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NEWS CLIPPINGS –19-06-2018

GST helped gather info on small manufacturers, bring entire Textile chain under tax net: Fin Min

Knn India

<http://knnindia.co.in/news/newsdetails/economy/gst-helped-gather-info-on-small-manufacturers-bring-entire-textile-chain-under-tax-net-fin-min>

The Goods and Service Tax (GST) has helped both Centre as well as States to gather data on small manufacturers and consumption, entire Textile chain is now brought under tax net and segment of land and real estate transactions has also been brought into tax net “works contracts”, Finance Ministry said today.

According to a release by the Ministry of Finance, GST has resulted in formalization of economy and consequently information flow would eventually augment not only the Indirect Tax collections but also Direct Tax collections.

In the past, the Centre had little data on small manufacturers and consumption because the excise was imposed only at the manufacturing stage while the States had little data on the activities of local firms outside their borders.

Under the GST, there will be now seamless flow of availability of common set of data to both the Centre and the States making Direct and Indirect Tax collections more effective, the Ministry said.

There are early signs of tax base expansion. Between June and July 2017, 6.6 lakh new agents, previously outside the tax net, sought GST registration. This is expected to rise consistently as the incentives for formalization increase.

Entire Textile chain is now brought under tax net.

Further, a segment of land and real estate transactions has also been brought into tax net “works contracts”, referring to housing that is being built. This in turn would allow for greater transparency and formalization of cement, steel and other sales which earlier tended to be outside the tax net. The formalization will occur because builder will need documentation of these input purchases to claim tax credit, said the Ministry release.

The introduction of GST, a common Indirect Tax for both the States as well as the Central Government with its end to end digitization of all processes, is the biggest reform measure which is already creating more jobs in formal sector and eliminating transactions which are not recorded earlier in the books of accounts and thus, were outside the tax net so far.

GST is designed to bring about better tax compliance and transparency in tax system. It is putting a premium on honesty. It would make increasingly difficult for those (who are liable to pay tax) to remain outside the tax net.

A number of procedural changes have also been made since the roll-out of GST on 1st July, 2017 in order to simplify the processes.

An extensive exercise was undertaken for tax payers education and facilitation by way of knowledge sharing, dissemination of information and replies to FAQs among others. Further, steps are also being undertaken for further simplification in order to facilitate the tax payers and to extend benefit to the customers.

Trade wars may contribute to the decrease of prices

Fxstreet

<https://www.fxstreet.com/analysis/trade-wars-may-contribute-to-the-decrease-of-prices-201806181201>

China promised a symmetrical response to the increase in import duties in the US. Will cotton prices fall?

Earlier, Donald Trump reported that the US imposed a 25% duty on a number of Chinese goods supplied to the country at a cost of \$50 billion a year. China, in return, will most likely raise duties on some US goods. The main export goods are soybean and cotton. Let us note that China continues to sell cotton from state reserves. At the last auction on Friday, 12.5 thousand tons were sold, which was approximately 40% of the declared volume. Another negative factor for prices may be the forecast of the Confederation of Indian Textile Industry. According to the Confederation of Indian Textile Industry, the cotton crop in India in the 2017-2018 season will increase by 8.1% compared to the previous season due to an increase in crop areas by 13%.

On the daily timeframe, Cotton: D1 breached down the support line of the accelerated uptrend. The medium-term uptrend endures, but the prices are corrected down from the maximum since March 2014. China's duties on the import of cotton from the United States can contribute to the further price decrease.

The Parabolic indicator gives a bullish signal. It can be used as an additional support level, which needs to be breached before opening a sell position.

The Bollinger bands have widened, which indicates high volatility.

The RSI indicator is below 50. It has formed a negative divergence.

The MACD indicator gives bearish signals.

The bearish momentum may develop in case Cotton falls below its last fractal low and the Parabolic signal at 88. This level may serve as an entry point. The initial stop loss may be placed above the two last fractal highs and the 4-year high at 95. After opening the pending order, we shall move the stop to the next fractal high following the Bollinger and Parabolic signals. Thus, we are changing the potential profit/loss to the breakeven point. More risk-averse traders may switch to the 4-hour chart after the trade and place there a stop loss moving it in the direction of the trade. If the price meets the stop level at 95 without reaching the order at 88, we recommend to close the position: the market sustains internal changes that were not taken into account.

Hosiery exporters welcome CM's announcement on global fair

Business Standard

https://www.business-standard.com/article/pti-stories/hosiery-exporters-welcome-cm-s-announcement-on-global-fair-118061800832_1.html

The Tirupur Exporters' Association (TEA) today welcomed the Tamil Nadu government's proposal to organise an international textile fair here this year, saying it would help in promotion of the textile industry.

In a statement here, TEA president Raja M Shanmugha said the Chief Minister K Palaniswami's announcement on the fair in the assembly was a welcome measure. The textile industry in the state was exporting about Rs 45,000 crore worth products annually and the fair would help in increasing the exports, he said.

It would provide an opportunity to showcase quality products and help the exporters penetrate into new markets, the TEA official added.

A textile for all seasons

The Hindu

<http://www.thehindu.com/news/cities/bangalore/a>

It is all about khadi at the Dastkar Andhra Exhibition

Khadi will be presented in all its glory with yardage, saris and dupattas at the Dastkar Andhra Exhibition at Serenity boutique from June 19 to 23. The yardage in khadi will be of two types — handspun or hand-woven and handloom, but contains mill-spun yarn and is hand woven. Dastkar Andhra uses natural and environmentally friendly dyes for its products. “It is authentic, it is comfortable,” says Arati Monappa, of Serenity Boutique. “I am a textile designer. I also use it in my line. It is a beautiful product to work with. You don't have to starch it. You can accessorise it, you can embroider on it, you can make any kind of embellishment. And it has some meaning behind it, and I think that makes a very big difference, apart from the comfort factor.”

Serenity is a not-for-profit venture that focuses on uplifting artisans and selling eco-friendly products. “We support Dastkar Andhra because their whole marketing strategy is democratic, participative and equitable. They guarantee 365 days of work to their weavers. The profits are equitably distributed. They are working with co-operatives. We don't want to let this industry die; especially that of handwoven khadi.”

Latha Tummuru, who is organizing the event, works with Dastkar Andhra Marketing Association, which works with 22 cooperatives and over 500 weavers across 22 villages in seven districts in Andhra Pradesh and Telangana. For her, the importance of the exhibit is in promoting hand woven cloth to the urban customer. “We believe that these people are already skilled. We just need to provide them with employment so that they can use their skills sitting in the village. Otherwise, they migrate to cities and become unskilled. Our organisation intervenes to make sure products come in the form that people can use. The innovations are in the fabric and the dupattas. Traditionally, weavers only make saris and dhotis.”

She believes that the dupattas and the wide variety of yardage will be some of the popular products at the exhibition. The Ponduru Khadi sari is another product that is frequently asked about. “We look forward to popularising handlooms, which I have always been passionate about,” says Arati.

**With last year's unsold groundnut stocks,
Gujarat farmers turn to cotton**

Business Line

<https://www.thehindubusinessline.com/economy/agri-business/with-last-years-unsold-groundnut-stocks-gujarat-farmers-turn-to-cotton/article24194886.ece>

The oilseed was once the backbone of farming in the State but is losing ground

Groundnut sowing in Gujarat is set to dip this kharif season as last year's crop lies unsold and rains are delayed.

Nafed-led agencies procured over 8 lakh tonnes (lt) of groundnut at the minimum support price, but a negative sentiment prevails. A 25 per cent decline in acreage as compared to last year's 16.61 lakh hectares (lha).

"Farmers have suffered heavy losses. As against the cost of ₹8,000-10,000 per 'bigha' (about half of an acre), we got a market price of ₹3,500 per quintal on a yield of three quintals. Also, there are chances of crop failure in groundnut due to pest and climate conditions. Hence, most of the farmers in our region have decided to turn to cotton or other short-duration pulses crop," said Lalitbhai Vagadiya, a farmer from Mithapur in Junagadh District.

But there is a section of farmers who prefer groundnut crop for this kharif season. Jagdish Rangaliya of Halvad in Morbi district asked, "What else can we sow? Chana didn't fetch remunerative prices. For cotton, it is difficult to get labourers for picking. There is no crop that earns well for us. At least we are accustomed to groundnut crop and it doesn't affect the soil even if cultivated repeatedly." Rangaliya, plans to continue with groundnut on his 15 biga (about 7 acres).

"Groundnut was the backbone for farmers and for Gujarat's economy too. There was a complete ecosystem around it. But after surge of cotton, there were political interests linked to it.

Hence groundnut was ignored, which led to its decline and also the allied sectors," said Vitthal Dudhatra, president - Gujarat Pradesh of Bhartiya Kisan Sangh (BKS). According to Gujarat government data, groundnut area had peaked to 20 lha in 2003 with production of 44.77 lt, which fell to as low as 12.85 lha in 2013 with production dropping to 7.62 lakh tonnes. Similarly, during same period, cotton acreage increased from 16.47 lha in 2003 with production of 46 lakh bales (each of 170 kg), to 26.91 lha 2013 with production of 112.8 lakh bales.

Dudhatra further stated that cotton, being a global commodity had multiple factors supporting it, hence cotton market remained robust even in the slack period. Groundnut, however, failed to create such acceptability due to its limitations on consumption. With tepid response to groundnut oil consumption and step-motherly treatment meted to groundnut exports has left groundnut growers into despair. Rangaliya said, "There is no hope from farming. I had two of my kids in a private school near Halvad. But I can't afford it anymore. I got my son transferred to a village school and kept daughter in the private school."

TN to organise international textile fair in Coimbatore

Fibre 2 Fashion

<http://www.fibre2fashion.com/news/textile-news/tn-to-organise-international-textile-fair-in-coimbatore-242861-newsdetails.htm>

To encourage and also for the development of the textile industry in Tamil Nadu, the state government would organise an international textile fair at Codissia Trade Fair Complex, Coimbatore this year. This was announced by chief minister Edappadi K Palaniswami in the state legislative assembly. The government would spend ₹2 crore in organising this event.

Welcoming the announcement, Tiruppur Exporters' Association (TEA) president Raja M Shanmugham said Tamil Nadu is a major player in the country's textile value chain, so organizing the international textile fair would largely help in promotion of the industry, including exports.

"The textile industry in Tamil Nadu is exporting about ₹45,000 crore worth of goods annually, and organising such a fair will help in increasing exports," Shanmugham said in a press release. "The textile industry will get an opportunity to showcase quality products and penetrate new markets and also get new buyers."

Shanmugham thanked Phanindra Reddy, secretary, Handlooms, Handicrafts, Textiles & Khadi Department, for his unstinted support and efforts for the announcement of international textile fair in Coimbatore.

Residents complain of cotton dust pollution from textile mill

The Hindu

<http://www.thehindu.com/news/cities/Coimbatore/residents-complain-of-cotton-dust-pollution-from-textile-mill/article24195848.ece>

Unit says damaged filter replaced after receiving complaint

Residents of Periyar Nagar in Ward 69 of Coimbatore Corporation have alleged that over the past three days cotton waste dust from a micro dust chimney of Pankaja Mills of the National Textile Corporation is causing hardship to them.

V. Shanti (42), living adjacent to the compound wall of the spinning mill for the last 40 years, said the cotton dust was posing a health hazard to children and senior citizens.

Breathing problem

The dust that came out of the chimney settled on the roof top of the houses, trees and creepers and even ropes meant for drying clothes. Ms. Shanti said she had sent her aged mother-in-law to their native village in Erode district on Saturday in order to protect her from wheezing problem.

Though the mill was functioning for 40 years, this was the first time the residents faced this, she said.

N. Durai (55), another resident of Periyar Nagar, said children and the aged suffered respiratory problem over the last

three days.

The front yard of a few houses near St. Antony's Church was polluted with cotton dust, a few other residents said.

When contacted, General Manager of Pankaja Mills B. Ramesh said the problem was brought to his notice only on Saturday night.

Officials detected a damage to a wire mesh that should filter micro waste in the chimney, and it was replaced on Sunday.

A few workers of the mill were sent to the residential area in Periyar Nagar on Monday to clear the cotton waste, he said.

Exporters waiting for Rs 250-bn refunds stuck in GSTN lacuna: Amit Mitra

Business Standard

https://www.business-standard.com/article/economy-policy/exporters-waiting-for-rs-250-bn-refunds-stuck-in-gstn-lacuna-amit-mitra-118061800550_1.html

West Bengal Finance Minister Amit Mitra on Monday said that exporters across the country were awaiting refunds to the tune of Rs 250 billion, which have been stuck due to the "inability" of the GST Network (GSTN).

"There have been three lakh applications from exporters of the country, involving Rs 250 billion, which are awaiting refunds," Mitra, also a GST Council member, said here during an exports conclave, a part of the Bengal Global Business Summit 2019 roadshow.

The GSTN auto verifies refund claims, but it is unable to do so, and therefore, manual verification is relied upon that leads to huge pileup of applications and impacts the working capital of the exporters, the minister said.

He said an average of only 35-40 per cent of these applications have come to states for manual verification, and the situation remains grim for West Bengal as well.

Mitra has been critical of the GST implementation in the past, too, accusing the Centre for its "hurried" introduction without adequate infrastructure, which has made the indirect tax system more "primitive" than the VAT regime.

ADVERTISING

He also said that he will raise the issue with the GSTN.

Mitra had earlier assured the state's exporters of some advance credit to partially tide over their crisis.

The Bengal minister said the state was aiming to double exports from the existing \$9.15 billion, over the next three years.

Towards this goal, it has decided to adopt measures to improve infrastructure for exporters at the district level.

The WBIDC and MSME will work together to set up export facilitation centres at district headquarters, he said.

Mitra added that steel, foundry, garments and leather are among a few focus sectors to push exports from the state.

NCTO wants textiles added to China tariffs list	Home Textiles Today http://www.hometextilestoday.com/article/554760-ncto-wants-textiles-added-china-tariffs-list/
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The National Council of Textile Organizations (NCTO) is renewing its call for Chinese textiles to be added to the Trump administration's new tariffs roster.

Last week, the administration announced that additional 25% tariffs will fall on 1,102 products beginning in July. It also released a second list of products that could become subject to tariffs. Home textiles were not on either list, although most types of textiles machinery were included – a move supported by the NCTO.

Now, the organization is urging the government to go farther.

“NCTO is pleased that some textile products are on the second list. It would have a greater deterring effect, however, if more textile and apparel end products were included. As such, NCTO looks forward to working closely with the Trump administration to refine it,” said NCTO president and CEO Auggie Tantillo.

Last month, he represented a group of textiles-related organizations testifying in favor of adding textiles to the original tariffs lineup. The new list of products being eyed for tariffs must also pass through a public comment period.

Turkey Textile Firms Pressure Government on China Import Fees	Aawsat https://aawsat.com/english/home/article/1304276/turkey-textile-firms-pressure-government-china-import-fees
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Huge Turkish textile firms have urged the government to postpone plans on imposing new requirements on their imports from China.

Sources from three firms revealed that a meeting was held last week between representatives of the textile companies and state officials to discuss the government's plan on imposing new fees.

They said the representatives asked the officials to postpone the implementation of some procedures while amending others.

The sources added that the Turkish economy ministry stressed support for production imports from China but on the condition of bringing value added to Turkey.

Turkey's textile sector is a pillar of its economy. Ready-to-wear clothing accounted for about 18 percent of Turkey's \$157 billion exports last year.

Cüneyt Yavuz, chief executive officer of jeans retailer Mavi, said he believed the government plan was aimed partly at tackling Turkey's widening current account deficit, which reached \$47.1 billion last year.

Turkey imported a quarter of its \$10.1 billion textile imports from China in 2017, more than half of which are cotton fabrics and intermediary goods.

In another context, Economy Minister Nihat Zeybekci said that economic ties between Turkey and US can't be underestimated, knowing that the US is the second biggest investor in the country.

The commercial partnership and relations with the US are deeply rooted regardless of temporary political disputes and customs fees on Turkish steel imports, he stated.

Zeybekci added that Turkish financial firms have the ability to confront the instability of the Turkish Lira, expressing his confidence in the currency's ability to regain its value soon.

China shutdowns squeeze textile dyeing industry

Eco Textile

<https://www.ecotextile.com/2018061823554/dyes-chemicals-news/china-shutdowns-squeeze-textile-dyeing-industry.html>

The global textile dyeing sector is struggling to deal with sky high prices after tougher environmental legislation in China forced the closure of intermediate factories and severely restricted the supply of key ingredient chemicals.

New information obtained by Ecotextile News reveals that some of the largest intermediate suppliers in Jiangsu province have shut down completely after a series of environmental transgressions and serious industrial accidents.

One supplier told us: "The impacts are huge, and supplies seem likely to get very, very tight. Hopefully the big brands will realise they will now have to pay more for their dyed textile goods."

In some instances, the price of disperse dyes are significantly higher than in 2013 which was historically known as the high price point for textile intermediates – yet today's prices for some orange shades are even said to be 70 per cent higher than they were back then.

Garment-textile sector seeks to optimise opportunities from CPTPP

English Vietnam

<http://english.vov.vn/economy/garmenttextile-sector-seeks-to-optimise-opportunities-from-cptpp-377243.vov>

The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) is expected to come into force in early 2019, which will open up numerous opportunities for Vietnamese garment-textile sector.

According to the Vietnam Textile and Apparel Association (VTAA), the industry could access many markets with huge potential, including those with which Vietnam has yet to sign free trade agreements (FTA). Under the CPTPP, import tariff on most products will reduce to zero over the course of seven years, which will help businesses achieve high

economic efficiency and increase competitiveness.

Garment-textile firms will be also able to make use of raw material supply and learn about production technology and management skills from CPTPP member countries. To realise an annual export growth of 10%, the sector needs to make best use of markets of member countries of the trade deal.

The pact will provide new opportunities for businesses in both export and import. For example, currently Vietnamese apparel makers have to rely on materials imported from China, Japan and the Republic of Korea. With the CPTPP, enterprises could import material from other CPTPP countries such as wool from Australia.

In order to capitalize on opportunities presented by the CPTPP, enterprises will need strong support from State management agencies. On their part, the enterprises must spare no effort to penetrate into the markets, first of all by studying thoroughly their target markets. They should also invest in modern machines and sharpening skills for workers.

The original Trans-Pacific Partnership (TPP) was signed by 12 countries in February 2016 but US President Donald Trump pulled his country from the deal upon taking office in January 2017. The remaining 11 countries, namely Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam, continued to sign the pact and renamed it the CPTPP in March 2018 in Chile.

The pact, which delivers a strong message against the protectionism in the world, is expected to boost economic growth, create more jobs, reduce poverty and improve the quality of life for people in member countries.

The deal will create one of the world's largest free trade blocs with a combined market of 499 million people and GDP of around US\$10.1 trillion, accounting for 13.5% of the global GDP.

More than 2,000 foreign businesses from 16 countries and territories worldwide have invested some US\$15.75 trillion in Vietnam's garment and textile sector so far, according to the VTAA. The total textiles and garment import turnover of the CPTPP member countries exceeded US\$53 billion in 2017.

Vietnam earned over US\$4.8 billion from exporting textiles and garments to the other CPTPP member nations in 2017, making up 9.07% of the market share.