



The Southern India Mills' Association

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NEWS CLIPPINGS –01-06-2018

SIMA hopeful of increase in exports

The Hindu

<http://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/sima-hopeful-of-increase-in-exports/article24051670.ece>

With the market condition gaining momentum, early clearance of IGST and ROSL (Refund of State Levies) dues will enable textile and clothing exporters tap the potential, said chairman of Southern India Mills' Association (SIMA) P. Nataraj.

The SIMA representatives were among those who met the Union Ministers of Finance and Textiles recently to discuss how to stop the decline in textile exports. Clearing the pending dues of ROSL and IGST will benefit the exporters as they will not face financial crunch. The ministers had also assured them of measures to prevent imports and to stop migration of investments to countries such as Ethiopia.

They had advised the industry associations and export promotion councils to take up with the respective State Governments reimbursement of all State levies through ROSL. The Union Government would also work out alternative schemes for some of the non-WTO compatible programmes such as MEIS and EPCG. The government would advise Exim Bank to work out a special scheme to reduce interest rate burden on exports instead of increasing the IES benefits.

Special drive to clear drawback, ROSL arrears

The Hindu

<http://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/special-drive-to-clear-drawback-rosl-arrears/article24051669.ece>

The Tiruchi Customs Commissionerate, which covers Coimbatore and Tirupur districts too, is conducting a fortnight-long special drive to clear pending drawback, ROSL (Refund of State Levies), and IGST refunds.

Ashok, Commissioner of Customs - Tiruchi, had a meeting here on Thursday in this regard.

He told The Hindu that the IGST claims received by the Commissionerate so far is Rs. 94.59 crore and 88.76 % (Rs. 83.96 crore) of it has been paid. In the case of drawback, 98,636 shipping bills, for amount involving Rs. 40.02 crore, were cleared during the current financial year. The remaining bills are 4,261 for Rs. 7.33 crore.

Regarding ROSL, he said the amount is paid whenever the respective ministry releases the fund.

An advisory was received on May 24 to clear ROSL applications till April 30. Since the implementation of GST, "We have so far paid Rs. 223 crore as ROSL and since receiving the recent advisory from the Government, we have disbursed Rs. 7.52 crore," he said.

This is a special drive with focus on IGST, drawback, and ROSL refunds.

The Inland Container Depots at Chettipalayam and Irugur and the Coimbatore Air Cargo are three major destinations under the commissionerate for cargo movement.

Additional personnel

The commissionerate will focus on these three by posting additional personnel depending on the cargo load, educating the people concerned to avoid errors while filing the claims.

The commissionerate takes steps to ensure there is no delay in disbursements and is continuously educating the exporters and the cargo custodians on filing of returns, he added.

No refund of input credit to weaving sector: Central government

Times of India

<https://timesofindia.indiatimes.com/city/surat/no-refund-of-input-credit-to-weaving-sector-central-government/articleshow/64406857.cms>

Surat: The finance and textile ministries of the Government of India have turned down the request to allow the refund of input tax credit (ITC) to the power loom weaving sector.

This was made clear at a meeting held with the Synthetic and Rayon Textile Export Promotion Council (SRTEPC) on Wednesday. SRTEPC chairman Narain Agarwal had called upon finance minister Piyush Goyal and textile minister Smriti Irani in New Delhi to discuss important issues concerning the man-made fibre (MMF) sector.

In a one-on-one meeting, Agarwal said both the ministers categorically refused allowing refund of the ITC to the power loom weaving sector and stated that the accumulation of ITC in other segments, including textile processing, embroidery and yarn spinning will be released soon.

Talking to TOI, Agarwal said, "The refund of accumulated credit in the weaving sector has not been accepted by the ministers. The government officers were also asked to examine the rebate of duty on electricity levied by state governments, which works out to around Rs 3 per metre of fabric."

Agarwal added, "Rebate of taxes on fuel levied by state governments, which is about 0.66%, will be examined for further consideration. Also, the government has assured that they are studying the issue regarding the increase of effective duty on imports of cheap fabric." tnn

GST has left weavers bleeding: Power loom industry writes to PM

Times of India

<https://timesofindia.indiatimes.com/city/surat/gst-has-left-weavers-bleeding-power-loom-industry-writes-to-pm/articleshow/64406843.cms>

Surat: The power loom weaving industry in the city has urged the Union government to conduct a detailed survey on the impact of Goods and Services Tax (GST). In a letter to Prime Minister Narendra Modi, the power loom industry leaders stated that the condition of weavers has deteriorated post GST. More than 50,000 workers have lost their jobs in weaving and over 4 lakh have been rendered jobless in the entire textile value chain in the city.

Since November 2017, at least 1 lakh power loom machines have been sold in scrap and weavers have been forced to reduce production of man-made fabric (MMF) by operating in the single shift of eight hours.

President of Pandesara Weavers Association Ashish Gujarati said, "The textile processors, yarn spinners and embroidery units are allowed to claim ITC refund, but when it comes to weaving, there is a clear discrimination by the central government." According to Gujarati, the average ITC refund amount per loom per year comes to around Rs 7,000. The city has six lakh power loom machines and the total annual ITC refund amount is pegged at Rs 420 crore. "Production cost of MMF per metre in Gujarat is 50% higher compared to Maharashtra. Units investing Rs 10 crore in Maharashtra are getting Rs 5 crore subsidy from the government, whereas those investing in Gujarat are getting capital subsidy of just Rs 2.5 crore," Gujarati said.

Mayur Golwala of Sachin Powerloom Association said, "Due to non refund of ITC, capital investment in new machines has been hampered. The cost of raw material for decentralized unit is almost six per cent more compared to the integrated units."

Golwala added, "The government should immediately conduct a detailed survey of Surat's weaving sector and provide us with the long-term solution. Otherwise, the industry will die a slow death."

How to make good quality Indian cotton a global brand, asks Smriti Irani	Business Line https://www.thehindubusinessline.com/economy/how-to-make-good-quality-indian-cotton-a-global-brand-asks-smriti-irani/article24045225.ece
<p>Union Textile Minister, Smriti Irani, on Thursday asked the domestic cotton industry to come up with a proposal regarding branding of the country's cotton, primarily aimed at the export market.</p> <p>Unlike US, China or Egypt, Indian cotton has no brand of its own and hence is unable to carve a niche and earn a premium, industry sources said. "I will ask the industry to come up with a proposal on how to make good quality Indian cotton a global brand," Irani said at a special session on developments in textile industry organised by the Merchants' Chamber of Commerce and Industry here today.</p> <p>According to Sanjay K Jain, Chairman of Confederation of Indian Textile Industry and board member, Cotton Association of India, the matter is currently under deliberation. "The Suvin cotton produced in Tamil Nadu and Shankar 6 produced in Gujarat are both good quality cotton and can be projected as a global brand. The matter is in the deliberation stage," he told BusinessLine on the sidelines of the session.</p> <p>The proposal, once ready, would be placed before the Textile Ministry as well as the Commerce Ministry, Jain said. He however was unable to give a timeline for the same.</p>	

SIMA hails joint initiative by union ministers to address textile issues	Webindia https://news.webindia123.com/news/articles/India/20180531/3356328.html
<p>The southern India Mills' Association (SIMA) has appreciated the proactive approach of the government, especially, the Union Textile Minister for organising a meeting, jointly with Union Finance Minister and taking certain major</p>	

decisions.

In a press release here on Thursday, SIMA Chairman P Nataraj stated that the ministers had indicated clearing all the government dues such as RoSL and IGST very soon and the Finance Ministry would allocate necessary funds within 15 days on a priority basis. He added that this would greatly benefit the exporters and relieve them from the financial crisis. As the market condition is gaining momentum, this would strengthen the hands of exporters for enhancing exports, he added.

SIMA Chairman has stated that the Ministers had expressed concern over migration of investment to the countries like Ethiopia and indicated taking necessary steps to create a level playing field and also take necessary safeguard measures to prevent cheaper imports. He has added that the Ministers had indicated mandating the duty drawback committee immediately to recommend enhanced duty drawback rates and RoSL fully taking account of embedded taxes and state levies that are not subsumed under GST. Ministers indicated taking immediate decision on the rates of blocked/embedded central taxes and would also to recommend all the major textile manufacturing states to consider refunding the state levies through RoSL. They also advised the industry associations and export promotion councils to take-up the matter directly to the respective State Governments in their regions, he said.

Mr Nataraj has stated that the Ministers also indicated to work out alternate schemes/benefits in lieu of certain non-WTO compatible benefits like MEIS, EPCG, etc. He has added that the government would advise Exim bank to work out a special scheme for reducing the interest rate burden on exports instead of increasing the IES benefits

He said the textile industry has been facing numerous challenges in the international market and the global competitiveness of the industry has been affected after the implementation of GST due to considerable reduction in the duty drawback rates and RoSL benefits. The delay in clearing the various government dues like IGST, RoSL and TUFSS subsidy has made the industry to pass through a severe financial crunch, the release added.

Dyeing units discharging effluents into Cauvery'

Times of India

<https://timesofindia.indiatimes.com/city/erode/dyeing-units-discharging-effluents-into-cauvery/articleshow/64407133.cms>

Namakkal/Erode: Green activists alleged that many textile dyeing units at Pallipalayam and Kumarapalayam had been polluting the River Cauvery for long by discharging untreated effluents into it.

Pointing out that several hundreds of people were dependent on the river for potable water, they called on the district administration and Tamil Nadu Pollution Control Board (TNPCB) officials to take stern action against the dyeing unit owners for polluting the Cauvery.

Green activist A Adhavan, who is also state convener of Tamilaga Desiya Katchi, told TOI that about 3,000 small and big textile dyeing units have been functioning at Komarapalayam and Pallipalayam areas. "All of them discharge effluents into the Cauvery as they do not have treatment plants," he said and appealed the district administration to take action against the erring units.

Another activist, C Nandhagopalan, said most dyeing units at Pallipalayam were located just a few meters away from

river banks. "During the day, they store untreated effluents in a huge tank. They discharge it into the Cauvery at night," he further said.

Nandhagopalan, who is also state secretary of Tamil Meetchi Iyakkam, alleged that the dyeing unit owners have dug up separate drainage channel from their units to the Cauvery. "All the drains are connected to the river where untreated effluents get mixed with water. As a result, water can't be used for potable purposes," he said.

Residents of Pallipalayam and Kumarapalayam areas, meanwhile, said borewell water had also been contaminated because of the dyeing units. "Today, we are solely dependent on municipal water to meet our potable requirements," they said

When contacted, Namakkal collector Asia Mariam said both the district administration and TNPCB officials had always been strict with the dyeing units. "We regularly inspect the units and take action against the erring ones. We will monitor the present situation and take necessary action," she said. The collector has also directed the TNPCB officials to monitor the dyeing units regularly.

Flipkart deal will ramp up Walmart's global sourcing from India, says Walmart International CEO

Cnbctv

<https://www.cnbctv18.com/retail/flipkart-deal-will-ramp-up-walmarts-global-sourcing-from-india-says-walmart-international-ceo-87175.htm>

Flipkart deal will ramp up Walmart's global sourcing from India and the company see a great opportunity to source apparel and accessories for Walmart from India, said Judith McKenna International CEO of the company.

Indian ecommerce market is under penetrated and has a lot of headroom for growth, said McKenna. Last month, Walmart agreed to buy roughly 77% stake in e-commerce company Flipkart for \$16 billion, in what is the country's biggest foreign direct investment to date.

Walmart is cooperating fully with Indian regulatory agencies and the company is confident of getting nod for Flipkart deal, McKenna said.

"Flipkart transaction is fully compliant with India rules and applied to the Competition Commission of India (CCI) for clearance," she said. Walmart only need CCI nod for Flipkart transaction and the company can operationalise after getting it, added the CEO.

McKenna said Walmart will increase the funding to the Flipkart as it is necessary. Flipkart deal will ramp up Walmart's global sourcing from India, she said, adding that the company see a great opportunity to source apparel and accessories for Walmart from India.

On taking Amazon in India, McKenna said Walmart is used to competition around the world. The deal was the US retail giant's boldest attempt yet to take on Amazon online, as well as giving it access to a booming market it has so far failed to crack.

McKenna said the operating structure of Flipkart will remain same post deal and it will be board driven. "Board

composition will be announced after clearances from CCI,” she said. Krish Iyer, CEO of Walmart India said they have support of one million Kirana members for Flipkart deal. The company is seeing seeing double digit growth in India, said Iyer. “Walmart will amplify efforts on Agriculture produce and will scale up farm sector pilots,” he said. The company will also start to invest in cold storage as ramp up cash and carry stores, added Iye

India's agriculture growth slips to 4.5% in Q4 on higher base

Business Standard

https://www.business-standard.com/article/economy-policy/india-s-agriculture-growth-slips-to-4-5-in-q4-on-higher-base-118053101649_1.html

For 2017-18, overall full year, growth in agriculture and allied activities was estimated at 3.4 per cent as against 6.3 per cent clocked in 2016-17 India’s agriculture growth in the January to March quarter of 2017-18 dipped to 4.5 per cent as compared to 7.1 per cent in the same period last year despite a bumper production largely because of higher base.

Though, the 4.5 per cent growth in agriculture and allied activities clocked during the fourth quarter of 2017-18 was highest in the year, but it wasn’t good enough to pull overall farm sector growth to over 4 per cent in 2017-18 full year. For 2017-18, overall full year, growth in agriculture and allied activities was estimated at 3.4 per cent as against 6.3 per cent clocked in 2016-17.

Going forward, experts believed that if monsoon remains fairly normal in 2018 also, India might clock a 4 per cent growth in agriculture and allied activities.

The third advance estimates of food grain production was 279.51 million tonnes in 2017-18 which is higher than the second advance estimates of food grain production during 2017-18 of 277.49 million tonnes and final estimates of 275.11 million tonnes during the agricultural year 2016-17,” an official statement said.

Meanwhile, the data showed that in current prices, the Gross Value Added (GVA) in agriculture and allied activities in 2017-18 was estimated at 4.5 per cent down from 11.6 per cent recorded during 2016-17. The sharp fall in GVA at current prices, also reflects the impact of inflation on farm goods which has seen a consistent fall since 2014-15 due to low farm-gate prices of oilseeds, pulses and cotton.

Falling farm gate prices has been one of major challenges for the Narendra Modi government in the last four years, which despite bumper harvest, farmers haven’t been able to reap in the benefits. The drop in prices of major oilseeds, pulses along with cash and horticulture crops has fueled widespread farmers’ agitation in several parts of the country in 2017. The foodgrains production jumped due to a largely normal monsoon in 2017.

The southwest monsoon in 2017 was 95 per cent of the Long Period Average (LPA), which was slightly below normal. Though, the rains were deficient in around 20 per cent of the landmass, but it was largely normal in majority of the areas.

“The slump in Q4 GVA numbers and also the full year figure for agriculture and allied activities is mainly due to base effect despite that any growth in agriculture which is in the range of 3-4 per cent is good enough,” said Madan Sabnavis, chief economist CARE Ratings. He said drop in agriculture GVA at constant prices is reflective of the low

prices that farmers are getting as inflation is in-built at current rate, but usually GVA at constant prices is a better management of growth.

In Uzbekistan, expect problems with the cotton crop this year

Black Seagrain

<http://www.blackseagrain.net/novosti/in-uzbekistan-expect-problems-with-the-cotton-crop-this-year>

Due to the cool and dry weather, established in the spring months, the development of cotton lags far behind last year's figures. In Uzbekistan due to the prevailing weather conditions predict problems with the cotton crop this year, the correspondent of RIA "Novosti"

About it it became known according to results of the course of conference calls meeting, chaired by Shavkat Mirziyoev, which was held yesterday in the capital. As noted at the event, cool and dry weather in the spring months this year, leads to serious problems in the cultivation of cotton, as a result, its development lags far behind last year that requires special attention to caring for him.

In such a difficult situation, experts said, you need more effective use of cultivators, a responsible approach to the work on the deep loosening of the soil, shallow soil, fight pests and control of these activities.

"The heads of the relevant ministries, departments and regions tasked to create a fundamentally new system of financing cotton procurement, organization readiness of equipment and ensure its regular diesel fuel for timely and quality execution of technical measures", — noted in a press-service of the President.

The meeting participants adopted the decision about the announcement in the country from June 1 to July 1 "the Shock of the month for the formation of a guaranteed yield of cotton".

In addition, to save the crops grown with considerable difficulty and expense, along with leaders and workers of farms, specialists of agriculture, irrigation experts and machine operators, scientists of the agrarian sector and agronomists must also be the increase of responsibility of deputies at all levels.

Last year the country collected more than 2.9 million tons of raw cotton. The Republic is among ten leading countries in production of cotton fiber and its exports.

This year the country's cotton was planted more than 1.7 million hectares, which is 135 thousand and 184 thousand hectares less than in 2017 and 2016. The reduction was due to the refusal of cultivation of this crop unprofitable for farmers fields with yields less than 15% per hectare. On such land, it was decided to grow another high-demand products.