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NEWS CLIPPINGS –21-05-2018

Exporters see no great gains in appreciating value of dollar	Times of India https://timesofindia.indiatimes.com/city/ahmedabad/exporters-see-no-great-gains-in-appreciating-value-of-dollar/articleshow/64240269.cms

While the US dollar has appreciated significantly against the rupee over the last two months, most exporters in key manufacturing sectors in Gujarat have not gained much from the strengthening dollar, industry experts say. The rupee has gone from Rs 63 per dollar in March to Rs 67.99 per dollar as on Saturday. While ceramics exporters have seen their realisations go up, sectors such as chemicals, pharmaceuticals, apparel and garments have not seen significant gains in business with the dollar strengthening.

“Chemical units depend on imports for certain raw materials and thus exporters’ revenues will not change significantly,” said Shailesh Patwari, president of the Gujarat Chamber of Commerce and Industry (GCCI). Patwari also owns a chemicalmanufacturing company.

“Raw material costs in the chemical industry have risen significantly, by an estimated 15%. The price of H Acid, a basic raw material for dyes has risen by 30% at least. Coal prices rose by 18% to 20%.

Crude oil prices shooting up, the strengthening dollar and improving demand are other factors that have raised raw material costs, due to which our input costs have risen by at least 15-20%,” Patwari added.

As far as the apparel and garment industry is concerned, exports have been declining overall and the appreciating dollar has not done much good to the industry. “While the dollar as appreciated, raw material costs have climbed, with polyester and cotton in particular rising by 5% to 7%. As input costs rise, there’s no major difference in realisation and thus there’s very little help in boosting exports,” said Bhavin Parikh, a city-based manufacturer.

Pharma industry players also do not see much impact of the strong dollar on their realisations, mainly due to costlier raw materials — particularly active pharmaceutical ingredients (APIs). Prices of APIs have risen by 15% to 20% in eight months. Pharma companies are heavily dependent on China for APIs.

The appreciation of the dollar has provided something of a cushion to pharma exporters, as they have been able to offset high input costs to an extent with improvement in export realisations,” said an industry player.

The ceramics industry, on the other hand, has gained from the strengthening dollar. “With a stronger dollar, realisation on exports will increase by roughly 6%. Going by an estimated monthly export revenue of Rs 1,000 crore, the industry will have increased its revenue by more than Rs 100 crore over the past two months,” said K G Kundariya, president of the Morbi Ceramics Association.

IOC teams up with MCPI to set up a Rs 1,000 crore polyester staple fibre unit in Odisha	Economic Times https://economictimes.indiatimes.com/industry/energy/oil-gas/ioc-teams-up-with-mcpi-to-set-up-a-rs-1000-crore-polyester-staple-fibre-unit-in-odisha/articleshow/64223236.cms

Indian Oil Corporation is teaming up with Chatterjee group arm, MCPI to set up a Rs 1,000 crore polyester staple fibre (PSF) unit in Odisha. This is part of an overall investment drive taken up by the state government to attract big ticket investment in downstream units across industries in the state.

The unit is scheduled to come up on 200 acres at Dhamnagar in the state's Bhadrak district. It will source raw material from Haldia in West Bengal and have a 108 kta (kilo tonnes per annum) PSF capacity. It will also produce 180 kta of drawn texture yarn (DTY) and 36 kta of full drawn yarn (FDY) mainly used as technical textiles, which find wide use in industrial textile and in the garments trade. This is the second such downstream petrochem facility in the state, where IOC is also setting up a plastic park at Paradip close to its refinery.

We are reaching out to potential investors in West Bengal and across the country, offering them an opportunity to set up downstream units in these industrial parks," Odisha's principal secretary (industries department) Sanjeev Chopra said. The state government officials who are on a roadshow in the city, said they received good response from prospective investors. A similar roadshow is being planned to be held in Mumbai next month.

Odisha officials also met Engineering Exports promotion Council (EEPC) officials and some 20-odd representatives of forging and casting units based in Howrah to attract them in setting up units in the state. As part of Odisha's Vision Document 2030, the target is to achieve 50 per cent value addition of primary metal produced within the state from the current level of 10 per cent, Chopra said.

While metal majors like Hindalco, National Aluminium (Nalco), Jindal Stainless, JSPL, Tata Steel or Vedanta have a manufacturing presence in our state, we have till now not had much success with downstream units in metal based industries. We have now decided to address this issue and are aiming at a raising the level of conversion of this primary metal into value added products within the state," Chopra said.

In step, the state has initiated talks with the likes of Tata Steel to set up an industrial park at Kalinganagar. While Tata Steel will provide raw material and hand hold smaller units that choose to set up base in the industrial park. Vedanta is looking at a similar facility at Jharsuguda he added while Nalco which is setting up an aluminium park and Angul has already received proposals worth Rs 1200-1300 crore.

Weavers write to anti-profiteering panel over GST tiff	Times of India https://timesofindia.indiatimes.com/city/surat/weavers-write-to-anti-profiteering-panel-over-gst-tiff/articleshow/64240209.cms

SURAT: Powerloom weavershave written to the National Anti-Profiteering Authority to take strict action against yarn spinners for artificially increasing prices by almost 35% and demanded that they be asked to repay the difference amount of GST reduced from 18% to 12% to them. Powerloom weavers have stated that the spinners were selling yarn at Rs 118 per kg when GST rate was 18%. When GST rate was slashed from 18% to 12%, the spinners started calculating the per kilogram price at Rs118 plus 12% GST. At every kilogram of yarn purchased from the spinners, weavers have to be genuinely refunded the difference of Rs 6 as the GST rate has been reduced from 18% to 12%.

Mayur Golwala, leader of the powerloom sector, told TOI, "The price of certain quality of yarns priced at Rs 89 to Rs 240 per kg has increased to Rs 111 to Rs 340 per kg. This, despite the fact that the GST rate has been reduced by the government. However, powerloom weavers have the right to ask for refund of the difference amount. We have written to the National Anti-Profiteering Authority for justice."

Golwala added, "We have urged the National Anti-Profiteering Authority to immediately take cognisance of the artificial price hike by the yarn spinners. In the past couple of months, yarn prices have shot up by almost 35%. This has resulted in drastic reduction of grey fabric production as weavers are operating the units in single shift of eight hours."

Textile industry wants govt. to relax cabotage rule	**The Hindu** http://www.thehindu.com/business/textile-industry-wants-govt-to-relax-cabotage-rule/article23937575.ece

It will reduce the shipping costs of cotton, says SIMA

The textile industry in the south expects the Union government to soon come out with relaxation of cabotage rules for movement of cotton from Gujarat to Tamil Nadu by sea.

This is one of the long-pending demands of the industry here to bring down the transport cost of cotton.

Coastal movement

In a recent representation to the Union government, the Southern India Mills' Association (SIMA) said the Ministry of Shipping had taken several steps to enable coastal movement of cotton from Gujarat to Tamil Nadu.

Textile processing facilities are spread across clusters in different States and hence, transport cost is the key to determining the cost competitiveness of the industry.

"Against this background, we request you to kindly relax the cabotage rule in respect of cotton transport from either Mundra or Pipav Ports to Thoothukudi, Kochi, Chennai and Krishnapatnam Ports," the association said.

The southern States account for almost 60% of spinning capacity in the country.

However, substantial volume of raw material —cotton — comes from Gujarat and Maharashtra. The industry sees scope for 50% reduction in transport cost if the cotton is moved by ship instead of lorries as done now.

"Every year, mills in Tamil Nadu buy 60 lakh to 70 lakh bales of cotton from Gujarat," said P. Nataraj, chairman, SIMA.

"This cotton (Shankar 6 variety) is popular for use in hosiery items," Mr. Nataraj added.

It is learnt that the Centre plans to come out with relaxation of cabotage rules for certain agricultural commodities. It should include cotton too for the benefit of cotton farmers and the textile industry, Mr. Nataraj said.

About 10 lakh bales of cotton are being moved by ships from one domestic port to another for the last couple of years in Indian flag vessel. Relaxation of the rule will enable several foreign flag vessels to move cotton from one Indian port to another at competitive prices, according to industry sources here.

Revenue authorities step up efforts to make businesses file GST returns within deadline	**Economic Times** https://economictimes.indiatimes.com/news/economy/policy/revenue-authorities-step-up-efforts-to-make-businesses-file-gst-returns-within-deadline/articleshow/64243308.cms

As the average of GST returns filed on time remaining just 65 per cent, the revenue department is sending notices to non-filers through emails asking them to submit returns within three days of the expiry of the deadline despite up to 15 days time limit, tax experts said.

The due date for filing GST summary returns for a month is 20th day of the subsequent month, but many businesses registered under the Goods and Services Tax (GST) file after the deadline by paying late fee and penalty.

Tax experts said these emails are automated and system-generated and the time limit given to file returns vary from immediately to three days to 15 days.

In one such notices being sent to a 'return defaulter' for not filing GSTR-3B or the summary sales returns, revenue authorities asked the taxpayer to furnish the return for a particular month "within three days, failing which the tax liability would be assessed under the GST Act, 2017".

"In addition to the tax assessed, you will be liable to pay interest and penalty as per provisions of the Act," the notice read.

AMRG & Associates Partner Rajat Mohan said under the GST laws, in case a registered person fails to furnish a return, a notice can be issued requiring him to furnish such return within 15 days.

"However, as seen in several cases a taxpayer is given meagre three days (including holidays) to submit GSTR-3B. These notices issued electronically and automatically seems to be suffering from judicial overreach, as it has foregone the mandatory 15 days period for taxpayers to respond," Mohan said.

Deloitte India Partner M S Mani said the notices for non-submission of the GST returns would improve the compliance level significantly. These notices indicate that the tax authorities have started keeping a watch on the non-filers or occasional-filers, who may not be able to escape the tax net in future," Mani said .As per official data, while 57.69 per cent of the GST returns for July were filed within the due date, the figure has now gone up to 96.10 per cent.

For August and September, the percentage of returns filed within due date was 36.98 per cent and 50.29 per cent, which has gone up to 93 per cent and 91 per cent respectively. Similarly, for the month of January and February, about 65 per cent and 64 per cent of the returns were filed within due date, and the number has now crossed 81 per cent and 77 per cent respectively. For March, 62.63 per cent of GSTR-3B returns were filed within due date, which had gone up to 69.5 per cent on April 30-- the last date for calculating tax mop up during the month

EY India Partner Abhishek Jain said with the data analytics suggesting non-filing of returns by some percentage of registered taxpayers, the government should inspect the reasons for such default. "The current notices issued to such defaulters being the opening move," he said.

Frequent hike in diesel prices badly hits transport sector	**The Hans India** http://www.thehansindia.com/posts/index/Andhra-Pradesh/2018-05-20/Frequent-hike-in-diesel-prices-badly-hits-transport-sector/382680

Transport sector, which has been facing numerous problems, may plunge into further crisis with the frequent hike in prices of diesel and exorbitant taxes collected by the State and Central governments. Transport sector has been providing livelihood to nearly 30 lakh workers directly or indirectly in the state and generating substantial revenue to the government. Prices of tyres and spares are also increased every year causing huge burden on the truck operators.

The truck operators across India are demanding the respective State governments and the Central government to reduce the burden of taxes. If the governments don't respond, the truck operators may go for all-India strike on July 20, 2018, said Y V Eswara Rao, general secretary of Andhra Pradesh Lorry Owners Association. He said transport operators across the State are facing many hardships due to rise of diesel prices and taxes. Between February 2016 and May 2018, the diesel cost shot up by nearly 50 per cent due to rise in taxes.

Diesel price per litre was only Rs.50 in February 2017. Now, it has gone up to Rs.74 on Saturday. It is feared that the price of diesel may reach to Rs.77 or 78. Speculations are rife that the prices of diesel and petrol would rise further very soon due to rise of fuel prices in international market. AP is the transport hub for South India with nearly 3 lakh trucks in the state, out of which Krishna district has 50,000 trucks.

Transport operators depend on transportation of agriculture products like tobacco, cotton, paddy, chilli, pulses, fish, poultry products and manufactured goods. The State Government is collecting 22 percent tax on the base rate and additional VAT of Rs.4 per each litre from the customers. This has become huge burden on the diesel consumers, said ASRSS Siva Prasad, Chartered Accountant. He said the State governments in the country are levying more tax compared to the Union government on the fuel. Diesel and petrol are not brought under the purview of GST because, the state governments may don't agree for it. The truck operators are paying tax to get National permit.

Besides, quarterly tax is paid to the State government. In addition, they are paying third party insurance premium, about Rs.48,000 for each truck, said Y V Eswara Rao. The Central government is increasing the Toll gate fee on the national highways. He said the government is collecting toll fee of Rs.7 to 9 for each km from the truck operators and they are unable to bear the expenses like increasing prices of tyres and spare parts. He said the GST on spare parts is 28 percent. Transport operators have to pay quarterly tax, insurance, third party insurance premium whether the vehicle is operated or not, said AdusumilliSadasiva Rao, General Secretary of the Krishna District Lorry Owners Association.

Why the falling rupee failed to arrest a 7-month decline in apparel exports	**Business Standard** http://www.business-standard.com/article/economy-policy/why-the-falling-rupee-failed-to-arrest-a-7-month-decline-in-apparel-exports-118051800523_1.html

Despite rupee depreciating against the greenback by almost 6 per cent in recent months to trade around Rs 68 per US dollar, India's apparel exports have not benefited from the trend, resulting in a 22.76 per cent fall for the month of April in dollar terms, sliding for the seventh consecutive month.

April 2017 saw ready-made garment (RMG) exports worth $1.747 billion, whereas the number declined by 22.76 per cent to $1.349 billion in the same month this year.

Apparently, RMG exports have fallen for the seventh consecutive month since October 2017, a result of Goods and Services Tax (GST) rendering Indian exporters uncompetitive as the new regime is not conducive for exports.

In the new regime, exporters have seen the cost of working capital rising and are experiencing fund crunch due to delays in the refund of taxes paid.

Low rupee needed for a few months

Rahul Mehta, President, Clothing Manufacturers Association of India said, “If Re remains at 68/69 levels for the next few months, it can offset the loss of Duty Drawback to some extent and may see a growth of three-to-five per cent.”

Exporters have said that while consumption in the international market is growing at around one to two per cent, competition is increasing too, as the business sees new entrants like Myanmar and Ethiopia. Competitors’ currencies are also depreciating, but they don’t have problems that Indian exporters do.

Falling production of apparels

Fall in apparel exports has led to a decline in production. According to the latest IIP figures, quoted by the Apparel Export Promotion Council (AEPC), India's apparel production fell 18.6 per cent in the month of March and saw a decline of 11 per cent for the period 2017-18.

March saw the eleventh straight monthly decline in apparel production.

"Last year (2017-18), the industry witnessed strong growth, but the continued backlog in GST and RoSL (refund of state levies) is affecting the sentiments. We would like the government to address the issue at the earliest, so as to reverse the trend of stagnating exports," said HKL Magu, chairman of AEPC.

Other costs also high

Best Corporation caters to global brands including Mothercare. Its managing director R Rajkumar said that apart from the delay in refund of levies and reduction in drawback, "Availability of manpower is also a big concern in all the existing textile centers and productivity is low due to huge labour turnover."

Apart from these, high costs of raw material and labour also put pressure, according to R S Jalan, managing director of GHCL. He said, "All these put together makes Indian exports at least 10-12 per cent costlier than competing countries. Ususal margins have been in the range of five per cent only, and hence, high cost is hurting both the topline and the bottomline."

Led by AEPC, the apparel exporters have urged the Centre to look at schemes to boost exports, besides looking at labour laws, as their protection is directly linked with productivity, in which India is far behind peers like Vietnam and Bangladesh.

Further, Ashok G Rajani, former Chairman of AEPC stated that it was disappointing that the Government was not looking at this sector seriously or helping, despite the fact that textile is one of the largest employment sectors in the country. "Every $1 billion of additional business can create 700,000 jobs. But, after the implementation of GST, withdrawal of duty drawback, delay in refund and lack of incentives to the sector are resulting in units to shutting shop," he said.

Meanwhile, an exporter from Tirupur, the knitwear hub of India, said that while India's apparel exports growth dipped, competing countries like Bangladesh and Vietnam are growing at around five to ten per cent.

The price difference between Indian and Bangladeshi products is around 20 per cent. Vietnam has a cost advantage of around 10 per cent, while also having increased its production as more Chinese and Taiwanese players have set up their factories in the country.

According to Tirupur-based exporters, those operating in niche areas and exporting premium products have been able to survive.

PTEA wants DDT incentive to continue	**Tribune.Com** https://tribune.com.pk/story/1714421/2-ptea-wants-ddt-incentive-continue/

FAISALABAD: The Pakistan Textile Exporters Association (PTEA) has stressed the need for continuing the Duty Drawback of Taxes (DDT) incentive for another three years to boost value-added textile exports.

The DDT incentive has had a positive result as textile exports recorded a 7.7% growth year-on-year to $9.99 billion in the first nine months of 2017-18.

2011 to 2017: Textile, clothing exports fall 10% in six years

PTEA Chairman Mian Shaiq Jawed said that as a result of growth-led initiatives of the government, exports surged by 13.1% in July-March 2017-18 over the corresponding period last year. The main driver was the value-added textile sector as exports of ready-made garments went up 12.56% during the period in value and 12.85% in quantity while those of knitwear edged up 14.12% in value and 3.52% in quantity during these nine months.

Exports of bedwear went up 4.99% in value and 3.16% in quantity whereas exports of made-up articles, excluding towels, increased by 7%.

He termed the positive growth in exports as a welcome sign for an economy struggling to contain falling foreign exchange reserves; however, he underlined the need to continue the DDT scheme allowed under the PM package.

Textile sector irked by delay in refunds

“Production of exportable surplus is the need of the hour,” he said, adding that revival of closed production capacity is a challenge. Only an enabling environment can attract prospective investors to undertake new investment initiatives, he asserted.

The PTEA chairman urged the government for immediate release of stuck liquidity as cash flow crunch is negatively impacting the export-oriented textile industry.

Giving details, he said that Rs30 billion are held in sales tax regular refund regime; whereas Rs10 billion are held on account of customs rebate and Rs15 billion are held under income tax credit. Similarly, incentives allowed under textile policy 2009-14 are also unpaid as Rs20 billion are outstanding under TUF schemes; whereas Rs10 billion under mark-up support and Rs3 billion are stuck up under the DLTL scheme. Furthermore, an amount of Rs21 billion is also unpaid against duty drawback of taxes under the PM trade enhancement initiative.

Textile sector top priority in budget

Vice Chairman Ammar Saeed also urged the government for immediate release of blocked refunds to enable the textile exporters to retain their hard-earned export markets at this time of tough competition. The government, at several times, set deadlines of liquidating the long outstanding refunds of the textile industry but still huge amounts remain outstanding. This is having an adverse impact on employment and the economy of the country as textile industry is unable to tap its potential, he said.

Regional competing countries are rapidly multiplying their exports just because of the edge they have on the cost of doing business. Pragmatic policies in consultation with stakeholders need to be formulated to reduce the cost of business by fixing rates of inputs in line with competing countries, he suggested.

The government should set its priorities and accord preferential treatment to boost exports and generate industrial activities, he demanded.

Trade min. attends signing of agreement on Egyptian cotton brand	**Egypt Today** https://www.egypttoday.com/Article/3/50470/Trade-min-attends-signing-of-agreement-on-Egyptian-cotton-brand

Trade and Industry Minister TareK Kabil attended on Sunday the signing ceremony of an agreement to manage rights of the "Egyptian Cotton" brand. The three-year deal was inked by the ministry, the Egyptian cotton exporters association and Cotton Egypt Association.

The agreement is meant to promote for products made of Egyptian cotton on local and international markets, Kabil said. Under the agreement, a special unit will be formed to ensure the optimal use of the brand and to sign deals with international textile companies on that score, he added.

Moreover, a committee will be set up to approve and follow up the implementation of the marketing plan, Kabil noted.

FBCCI to explore investment, export opportunities in Africa	**Bd News** https://bdnews24.com/business/2018/05/20/fbcci-to-explore-investment-export-opportunities-in-africa

The decision was taken in a meeting of the Standing Committee on the Ministry of Foreign Affairs on Saturday, said the Federation of Bangladesh Chambers of Commerce and Industry or FBCCI in a statement.

The statement said the FBCCI leaders will visit Africa soon to explore scopes for contract farming in agriculture and other sectors. They are also keen to take land on lease and invest in farming in the African countries particularly in Uganda, Ethiopia, Ghana, Liberia and Senegal. The business leaders will also explore markets for readymade garments, pharmaceuticals, jute and jute goods, cement, plastic goods and ceramic products in the African markets.

Standing Committee Chairman Abul Hossain presented a detailed plan of the committee at the meeting. He is also Honorary Consul of Uganda in Bangladesh. Bangladesh exported a total of $78.61 million worth of knitwear in Africa in 2016. Bangladesh is far behind China, India and Mauritius in exports to the region. Bangladesh is the world's second largest garment exporter, but fourth in Africa.

Bangladesh exports to Turkey, once a promising market, set to fall for 4th yr	**New Age** http://www.newagebd.net/article/41643/bangladesh-exports-to-turkey-once-a-promising-market-set-to-fall-for-4th-yr

Country's export earnings from Turkey has continued to decline since 2013-14 fiscal due to supplementary duty barrier on apparel products imposed by Turkey as safeguards to its local industry.

Bangladesh's export to Turkey in the first 10 months of the current 2017-18 fiscal fell by 19.35 per cent to $448.93 million from $556.66 million in the same period of FY17, according to Export Promotion Bureau data. EPB officials said 10-month export data indicate that Bangladesh's earnings from Turkey would fall for the fourth year in the current fiscal year as the total earning in FY18 would be much lower than that of $631.63 million in FY17.

Exporters said that Bangladesh had lost its competitiveness in the Turkey market as the country imposed safeguard duty on apparel imports in 2011. Turkey was a very promising market for Bangladesh and only government initiatives could help regain the potentials of that market, they said.

Despite initial safeguard duty, exports to Turkey continued to grow until 2013-14 fiscal when the country increased the rate of safeguard duty, resulting in the decline in FY15, said Shahidul Azim, former vice-president of Bangladesh Garment Manufacturers and Exporters Association.

'Turkey was a very good market for Bangladesh. A good quantity of apparels used to be re-exported to Russia from Turkey. Now they have stopped imports of almost all types of apparels to protect their local industry,' Shahidul said.

Turkey imposed the safeguard duty at a rate of 17 per cent in September 2011 on apparel imports from the least developed countries, including Bangladesh.

Following the imposition of safeguard duty, exports to Turkey declined by 24.23 per cent to $551.87 million in the FY12 from $724.45 million in the FY11, while the export in the FY13, rose by 15.57 per cent to $637.81 million. Country's export to Turkey in the FY14 grew by 34.23 per cent to $856.19 million.

According to EPB data, export earnings from Turkey in the FY15 fell by 15.80 per cent to $720.88 million from $856.19 million in the FY 14.

Data showed that export earnings from Turkey declined by 8.18 per cent to $661.88 million in the FY16 while the earnings fell by 4.57 per cent to $631.63 million in the FY17.

'I attended the hearing on safeguard duty on importing apparels from least developed countries, including Bangladesh, held at Istanbul. Later on, Bangladesh's exporters started losing their competitiveness in the market,' said Mohammad Hatem, vice-president of the Exporters Association of Bangladesh.

He said that it would not be possible for Bangladesh to regain the market share in Turkey if the governments of the two countries did not sign any agreement in this regard.

Turkey is also a major readymade garment producing country and a competitor of Bangladesh on the global market with around $17 billion annual clothing export and nearly $10 billion textile export.

Bangladesh Industries to get 2,000 new gas connections	**The Daily Star** https://www.thedailystar.net/business/industries-get-2000-new-gas-connections-1579176

The textile factory owners see an increase in their productivity, as the government has finally decided to allocate 2,000 new industrial gas connections and supply adequate gas to the existing units.

The move to allow new industrial gas connections after a seven-year pause comes in light of the recent import of liquefied natural gas from Qatar.

The government has already approved 196 new gas connections last month for members of the Bangladesh Textile Mills Association, the platform for spinners, weavers, dyeing mill owners and other allied industries.

The BTMA members are one of the major gas consumers as the running of spinning mills requires a lot of gas, said Mohammad Ali Khokon, vice president of the association.

The primary textile sector will be immensely benefitted as many of the factories could not begin production in the absence of gas connections, while the other mills were running below capacity for want of adequate gas pressure

I hope that productivity in my mill will go up now," said Razeeb Haider, managing director of Gazipur-based Outpace Spinning.

Last month, state-owned Titas Gas agreed to increase the gas pressure in the unit of Haider in response to an application which was submitted in 2014.

Khokon said the development will come as a boon for garment manufacturers as they look to boost their export receipts to $50 billion from the existing $28 billion by 2021.

“Their lead time will be cut significantly.”

At present, the garment makers have to import fabrics from China and India, but soon the local spinners and weavers would be able to supply the fabrics to them.

Gas supply through the new connections will start from next month, according to Mir Mashiur Rahman, managing director of Titas Gas.

Khokon urged the government to fix the price of LNG as low as possible so that the industry truly benefits from the initiative. The government has proposed to fix the LNG price for factories at more than Tk 14 a cubic metre, up 45.53 percent from the existing rate.

At present, the textile millers pay Tk 9.62 for every cubic metre of gas and use Tk 8 to Tk 9 worth of gas to produce a kilogramme of yarn, according to industry insiders.

The ship carrying Bangladesh's first import consignment of LNG anchored in the Bay of Bengal on April 25. Supply to the national grid is scheduled to begin next month.