMEs.

Voicing the view of the fintech fraternity on the same issue, Lizzie Chapman, CEO & Co-founder ZestMoney, opines that, with the increase in consumption of mobile data and the number of people who have joined the formal financial system, the country is on the cusp of a promising future where the financial inclusion for everyone is not far." With AI and financial solutions that address the capital requirements of every Indian, we can make India a financial powerhouse," contends the chief at India's largest digital consumer lending company.

Sameer Vakil, co-founder & CEO, GlobalLinker, an India-based MSMEs' Networking platform, expresses that the budget has a positive and business-friendly tone, with a strong message of reliefs to the middle class, which makes up a big part of SME workforce.

We are particularly pleased about the 2% concession on interest for SME loans upto Rs 1 crore for GST filing SMEs. This will provide a significant boost and encourage entrepreneurship, whilst helping widen the base of taxpaying firms. Also, very happy to see that businesses with less than Rs. 5 crore annual turnover, covering nearly 90% of GST filing companies, being allowed to file quarterly GST returns. This will be a huge relief to many SME firms," asserts Vakil.

Terming it as populist, Chiranjiv Patel, Managing Director, PC Snehal Group says job creation, adoption of technology, relief in tax burden to entrepreneur, focus on unrecognized work force and farmers were the highlights. "As expected the boost in technology and innovation will help in generating numerous startups creating millions of jobs in this eco-system. This gives us a hope that India is slowly and steadily marching towards the development."

Reid & Taylor to be liquidated: NCLT Mumbai	Business Standard https://www.business-standard.com/article/news-ians/reid-taylor-to-be-liquidated-nclt-mumbai-119020501281_1.html

The National Company Law Tribunal (NCLT) Mumbai on Tuesday ordered the liquidation of textile and fashion major Reid & Taylor after all attempts to revive it failed.

The NCLT Mumbai bench comprising B.M. Mohan and V. Nallasenapathy ruled that the investors have failed to satisfy their networth before the NCLT and hence there are no options left but to order the liquidation of the company, preferably as a going concern.

The ruling came after several investors proposed by the Employees Association and other bidders in the past few months failed to satisfy the basic criteria to take over the company.

"We call upon the registrar and Resolution Professional (RP) to put in their best efforts to ensure that the company is sold as a going concern," the NCLT Mumbai Bench said in their oral order this evening.

Sewing paves way for learning and empowerment	Business Line https://www.thehindubusinessline.com/companies/sewing-paves-way-for-learning-and-empowerment/article26185540.ece

Usha International sells over one million sewing machines annually

India's textile industry has evolved in many ways over the last decade. From stores established by international brands like Levis, Pepe Jeans and the likes to Fabindia's experience centre, the sector has offered the public more than mere fabric.

In an email interview with BusinessLine, Harvinder Singh, President of Usha International's sewing machines and appliances segment, gives us an insight into the scope of sewing in the modern times.

For the cloth-loving customer

There has been drastic growth in the number of people pursuing sewing, even as a hobby.

According to a survey conducted by the firm, a large section of clientele consists of middle-aged women, predominantly those who are 35-years-and above. The target group also reside in urban India. These customers pursue the art either as a hobby or with the intention of making it a profession.

Singh explained that children have also developed an interest towards sewing. This is often so, especially if the parent is as involved in exposing the child to such tasks.

Trends like these led to the development of machines like the My Fab Barbie, launched in 2016. This instrument is said to be meant for children who yearn to be at their creative best while sewing a garment.

For those who wish to unleash the ‘technophile’ within, certain ‘computerised gizmos’ permit them to do so.

Machines like the Memory Craft 450 E - with a robotic embroidery arm and the Memory Craft 15000 - the Wi-Fi enabled sewing-cum-embroidery machine comes with a ‘designing’ software and additional features for specialised quilting. This was made possible by adopting the technology provided by the company’s principal Japan-based supplier – Janome.

The Dream Maker sewing machine

Additionally, Usha International offers a comprehensive buy-back plan as well as a hire- purchase facility and training to help them enhance their sewing skills.

Singh also explained that innovative product launches and consistent service offerings have built consumer trust.

Sewing in the 21st century

From the straight stitch (black) sewing machines, the company offers a wide and advanced range of devices to help create different types of clothing. More importantly, this art, as Harvinder Singh would claim, has become popular even among the youth.

Advanced machinery has motivated to create their own designs and experiment with new ideas. The firm’s automatic zig-zag sewing machines, for instance, come with enhanced features like triple strength stitch, quilting, embroidery and even darning.

At present, Usha International sells approximately three lakh zigzag automatic sewing machines. This demand, Singh said, has grown three times over the last three years in its sewing segment.

This year, the firm will be launching contemporary products in straight stitch machines, as well as the company would also be launching a few new products line in the automatic Zig Zag sewing machines.

Beyond the fabric

Harvinder Singh commented that sewing machines are more than ‘stitching clothes’. They also stand for – learning, earning, creativity, hobby and empowerment.

To do so, the company has also established a network of *Silai* (meaning ‘stitching’) Schools in Indian villages. They have also opened Sewing Schools in urban India to promote sewing as a hobby.

Apart from these initiatives, the organisation also conducts thematic workshops throughout the year to engage consumers of all ages in a one-of-its-kind experiential sewing store. This has enabled them to bridge the connection between the firm and the consumers at multiple levels.

With many young people taking up the art of sewing as a hobby with the new, high-speed automatic sewing machines, we desire to spread the 'Joy of Creating Together' by making available sewing-related products, technology, education and impetus," Harivinder Singh adds.

Will the real 'kalamkari' please stand up	**The Hindu** https://www.thehindu.com/entertainment/art/will-the-real-kalamkari-please-stand-up/article26182596.ece

Screen-printed imitations of the fabric are affecting the art form a great deal, rue artisans

Pantheon Road in Egmore, better known to shopaholics as Cotton Street, is stocked with bright cotton fabrics with hand *mudras* and Buddhas. Customers and shopkeepers alike, call this fabric *kalamkari*.

One can buy a metre for ₹50. A cotton *kalamkari* sari at textile shops in the city costs a minimum of ₹7,500. Novice customers go back thinking their *kalamkari* purchase on Cotton Street was a loot.

They seldom realise that they bought screen-printed *kalamkari*, which is an imitation. *Kalamkari* etymologically means pen-work. "It takes seven to nine days to paint a *kalamkari* sari and another four days to make the cloth market ready, with 10 artists working on it simultaneously," says Subba Rao, an artist from Srikalahasti who has been in this craft for 30 years now.

The screen-printed fabric, on the other hand, is produced in bulk, using chemical dyes. "90% of the *kalamkaris* coming out of Srikalahasti are screen-printed now," says Naveen N, another artist.

Rajesh, the owner of MJR Kalamkari, Srikalahasti, says he does both hand-painted as well as screen-printed *kalamkari*and adds, "I don't like producing screen-printed fabric. But I supply because there is demand. If my customer asks for a *kalamkari* sari for ₹1,500, I cannot offer a hand-painted one and instead, go in for screen-printed ones."

Kalamkari has the Geographical Indication (GI) protection under the Geographical Indication of Goods (Registration and Protection) Act, 1999. GI protection prevents usage of alternative methods (like screen-printing) to make the protected product. It is a violation of the GI protection to manufacture screen-printed *kalamkari*. Various *kalamkari* artists' associations have asked the Government for a ban, but nothing has happened. "These products are eating into the market share of traditional artisans," says Pushyamitra Joshi, founder of EcoFab, a micro enterprise that supports rural artists.

It is difficult to tell an original from an imitation. "An original will never have repetitions. If I repeatedly draw a leaf for example, each leaf will be different and imperfect. Also, natural dyes are earthy, blurred and sober, unlike the screen-printed chemical colours," says Vijaylakshmi Krishna of Aavaranaa, Alwarpet.

"The base colour of *kalamkari* fabric is always off-white because it is prepared with myrobalan and buffalo milk. If the base is in any other colour, you can safely say it is an imitation. Because buffalo milk is used throughout the process, the fabric has a peculiar odour. The pigment penetration in an original is equal on both sides of the fabric. This does not happen in screen-printing," says Poornhima Sreekirishnan, a third year student of the National Institute of

Fashion Technology, Chennai.

But lately, imperfections are being added to the screen-printing moulds and manufacturers are trying to add the odour to it as well, making it harder to identify an imitation, says Padma Rao, a designer from Bengaluru.

“Artists should form an association to take their plight to the Government,” says Pushyamitra.

Power looms industry in crisis as owners forced to sell	**Tribune India.com** https://tribune.com.pk/story/1903722/2-power-looms-textile-industry-crisis-owners-forced-sell/

FAISALABAD: The power looms industry, an important segment of the textile industry of Faisalabad, is facing a great crisis which has forced factory owners to sell their machinery for pennies on the dollar.

The power loom factories of Faisalabad were first established in 1960. These factories provided jobs for educated and illiterate workers and were set up in various neighbourhoods of Ghulam Muhammad Abad. The production of machine-made garments was a boon for local industry, and the venture proved to be highly profitable, with businesses continually expanding and helping develop the textile sector.

After Ghulam Abad, traders established factories on Jhang Road at Lakri Mandi, Baowala, Sadhar, Thikriwala, and around Jaranwala Road. Expansion of the sector was followed by a steady increase in demand for labour to sustain it. In the fiscal year 2007-2008, the number of power loom units had crossed 300,000 and those employed in direct labour on the machines increased to 70,000. But power outages severely curtailed production between 2008 and 2013. This led to labourers staging protests all over the city and blocking various roads and intersections, while factory owners also ran their own protest campaigns.

Although, load-shedding reduced after the Pakistan Muslim League-Nawaz (PML-N) government came to power in 2013, the industry continued to face other challenges. The government increasingly raised import taxes on yarn, with total duties on account of import duty, regulatory duty, and customs duty running as high as 17%. This was a major problem because the loom industry had only just begun recovering from the power crisis. Some months later, the government imposed an overwhelming 36% duty on polyester imports, making matters worse for the industrial sector.

Industrialists said that under the weight of such heavy taxes, it had become difficult to continue the power loom operations.

Owners claimed that beyond the increases in wages and production costs, rising taxes caught factory owners off guard, as they now had to pay motor tax, professional tax, property tax, civil defence, and social security fees, which heavily cut into profitability. By November 2018, factories began shutting down, a trend that is still ongoing. The All

Pakistan Power Loom Association has also been protesting.

Factories are now being sold for a pittance. Factory owners have put up banners saying that, per kilogramme, tomatoes are more valuable than power loom machinery. There are over 300,000 power looms but only 250,000 are currently operating.

Power Looms Owners Association Chairman Waheed Khalid Ramay says over 300 production units have been shut so far, leaving thousands unemployed. Ramay laments that owners were still trying to figure out how to deal with the additional tax burden when they were subjected to more 'misery' in the form of cuts in cotton production and misuse of re-export facilities. Ramay adds that Pakistan currently needs 14 million bales of cotton, but production is only going up to 10 million bales. "Loom owners must import cotton to make up for the shortfall of four million," he said.

Abuzar Ghaffari, who works at a loom factory in Ghulam Muhammad Abad, says many people worked in the local industry for well over 20 years. "They were in absolute shock when they lost their jobs. They didn't know any other craft and did not know where to go next," he said. Ghaffari said even the labourers who still have jobs are finding it impossible to make ends meet. Many daily wage workers are forced to buy flour and other basic groceries on credit. They pay shopkeepers when they get money, and many have had to sell their belongings to stay afloat.

Labour union leader Lateef Ansari said he is conducting a campaign for the loom workers' rights, adding that he is hopeful that the new government will waive some of the taxes imposed by former governments to let the industry get back on its feet.

To complicate matters, a Cloth Market Association member said the prices of garments have also risen because of the power looms' closure. The price increase has been shifted onto consumers. He thinks prices may be slashed if the power looms industry can return to full capacity.

Meanwhile, Chamber of Commerce President Syed Alamdar Shah said the chamber is working to resolve the issues surrounding the factories. He demanded that the government cut taxes so factories can resume operations and labourers receive a stable livelihood once more.

Bangladesh suppliers to H&M, Next lay off workers after wage protests	**Business Standard** https://www.business-standard.com/article/reuters/bangladesh-suppliers-to-h-m-next-lay-off-workers-after-wage-protests-119020501256_1.html

DHAKA (Reuters) - At least three garment manufacturers in Bangladesh that supply European brands such as H&M and Next have laid off thousands of workers weeks after they had joined wage protests, union leaders said on Tuesday.

The layoffs come after days of protests and clashes between police and workers in January that prompted the government to intervene and compel manufacturers to raise wages.

"Workers who chanted slogans or left factories and joined in processions to demand wage increases, and the ones who have any link to trade bodies, are now losing jobs," said Kazi Ruhul Amin, head of the Bangladesh Garment Workers' Trade Union Center.

Babul Akhter, head of the Bangladesh Garment and Industrial Workers Federation, said at least 7,580 workers from 27 factories had been laid off in recent weeks.

Bangladesh's $30 billion readymade garments industry accounts for 80 percent of the country's exports, making it the world's second-biggest garment exporter after China.

Siddiqur Rahman, head of the Bangladesh Garment Manufacturers' and Exporters' Association, said workers accused of vandalism during the protests "and other destructive acts are facing charges and will have to face punishment."

Some workers said they had protested peacefully and lost their jobs because they tried to unionise other workers.

"I was surprised when I saw my name at the top of the list," said one woman who asked not to be identified.

"During the protests, I came to work everyday. And I was never involved in any rampage or wrongdoing," she said. "My name and my fellow workers' names were included because we had tried to form a union."

A senior official in Bangladesh's Ministry of Labour and Employment declined to comment on the layoffs.

NOTHING ILLEGAL

Union leaders said three manufacturers - Crony Group, East West Industrial Park Ltd and Metro Knitting & Dyeing Mills Ltd - had laid off workers.

The garment makers list Sweden's H&M and British clothing retailer Next as clients on their websites.

Crony and Metro were not immediately available for comment.

Aminul Islam, chief administrator of East West, said some workers attacked the factory and destroyed assets on Jan. 7. He said more than 800 of its 6,500 workers had been suspended after the incident.

Harun Ur Rashid, chairman of East West Group, said the company was "not do anything illegal or unjust" when asked about layoffs at the firm.

"We know if we do that, then buyers will not take this lightly and they will not like it," he said.

Foreign brands said they are closely watching the situation in Bangladesh.

"Next is aware of the situation - and its directly-employed audit staff on the ground in Bangladesh are currently investigating this matter," the retailer said in an email.

H&M said it "regards freedom of association to be a non-negotiable human right," and that it is "deeply concerned by the recent events in the Bangladeshi textile industry."

Other European brands such as Mango and U.S. brands Guess and Saks - which are listed as clients by one or more of the three Bangladeshi garment firms - did not immediately respond to requests for comment.

Zara owner Inditex said the three Bangladeshi firms did not supply Inditex. The company declined to comment further.

VN’s supporting industries strive to be best in ASEAN	**Vietnam News** https://vietnamnews.vn/economy/484204/vns-supporting-industries-strive-to-be-best-in-asean.html#20oQBviCPi2XrHt6.97

Vietnamese enterprises have the potential to participate in regional and global production value chains on par with the leading countries in ASEAN, because Việt Nam has been a top priority choice of multinational corporations.

However, in order to realise this goal, in addition to their own efforts, businesses also need the support of the State.

In the draft plan for sustainable development of Vietnamese private enterprises, the Ministry of Planning and Investment (MPI) aims to raise the rate of enterprises participating in regional and global production networks and value chains, equal to the leading countries in ASEAN 4 by 2030.

In fact, it is not easy to achieve this target. Statistics from the MPI show that Việt Nam has only 21 per cent of small- and medium-sized enterprises (SMEs) participating in global value chains, while this figure in Thailand is over 30 per cent and Malaysia is 46 per cent. Therefore, in order to improve rankings in ASEAN, it is certain that Vietnamese enterprises must "go faster".

However, that does not mean that businesses need to be afraid because Việt Nam has a number of opportunities. Evaluating the opportunities for Vietnamese enterprises to participate more deeply in the global value chain, Minister of Industry and Trade Trần Tuấn Anh said that the recent change in global value chains has placed Việt Nam in a more important production base.

Previously, some East Asian countries such as Japan and the Republic of Korea chose China and ASEAN countries as production bases for export to their trading partners. However, China is gradually becoming a consumer market instead of a manufacturing centre, especially in the context that the US-China trade war may take a long time, so ASEAN countries, especially Việt Nam have the opportunity to become an alternative destination for investment.

Recent trade conflicts have accelerated the process of moving some manufacturing stages from China to Việt Nam.

’China + 1 Strategy’

"China + 1 Strategy" is being pursued by multinational companies to find another nation besides China to avoid a rapidly growing trend of labour wages in China, but this country needs to be close enough to export back to China.

With the above criteria, along with joining a series of free trade agreements (FTA) recently, Việt Nam has been the first priority choice.

However, the Minister of Industry and Trade also acknowledged that this issue cannot be implemented in a short time if Việt Nam does not soon upgrade production capacity and restructure the economy towards industrialisation.

Moreover, the Vietnamese industry faces a number of challenges. While many countries participate in the entire value chain from design, production to assembly and distribution, Việt Nam mostly participates in the lowest part of the value chain - in assembling stage - and is dependent on multinational corporations.

Currently, Vietnamese labour costs are increasing and can no longer be a competitive advantage. Therefore, if Việt Nam cannot boost technology application and make use of technology transfered from foreign direct investment (FDI) enterprises, the country will lose the opportunity to accelerate the industrialisation and modernisation of the country.

Currently, textile and electronics are two large sectors. Each year, Việt Nam exports nearly US$30 billion of textile products and nearly $70 billion of electronic products and components, but supporting industries in these two sectors have not yet developed strongly.

Regarding supplying parts to the automotive industry, Việt Nam has less than 100 first tier suppliers while Thailand has nearly 700. Thailand has about 1,700 second and third tier suppliers, Việt Nam has less than 150. Automotive components currently produced in Việt Nam are mainly simple parts, such as seats, glass, tires and tubes.

Change in policy

According to Dr Huỳnh Thế Du from Fullbright University Việt Nam, the country has not yet exploited or is not ready to exploit the benefits of FDI sector such as learning experiences and linking to the global economy. Meanwhile, the FDI sector has become main contributors to the domestic economy.

Due to the limitations in research and development, domestic enterprises are unable to connect or become suppliers of auxiliary products or services for FDI enterprises, especially complex components.

Lê Dương Quang, president of the Association for Supporting Industry in Việt Nam, said the difficulties that Vietnamese enterprises face when participating in the supply chain is that some manufacturing industries have frequent changes in product designs (such as the change in models of mobile phones every year).

This forces businesses to have very careful calculations and considerations and must have good management capacity to meet the requirements if they want to join in the supply chain.

Besides, there are still limitations in the State's policies. For example, textile and footwear enterprises say that localities do not have specific plans for zonning auxiliary industries, for raw material areas and there has been no practical policies to encourage the processing of domestic raw materials.

According to the draft plan for sustainable development of private firms, the MPI will chair the study of an SME support programme for 2020-30, taking advantage of opportunities and benefits from FTAs, focusing on promoting business links and encouraging businesses to participate in global value chains.

At the same time, the Ministry of Industry and Trade will develop a scheme to support SMEs to join the value chain of key industrial products of Việt Nam in the 2020-25 period while the Ministry of Agriculture and Rural Development will take the responsibility in formulating a scheme to support SMEs in Việt Nam's key agricultural product value chains in the period of 2020-30. These documents will be submitted to the Prime Minister this year.