



# The Southern India Mills' Association

Post Box No. 3783, 41 Race Course, Coimbatore - 641 018

Phone: 0422 4225333 | Fax: 0422 4225366

E-mail: info@simamills.org | Web: www.simamills.org

## NEWS CLIPPINGS –03-01-2019

### Indian textile firms face higher trade barriers in EU, US: Govt

### Live Mint

<https://www.livemint.com/Politics/jLQ94Prd2SjioTz0jgvGN/Indian-textile-firms-face-higher-trade-barriers-in-EU-US-G.html>

The average tariff on textile products faced by India in the EU and US is 5.9% and 6.2%, respectively

New Delhi: Indian textile companies face higher trade barriers, compared to other competing countries like Bangladesh, Vietnam and Pakistan, in the US and European Union, Parliament was informed Wednesday.

The average tariff on textile products faced by India in the EU and US is 5.9% and 6.2%, respectively.

In comparison, Pakistan face zero per cent and 5.3% average tariff in the EU and US, respectively; for Bangladesh it is zero per cent and 3.9%; whereas Vietnam attracted 6.1% and 5.5% tariff.

The US is the top export destination for textiles made in India with a share of 17%, followed by the EU, Bangladesh, China, Pakistan, UAE, Vietnam, Sri Lanka, Brazil and South Korea, respectively, Minister of State for Textiles Ajay Tamta said in a written reply to the Rajya Sabha.

### 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 to 29 mm		
Rs/Bale	Rs/Candy	USD Cent/lb
20741	43350	78.46
Domestic Futures (Ex-Gin) November		
Rs/Bale	Rs/Candy	USD Cent/lb
20970	43827	79.32
<b>International Futures</b>		
NY ICE USD Cents/lb. ( Mar 2019)		70.84(-1.36)
ZCE Cotton: Yuan/MT (May 2019)		14830
ZCE Cotton: USD Cents/lb.		98.03
Basis Difference (Domestic spot – ICE March)		7.62

Cotlook A Index - Physical		80.85(+0.05)
WTI Crude :USD/Barrel		46.54
B. Currency		
USD/INR	Close	Previous Close
Spot	70.40	70.17
USD Index	96.81	

## Cotton Guide

We had predicted in our daily report of December 24, 2018 about cotton prices touching a low of around 70 cents/lb and yes we have witnessed that yesterday. A massive drop with a range of (-105) and (-136) was seen yesterday in the ICE contracts. ICE march futures touched a high of 72.59 and a low of 70.76 thus settling near to the low figure at 70.84 i.e. a dive of (-136). Similarly ICE May futures also settled around (-125) lower at 72.25 and ICE July contract with (-105) at 73.58 cents/lb. The Open interest figures increased by 1830 contracts to 215,148. The ICE March and ICE May contracts' open interest was seen at 125,586 and 38,248 that is a rise of 523 and 501 contracts respectively.

MCX January contract settled at 20970 Rs/bale with a negative change of (-130) Rs, whereas MCX February and MCX March settled at 21220 and 21480 with negative figures of (-130) and (-100) respectively. MCX April contract settled at 21780 Rs/Bale with (-140). MCX January Volume was at 2020 lots and the open interest at 8147 lots.

Arrival figures in India are around 155,000 lint equivalent bales. Average prices of Shankar 6 are around 43,350 Rs/Candy, whereas Punjab J-34 is at around 4,430 Rs/Maund. Cotlook Index A has been adjusted to 80.85 cents/lb i.e. 0.05 CFR main Far Eastern Ports. The Brazilian Cotton Index is at 79.38 cents/lb which has increased by 1.146% as compared to 78.78 cents/lb of the previous close.

The major reason attributed to yesterday's drop in ICE Cotton Prices were linked to strong dollar and volatility in the Crude Prices along with unstable equity markets. Last evening at around 8 pm the WTI Crude prices were trading at 44.48 \$/Barrel and spiked to 47.58 \$/Barrel within 90 minutes. While I am writing this report at 8:30 am the WTI Crude is trading at 45.61 \$/Barrel. When we compare the correlation of ICE prices with Indian Domestic Prices we should foresee changes in disproportionate amounts in a bear market. The reason being – MSP would come into play thus restricting Indian Domestic Prices from falling further. On the other hand when there is a bull run at ICE we can expect proportionate amounts of positive changes at the Indian Domestic Prices.

On the Technical Front, ICE Cotton Mar futures is trading below the crucial support of 71.90 zone (76.4% Fibonacci level), with RSI in daily charts is hovering around 26 levels. Both price and momentum suggest weakness in base trend for very near term. Meanwhile immediate support exits around 70.30 levels, only decline below could weaken further towards 69 levels ( 100% Fibonacci extension). From the above it is expected that price could trade in the range of 72.60 to 70.30 with sideways to negative bias. On the higher side above 72.60, 74.00, 75.50 are the crucial resistance levels. In the domestic markets trading range for Jan future will be 20740-21180 Rs/Bale.

## Currency Guide

Indian rupee has opened weaker by 0.2% to trade near 70.31 levels against the US dollar. Rupee is pressurized by weaker risk sentiment amid concerns about slowdown in Chinese economy and partial US government shutdown. China's manufacturing PMI slipped below 50 in December showing contraction in the sector. While US President Donald Trump showed willingness to end the US partial government shutdown, no agreement came out of a meeting between President Trump and US congressional leaders. Risk sentiment weakened further as Apple cut its first-quarter guidance for the first time in almost two decades, citing an unforeseen slowdown in China and fewer upgrades to iPhone models. Volatility in crude oil price is also affecting rupee. Crude price weakened today after a 2% gain yesterday. Crude is choppy as weaker risk sentiment is countered by signs of decline in OPEC's production. Also weighing on rupee are reports that RBI will allow one-time restructuring of loans to micro, small and medium-sized companies that are in default. To be eligible for the program, the loan should not exceed 250 million rupees (\$3.6 million). Rupee has weakened sharply and may remain under pressure unless risk sentiment improves. USDINR may trade in a range of 70-70.55 and bias may be on the upside.

### RBI's decision hailed

The Hindu

<https://www.thehindu.com/todays-paper/tp-national/tp-karnataka/rbis-decision-hailed/article25894739.ece>

Sudhakar S. Shetty, president, FKCCI, welcomed the Reserve Bank of India's decision to restructure loans provided to Micro, Small & Medium Enterprises (MSMEs).

Since MSMEs loan repayment capacity is totally dependent on large industry buyers, who take more than six months to settle the accounts, the RBI's decision has provided a short-term relief for industries.

The FKCCI hailed RBI's decision on providing the relief by considering the financial situation of MSMEs, he said in a press note.

### No wage labour with fall in cotton yield

The Hindu

<https://www.thehindu.com/todays-paper/tp-national/tp-telangana/no-wage-labour-with-fall-in-cotton-yield/article25895913.ece>

Average yield of the crop has fallen by around 40%

The drastic fall in yield of cotton has resulted in agriculture labourers losing at least Rs. 1.2 crore in wages pertaining to harvest work in old undivided Adilabad district.

The average yield of the commercial crop has fallen by about 40 % against a normal of 20 quintals per hectare and the total production from the nearly 3.6 lakh hectare of cultivated area is expected to be of roughly of the quantum of 36 lakh quintals only.

According to the trend, labourers are employed for picking of cotton in about two thirds of the total area, while farmer families themselves harvest the crop in the remaining 1.2 lakh hectare that is mostly located in the tribal

heartland.

The normal wages for picking cotton are Rs. 5 a kg which usually generate Rs. 2.4 crore as wages but, in the present circumstances, would generate only half of it. "There is hardly any demand for workers owing to the drastic fall in yield. Most of us have uprooted the crop after the first pickings itself as the threat of pink boll worm pest attack also loomed large," pointed out Addi Ramchander Reddy of Jamidi village in Tamsi mandal of Adilabad district as he talked of the state of the season. Harvesting started in the second half of October and by mid-November it became obvious that the yields would be poor.

#### Election employment

There would have been a hue and cry over labourers not getting enough work on the fields had the period not coincided with the Assembly election which saw political parties hiring them. Landge Suresh, a migrant labourer from Kinwat in Maharashtra, pointed out that lower yield has farmers preferring deployment of family members for picking cotton even if it means a delay in harvesting and selling the produce. "It reduces the cost for them but scores of labourers from my villages in Maharashtra are returning without any employment because of this trend," he added.

#### First picking

In most of the pockets in the Agency areas, farmers have not gone in even for the first picking of the crop. One can find fields in which the 'white gold' has fallen on the ground evidently as it has not been picked in time. The loss in wages in the four districts corresponds to the area under cotton cultivation. Of the total of about 3.6 lakh hectare under the commercial crop Adilabad district accounts for 1.42 lakh hectare, Kumram Bheem Asifabad for 0.92 lakh hectare, Mancherial for 0.63 lakh hectare and Nirmal for 0.62 lakh hectare.

#### Government to provide Rs 600 crore subsidy sops to merchant exporters

Live Mint

<https://www.livemint.com/Politics/tJ9qF0MmMhTVhTKHcZQbSI/Government-to-provide-Rs-600-crore-subsidy-sops-to-merchant.html>

There was a sharp decline in export credit is impacting exporters in general and MSME units in particular.

The government Wednesday decided to provide 3 % interest subsidy to merchant exporters to enhance flow of funds for them with a view to boosting outbound shipments.

The decision was taken by the Cabinet Committee on Economic Affairs.

"The proposal will entail benefits of around Rs 600 crore to exporters on interest equalisation for the remaining period of the scheme," an official release said.

Approval has been given to the proposal of the Department of Commerce for "including merchant exporters under the interest equalisation scheme for pre- and post-shipment rupee export credit by allowing them interest

equalisation rate of 3 % on such credit for export of products covered under 416 tariff lines (products) identified under the scheme,” the release said.

These products are largely in MSME/labour-intensive sectors such as agriculture, textiles, leather, handicraft and machinery.

It added that the inclusion of merchant exporters in the scheme is expected to make exporters more competitive, encourage them to export more products manufactured by MSMEs.

“Additional exports by them will increase production by MSME giving a fillip to employment generation as MSME are generally in the employment-intensive sectors,” it added.

The government had launched the interest subsidy scheme in April 2015 for five years for all manufacturing exporters. But merchant exporters were not covered under the scheme.

Commerce Minister Suresh Prabhu has time and again raised the issue of declining export credit. He had suggested that loans to exporters should be considered as priority sector lending by banks.

Citing RBI data, the commerce minister had stated that outstanding export credit had come down to Rs 22,300 crore on June 22, 2018, from Rs 39,000 crore as on June 23, 2017.

A decline in export credit has hit exporters in general and MSME units in particular.

Commenting on the decision, Federation of Indian Export Organisations (FIEO) President Ganesh Kumar Gupta said that the move would help in promoting exports.

“Loans at affordable rates would help exporters to promote exports,” he said.

Leading manufacturer and exporter of leather products Farida Group Chairman Rafeeq Ahmed said the move would help exporters in getting credit at affordable rates.

“Like manufacturing exporters, merchant exporters too contribute significantly in exports. They should be encouraged,” Ahmed said.

The present scheme, which is in force from April 1, 2015, for five years, provides interest equalisation (or subsidy) rate of 3 % to all manufacturing exporters shipping 416 products and 5 % on all merchandise products manufactured and exported by MSMEs (micro, small and medium enterprises).

The statement said that the exporting community was persistently demanding inclusion of merchant exporters in the scheme.

“Merchant exporters play an important role in finding overseas markets, getting export orders, communicating to MSME manufacturers the current preferences, trends and demand for products in international export markets,” it

said.

It added that these exporters also play a key role in exports of MSME manufacturers as they ship a significant quantity of products through merchant exporters.

“High cost of credit equally impact their competitiveness also as they factor the high-interest costs in their export costing,” it added.

During April-November 2018-19, the country’s merchandise exports grew by 11.58 % to \$ 217.5 billion.

Since 2011-12, India’s exports have been hovering at around \$ 300 billion. During 2017-18, shipments grew by about 10 % to \$ 303 billion

### **Knitwear exporters hail RBI decision on MSME loan rejig**

**The Hindu**

<https://www.thehindubusinessline.com/news/national/knitwear-exporters-hail-rbi-decision-on-msme-loan-rejig/article25891425.ece>

TEA says many units still recovering from DeMo, GST

Exporters in the Tirupur knitwear cluster have hailed the RBI decision to permit one-time restructuring of loans to MSMEs.

Reacting to the banking regulator’s announcement, Raja M Shanmugham, President, Tirupur Exporters’ Association, said the one-time restructuring of loans (not exceeding ₹25 crore) will bring huge relief to the financially stressed exporting units. A good number of knitwear exporters were impacted by demonetisation, followed by the implementation of the GST. The Association has been making representations to the ministries and the RBI for treating MSMEs separately and excluding them from following Basel III norms meant for corporates.

“This one-time restructuring of loans will give the units some breather,” he said and pointed out that the garment export trend continued to remain positive at the fag end of 2018. This decision will help the MSMEs, he added.

### **U.K. Sinha to head RBI panel on MSME revival**

**The Hindu**

<https://www.thehindu.com/business/Economy/uk-sinha-to-head-rbi-panel-on-msme-revival/article25892776.ece>

Eight-member committee to submit report in June

The RBI has appointed an eight-member expert committee headed by former SEBI chairman U.K. Sinha to comprehensively review and propose long-term solutions for revival of the micro, small and medium enterprises (MSME) sector.

Other members of the panel are Ram Mohan Mishra, Additional Secretary, Development Commissioner MSME; Pankaj Jain, Joint Secretary, Department of Financial Services, Ministry of Finance; P. K. Gupta, Managing Director, SBI; Abhiman Das, Professor, IIM-Ahmedabad; Sharad Sharma, co-founder, iSPIRT Foundation; and Bindu Ananth,

Chair, Dvara Trust. The committee will submit its report by the end of June 2019.

Among the terms of references, the RBI said the panel would review the current institutional framework in place to support the MSME sector, and examine the factors affecting the timely and adequate availability of finance to the sector.

Double whammy

The MSME sector has been facing stress due to the demonetisation exercise and implementation of GST.

The panel will also review existing MSME-focussed policies and their impact, and study the global best practices with respect to MSMEs and recommend their adoption in India. Meanwhile, RBI Governor Shaktikanta Das tweeted that he would hold meetings with MSME associations and representatives of NBFCs next week.

**Union Cabinet approves proposed amendment to The Trade Unions Act**

**Business Standard**

[https://www.business-standard.com/article/economy-policy/union-cabinet-approves-proposed-amendment-to-the-trade-unions-act-119010300038\\_1.html](https://www.business-standard.com/article/economy-policy/union-cabinet-approves-proposed-amendment-to-the-trade-unions-act-119010300038_1.html)

The Union Cabinet on Wednesday approved the proposed amendments to the Trade Unions Act 1926, aimed at giving statutory backing to central and state-level trade unions.

The proposed Bill, likely be introduced in the ongoing winter session of Parliament, has provisions for recognising central trade unions by various government departments, at both the central and state levels. There are provisions empowering the Centre to frame rules for recognising unions and resolving disputes involving them. The move will help the government have a say in cases such as those witnessed recently, where there were factions in the Congress-backed Indian Trade Union Congress (INTUC) and Trade Unions Co-Ordination Centre. The government had, in 2016, barred INTUC from attending all consultation meetings after three leaders within the unit claimed to be leading the union.

Unions are not recognised under the Trade Unions Act, originally enacted in 1926. The office of the chief central labour commissioner conducts a verification drive of the membership, based on which the labour and employment ministry gives them the status of central trade unions. However, there is no statutory provision for either the recognition of a trade union in industry, or the establishment or recognition of a union at the central and state level.

**Acche din for farmers: Modi govt to announce Rs 4,000 per acre direct transfer, crop loan at 0 per cent interest**

**India Today**

<https://www.indiatoday.in/business/story/government-farmers-direct-benefit-transfer-crop-loans-1422250-2019-01-02>

The Centre is likely to announce direct benefit transfers (DBT) worth Rs 4,000 per acre per season plus interest-free crop loans up to Rs 1 lakh per farmer in an instant two-fold relief to the farmers, sources in the know told BusinessToday.in.

The initiatives will cost the Centre Rs 2 lakh crore towards DBT and another Rs 28,000-30,000 crore towards interest



subvention, adding up to nearly Rs 2.3 lakh crore on an annual basis. At least the Rs 70,000 fertiliser subsidy scheme will be subsumed into the scheme to make it possible. Some other smaller schemes may also get subsumed.

Having lost three crucial state elections to arch rival Congress in December, the ruling Bharatiya Janata Party is in a rush to appease the most aggrieved community -- farmers. The party believes the scheme's impact must be felt by the intended beneficiaries well before the 2019 general elections to deliver the political dividend it is seeking -- return to power.

The Centre has called quickfire meetings at the PMO as well as in NITI Aayog to finalise the announcement which is likely to occur within this week. In this process, officials of nodal ministries agriculture, revenues, expenditure, chemical and fertilisers, food have been asked to meet informally to iron out any glitches.

Officials in the establishment say that there are instructions to arrive at an out-of-box solution to farmer distress. Politically, the issue is becoming a hot potato after Congress president Rahul Gandhi put his weight behind farm debt waiver to attract the votes of farmers back to his party's fold.

DBT will be given at the rate of Rs 4,000 per acre per season for cropping while zero interest loan will be at the rate of Rs 50,000 per hectare to be capped at Rs 1 lakh per farmer, sources say. The crop loan is already offered to farmers at a subsidised rate of 4 per cent only. Under the scheme, banks will not charge any interest up to Rs 1 lakh of loan.

Centre had set an agricultural loan disbursement target of Rs 10 lakh crore in 2017-18 which had been achieved. Of that, 70 per cent is disbursed for crop loans. But with the whiff of a series of loan waivers, many banks have stopped extending loans to farmers. Meanwhile, DBT will allow the government to directly transfer the subsidies to farmer instead of routing it via manufacturers and traders.

Here's how the DBT will work

At the time of sale of agricultural inputs, details of the buyer, his Aadhaar, the quantity, land records, etc. would be captured using a point of sale machine. The Centre will transfer the benefits with the cap of Rs 4,000 per acre per season. DBT for fertiliser has already begun in earnest in several states this year. Centre has also allocated Rs 70,000 crore towards fertiliser subsidy. DBT works differently at present, with a limited but pivotal role of the manufacturers. With this, we will be successful in plugging the pilferage and will also reach the actual beneficiary, a top official said.

The biggest drawback of the scheme, though, is that it will still fail to cover the entire universe of potential beneficiaries. This is what we are discussing, an official said. Apart from battling this, the Centre is also required to get the states on board. After all, agriculture is a state subject, and the provincial governments to offer a series of benefits. Yet, there are few takers among the states to share the burden in the ratio of 70:30 as proposed by the Centre. States would prefer the entire burden is borne by the Centre.

Whether the BJP/NDA can reverse its fortune with the scheme will depend on how quickly its impact is felt by the beneficiaries. The proof of the pudding is in eating. But time is slipping away.



**Indian economy on track to maintain high growth rate: FinMin**

Live Mint

<https://www.livemint.com/Politics/5V27uZ9NPkq9PjbcS2yxQM/Indian-economy-on-track-to-maintain-high-growth-rate-FinMin.html>

The Indian economy is projected to be the fastest-growing major economy in the current and upcoming fiscal 2019-20, the finance ministry said Wednesday while emphasising that the government has taken several steps to boost investors' confidence.

According to a recent World Bank report, India has improved its ranking in the Ease of Doing Business to 77th in 2018.

The average growth of the Indian economy between 2014-15 and 2017-18 was 7.3%, fastest among the major economies in the world, the ministry said in Year End Review 2018.

“Indian economy is projected to be the fastest-growing major economy in 2018-19 and 2019-20 (International Monetary Fund October 2018 database). This is borne by GDP growth of 7.6% in the first half of 2018-19,” it said.

The Indian economy is on track to maintain a high growth rate in the current global environment, it added.

Highlighting various initiatives taken to improve the confidence and boost the growth of the Indian economy, it said there were measures to boost manufacturing, comprehensive reforms in the foreign direct investment policy, special package for the textile industry, push to infrastructure development by giving infrastructure status to affordable housing and focus on coastal connectivity.

The success of the government policies is further reaffirmed and underscored when the international organisations such as the World Bank and the IMF recognise India as the fastest-growing emerging economy in the world and applaud the resilient and stable growth India has witnessed, it said.

On inflation, it said the country witnessed moderation during 2017-18 and this progress is a result of a number of initiatives and reforms undertaken by the government which follows in the subsequent pages.

Consumer Price Index-based headline inflation averaged 3.3 per cent during the period which is the lowest in the last six financial years.

This has been stated in the Economic Survey 2017-18 placed in Parliament by Finance and Corporate Affairs Minister Arun Jaitley.

**India PMI data: Confidence subdued despite input cost savings**

**Live Mint**

<https://www.livemint.com/Money/tXGz1huxAUBj4imYgJR7BN/India-PMI-data-Confidence-subdued-despite-input-cost-saving.html>

Uncertainty surrounding the outcome of 2019 Lok Sabha elections this year is weighing on business optimism. Consequently, companies are delaying hiring plans

Nikkei's Purchasing Managers' Index (PMI) stood at healthy levels of 53.2, although it fell from the 11-month high of 54 in November. A reading above 50 indicates expansion, while one below that threshold points towards a contraction. Besides, input cost inflation declined to a 34-month low in December.

However, the level of confidence has moderated and remains subdued in the context of historical survey data, IHS Markit said in its survey report. Uncertainty surrounding the outcome of the Lok Sabha elections this year is weighing on business optimism. Consequently, companies are delaying hiring plans.

Commenting on the Indian Manufacturing PMI survey data, Pollyanna De Lima, principal economist at IHS Markit and author of the report, said, "Job creation weakened, with companies perhaps cautious about making hiring decisions ahead of next year's elections and a less upbeat optimism towards the outlook."

Previous survey reports had pointed that surging crude oil prices were pushing operating costs higher for manufacturers, thus hurting their margins. So, softening inflation comes as relief to manufacturers battling margin compression. A stabilizing rupee has also aided companies' dependence on imports to meet their raw material requirements.

But that alone has not been enough to lift manufacturers' spirits. In spite of easing input cost pressures, companies refrained from raising output prices. Firms refrained from hiking prices because of worries about its impact on demand, suggested the report.

**ATIRA to revive Eco Lab to test restricted substances**

**Fibre 2 fashion**

<https://www.fibre2fashion.com/news/announcement/atira-to-revive-eco-lab-to-test-restricted-substances-246540-newsdetails.htm>

Ahmedabad Textile Industry's Research Association (ATIRA) is reviving Eco Lab on its premises. The lab has sophisticated instruments like High Performance Liquid Chromatography (HPLC), Gas Chromatograph-Mass Spectrometer (GC-MS), Atomic Absorption Spectrophotometer (AAS), etc. ATIRA will arrange third-party testing and provide training as per ZDHC.

The Eco Lab will be fully equipped to test all parameters of restricted substances as per Manufacturing Restricted Substances List (MRSL) of Zero Discharge of Hazardous Chemicals (ZDHC).

ATIRA is associating with the Netherlands-based ZDHC Foundation in various capacities for environmental management in Southeast Asia, and particularly in west India.

In the recently held conference at ATIRA on ZDHC, participants took round of ATIRA facilities including the Eco

laboratory during open house session and appreciated ATIRA's efforts for imparting Eco friendliness.

The scope of the ZDHC programme includes widespread implementation of sustainable chemistry and environmental best practices in the textile, apparel, leather and footwear supply chain through collaborative engagement, standard setting and tools, and implementation and innovation projects.

The ZDHC programme follows a holistic approach to sustainable chemical management. In each focus area—input, process, output—ZDHC has established industry standards and tools for implementation.

The ZDHC MRSL lists substances that are banned from intentional use in chemical formulations. It established concentration limits for unintentional contaminations in commercial chemical formulations. Covering textile, synthetic leather, and leather sectors, the ZDHC MRSL is aspirational but achievable as alternatives are already available for the ZDHC MRSL substances.

**Raymond to sell khadi products from India's Bihar state**

**Fibre 2 Fashion**

<https://www.fibre2fashion.com/news/textile-news/raymond-to-sell-khadi-products-from-india-s-bihar-state-246533-newsdetails.htm>

The Bihar state Khadi and Village Industries Board (KVIB) recently signed an agreement in Patna with Raymond Ltd to sell the state's khadi fabrics under the brand name 'Bihar Khadi' through its retail outlets across India. Raymond will directly procure khadi fabrics from weaver organizations in Bihar above the base cost and sell them through its outlets.

A memorandum of understanding (MoU) to this effect was signed between BN Prasad, the CEO of KVIB and Pramod Pradhan, category head of the private firm, in presence of state industry minister Jai Kumar Singh at Patna.

The company will also provide design, manufacturing and marketing support to weaver organisations of the state, according to a report in a top Indian newspaper.

Prasad said the board has planned to open Bihar emporiums at several cities like Kochi, Ludhiana and Mumbai to market khadi fabrics and other khadi products of the state.

There are 84 khadi organisations in state which together manufacture khadi fabrics worth ₹30 crore annually.

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**Merchant exporters to get Rs. 600 crore sops**

**The Hindu**

<https://www.thehindu.com/todays-paper/tp-business/merchant-exporters-to-get-rs-600-crore-sops/article25894486.ece>

Move to boost outbound shipments

The government on Wednesday decided to provide 3% interest subsidy to merchant exporters to enhance flow of funds for them with a view to boosting outbound shipments.

The decision was taken by the Cabinet Committee on Economic Affairs.

“The proposal will entail benefits of around Rs. 600 crore to exporters on interest equalisation for the remaining period of the scheme,” an official release said.

Interest equalisation

Approval has been given to the proposal of the Department of Commerce for “including merchant exporters under the interest equalisation scheme for pre and post shipment rupee export credit by allowing them interest equalisation rate of 3% on such credit for export of products covered under 416 tariff lines (products) identified under the scheme,” the release said.

These products are largely in MSME/labour-intensive sectors such as agriculture, textiles, leather, handicraft and machinery.

**Textiles firm race to list on the market**

**English Vietnam**

<https://english.vietnamnet.vn/fms/business/215292/textiles-firm-race-to-list-on-the-market.html>

Song Hong Garment JSC debuted on the Ho Chi Minh Stock Exchange (HoSE) in late November by listing more than 47.6 million shares with the code MSH.

The company started trading at the price of VND45,000 (US\$2) per share, making its market capitalisation up to VND2.14 trillion (\$95.25 million) on debut day.

As of October 1, the company had 511 shareholders including four institutional investors and 507 individuals.

Song Hong, established in 1988 in Nam Dinh Province, has grown from a small company into one of the country's leading garment and bedding manufacturers, with nearly 11,000 employees and more than 20 factories.

It makes products for global brands such as Nike, Levi's, Calvin Klein, Tommy Hilfiger, DKNY, Karl Lagerfeld, Hurley, Converse, Jordan, Columbia Sportswear, Gap, Bugatti, Dillards, and Express.

It produces and exports 60 million products a year, including jackets, pants, shirts, dresses, t-shirts and polo neck shirts.

Song Hong's bedding products brand has been one of the leaders in the domestic market for the last 10 years and has expanded exports to markets such as Japan and South Korea.

In the first nine months of this year the company reported profit before tax of VND335.5 billion (\$14.6 million) on revenues of nearly VND3 trillion (\$130.4 million), 107 per cent and 21 per cent up year-on-year.

Since 2015 it has paid cash dividends of 45 per cent every year. A 35-40 per cent payout is planned for 2018 and 35 per cent for 2019.

It plans to expand capacity by 30 per cent from 2020 by investing in another production facility in Nam Dinh Province.

The Ha Noi Stock Exchange (HNX) approved the listing of more than 15.4 million shares of Det May 7 JSC (DM7) on the Unlisted Public Company Market (UPCoM) in late October with reference price of VND11,800 per share.

DM7's main business is producing ready-made apparel and textile products like yarn, string and mesh. In the first half of 2018, DM7 achieved revenue of more than VND431.4 billion (\$18.7 million) and after-tax profit of VND20.7 billion (\$900,000), up respectively by 42.8 per cent and 85.4 per cent over the same period in 2017.

The company plans to pay 10 per cent dividend in 2018.

Earlier on July 18, HNX officially put more than eight million shares of Investment and Development Joint Stock Company (TDT) on the northern stock exchange with a total listed value of VND80 billion (\$3.5 million) and reference price in the first trading day of VND15,000 (65 US cents) per share.

Since its establishment, TDT's revenue has mainly come from the simple outsourcing activities - Cut, Make and Trim (CMT), meaning that the company is just responsible for cutting the fabric, and making and trimming the garments.

Since 2016, the company switched their production methods to free on board (FOB) method, allowing the enterprise to involve in the selection of input material with the materials imported from an unit appointed previously by the firm's partner.

Since they applied the new production method, revenue of TDT has come mainly from exports. Domestic sales accounts for only 6 to 18 per cent, generating mostly from the outsourcing activities (CMT) for domestic partners like

Duc Giang Garment Corporation, Viet Sun Investment JSC and Athena JSC.

Last week, Binh Minh Garment Joint Stock Company put more than 5.29 million of its shares (BMG) with the total registered transactions value of VND52.9 billion (\$2.3 million) on the UPCoM.

The company was formerly known as Binh Minh garment factory established in 1975. At that time, the factory had a 2,500-metre factory, about 200 machinery and equipment and more than 300 workers. Its products were mainly exported to Eastern Europe and the Russian markets.

In 1999, the company transformed itself into a joint stock company. As of 2018, Binh Minh had charter capital of VND52.9 billion (\$2.3 million).

Currently, the company has more than 2,500 employees, three branches with a factory area of more than 40,000 metres in HCM City, Ha Noi, the southern province of Binh Duong and the northern province of Hai Phong, with more than 3,000 machines and equipment.

Binh Minh Garment processes garment products under FOB method, partnering with various brands like Owen, Uniqlo, Umbro, Vanhausen, Fila, Lee, Limeted too, American, Eagle and VHF. The main exported products of the company include high-end shirts, sportswear and jackets of all kinds, exported to Japan, America, Europe and other countries

BMG also has its own brands for domestic consumption named Gendai, providing shirts, t-shirts and sportswear.

As of late December 2018, Binh Minh Garment completed 76.1 per cent and 77.8 per cent of the revenue and after tax profit plans for 2018.

<b>Keys to Reviving U.S. Textile Manufacturing</b>	<b>Cotton Grower.Com</b>
	<a href="https://www.cottongrower.com/cotton-news/keys-to-reviving-u-s-textile-manufacturing/">https://www.cottongrower.com/cotton-news/keys-to-reviving-u-s-textile-manufacturing/</a>

A revival for textile manufacturing in the United States is getting a fresh look.

Professor Eric Hequet, an internationally-renowned cotton fiber quality expert at Texas Tech University, says the United States can do a better job of bringing back its textile production by focusing on high quality textiles, complete automation and improved cotton breeding programs.

While the country's advanced textile industry – including nonwovens – is showing steady growth and investments, conventional textile manufacturing has continued to decline since 1997. According to Hequet, this is largely due to consumption of cotton in domestic mills dropping to 3.4-3.8 million bales per year, while about 80% of the cotton produced in the United States is exported.

Commenting on the current state of international spinning, Hequet noted that the trend is towards finer yarns and ring spinning technology, while U.S. mills mostly focus on coarser yarns.

Cotton breeding programs need to focus on length, enhanced length uniformity and strength, according to Hequet.

Today, cotton's strength, he noted, can reach 40 grams/tex, but efforts must be streamlined to go up to 50 grams/tex. He recognized that as a bold, but possible, goal. The United States is still the most cost effective place to produce cotton yarns, and these advantages must be properly capitalized. Such high strength cottons could help pave the way for the high production vortex spinning.

In recent remarks about improved production efficiencies, Kanti Jasani, president of Performance and Technical Textile Consulting in Harrisburg, PA, also emphasized the importance of less manual handling, sustainable practices and automation in the production sectors in developed economies.

Hequet recently visited the National Institute of Cotton Research in Anyang, China. He stated that China is concentrating on high quality textile products, while the commodity industry is moving toward Vietnam and Bangladesh.

Skilled labor, cheap energy and the availability of high quality cotton within its borders should encourage the United States' textile sector to take a serious look at revitalizing its spinning and the upstream textile sector.

<b>Seam tapes market to grow to US\$ 283 million</b>	<b>Innovation Textiles.com</b> <a href="https://www.innovationintextiles.com/seam-tapes-market-to-grow-to-us-283-million/">https://www.innovationintextiles.com/seam-tapes-market-to-grow-to-us-283-million/</a>
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Growth of the sports and outdoor apparel industry is expected to drive the overall growth of the seam tapes market. It is expected to grow from US\$ 205 million in 2018 to US\$ 283 million by 2023, at a CAGR of 6.7% during the forecast period, according to the latest report published by ReportLinker.

According to the report entitled Seam Tapes Market by Type, Backing Material And Region - Global Forecast to 2023, the seam tapes market is driven by various factors, such as the growing demand from the sports and outdoor apparel industry, increase in demand for protective clothing and accessories. However, the volatile price of raw materials can pose a challenge in the growth of the market.

The polyurethane segment is the fastest-growing in the seam tapes market, in terms of value, and is expected to grow at the highest CAGR during the forecast period. This growth is attributed to the various benefits of polyurethane in seam tapes compared to polyvinyl chloride, including high abrasion, impact resistance, water resistance, and high flexibility. In addition to this, its wide range of applications, including outdoor gear, military gear, sports apparels, footwear, tents, tarpaulins, hazardous material suits, and backpacks, have also contributed to its high growth.

The multi-layered segment is expected to dominate the seam tapes market during the forecast period, owing to the wide range of applications of multi-layered seam tapes in sports and outdoor apparels (caps, gloves, ski wear, swimwear, hiking and tracking apparels, raincoats and jackets, and bottom wear), military apparels (jackets, ponchos, fire suits, and flight jackets), medical apparels (gloves and gowns), protective garments, tents, tarpaulins, footwear, backpacks, automotive (seats, head & armrests, and airbags) and chemical protective garments.

Asia Pacific is expected to be the largest market and have the highest growth rate during the forecast period, owing to the presence of huge garment manufacturing hotspots such as China, India, Vietnam, Indonesia, and Bangladesh in



the Asia Pacific region. Cheap labour cost and availability of domestically produced raw material place Asia Pacific as the preferable region to manufacture textile and apparels.

In addition to this, the growing demand for sports and outdoor apparels in China, Japan, and India driven by the growing health awareness, as well as an increase in consumer spending on value-added apparels attributable to the rising disposable income, is expected to create opportunities for the seam tapes market in the region.

The seam tapes market comprises major manufacturers, such as Bemis Associates (US), Toray Industries (Japan), Himel Corp. (Korea), Sealon (Korea), Loxy AS (Norway), Gerlinger Industries (Germany), DingZing (Taiwan), Adhesive Films (US), San Chemicals (Japan), and Essentra (UK). In addition to this, it also includes end-users such as Adidas AG, The North Face, Ralph Lauren Corporation, Under Armour, Columbia Sportswear Company, The Dishang Group, Admiral Sportswear, KSA Polymer, Heartland Textile, Sattler AG, Dick's Sporting Goods, and Mountain Warehouse.

In-depth interviews were conducted with Chief Executive Officers (CEOs), marketing directors, other innovation and technology directors, and executives from various key organisations operating in the seam tapes marketplace.

**Cotton crop part of Kenya's 'Big Four' action plan**

**Fibre 2 Fashion**

<https://www.fibre2fashion.com/news/textile-news/cotton-crop-part-of-kenya-s-big-four-action-plan-246523-newsdetails.htm>

Identifying cotton as a key driver for the manufacturing sector, Kenya has earmarked the cash crop in its 'Big Four' action plan as a multipurpose crop with the potential to turn around the collapsed textile industry, with lint and seed being the principal products. Yields, however, remain low, with the annual production recorded at 25,000 bales last year.

Scientists say the main challenge is pest infestation which has reduced the average harvest of cotton lint and seed to 211 and 373 kilograms per hectare respectively.

A major constraint is pest control, which consumes an average of 45 per cent of production costs, according to a Kenyan newspaper report.

The government has put in KSh 4 billion to revive the Rivatex textile industry in Eldoret, where uniforms for the members of the Armed Forces will be manufactured, according to trade, industry and cooperatives principal secretary Betty Maina.

The Big Four action plan is banking on Bt cotton to create 50,000 jobs and generate KSh 20 billion from apparel export earnings per year. As research on BT cotton enters the second and final phase early next year, ginneries and industrialists are upbeat that the collapsed textile sector will be revived.

The dormant ginneries are set to be revived within the next two years once the new variety of cotton is rolled out. In Kirinyaga, a modern ginnery has been lying idle since the mid 90's after the sector collapsed