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1. **Indian export of cotton textiles to China on the rise**

Export of cotton textiles from the country to China rose over 68 per cent to hit \$1.55 billion between April and February during the 2018-19 financial year, according to data available with the Cotton Textile Export Promotion Council.

India's cotton textile exports to major consuming countries got a boost with the recent government move to reimburse all state and central levies on such shipments.

Reports quoting chairman of Cotton Textile Export Promotion Council K V Srinivasan said cotton textile exports from the country still suffers a 3.5-10 per cent tariff disadvantage compared to exports from countries such as Vietnam, Pakistan and Indonesia.

An increase in cotton textiles while helping to narrow India's trade deficit with China by a very low margin, India still imports goods worth over \$65 billion from China against exports of \$15 billion to that country.

Much will depend on India gaining a long-term price advantage in textile production over China and other major producers.

India's trade deficit with China declined to \$50.13 billion in FY19 from \$63 billion in FY18.

India, however, is losing its hold on cotton export market to countries like Brazil due to a sharp increase in the fibre prices, according to the Cotton association of India (CAI).

Cotton shipments from India have become uncompetitive in world markets with cotton prices of select varieties jumping to as much as 10 per cent against a decline in production.

Apart from rising domestic cotton prices, the appreciating rupee has made actual realisation lower than the depreciating Brazilian real.

"Indian cotton has become uncompetitive in the world market. The largest importer, China, has started importing cotton from Brazil as it has become a cheaper substitute," said M B Lal, former chairman of the Cotton Corporation of India.

India's shipment of nearly 400,000 – 500,000 bales of cotton is under serious threat of delivery default as Indian exporters face higher procurement prices than contracted for cotton exports. The CAI in its latest report estimated the cotton crop for 2018-19 at 32.1 million bales of 170 kg each which is lower by 0.7 million bales than its previous estimate of 32.8 million bales made in March.

Meanwhile, Srinivasan has urged the government to emphasise the need to boost exports of textile products not only to compensate the decline in cotton exports, but also to narrow the trade deficit with China.

Source:YarnsandFibers News Bureau

2. Textile and apparel exports grow just 1.66% in FY19

India's textiles and apparels exports for the fiscal 2019 just grew 1.66% to \$35.969 billion as compared to \$35.381 billion in the previous fiscal, mainly due to a sharp drop in the shipment of apparels.

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The export of textiles products grew 6.19% to \$19.830 billion during the fiscal under review as compared to \$18.674 billion a year ago and that of apparels declined sharply by 3.40% to \$16.138 billion during the fiscal 2019 as against \$16.706 billion in the previous financial year, said the Confederation of Indian Textile Industry (CITI), citing government data.

Among textile products, cotton yarn/fabrics/made-ups, handloom products continued to be the largest export earner with a growth of 9.22% during the fiscal 2019 to \$11.206 billion (\$10.260 billion in last fiscal), man-made fabrics exports increased by 3.15% to \$4.978 billion as against \$4.824 billion in the previous fiscal, CITI said.

The next big segment under the category is carpet, which saw a growth of 3.63% to \$1.481 billion as compared to \$1.429 billion in fiscal 2018.

According to CITI, the exports data in US dollar reflects that there has been a decline in exports of all textile products except those of cotton yarn/fabs/made-ups, handloom products and carpet in March 2019 as compared to March 2018. However, exports of total textiles have shown a slight increase during the same period.

The March exports of textile products and apparel grew 6.96% to \$3.550 billion as compared to \$3.319 billion in March 2018. Interestingly, apparel segment, which saw a meagre growth in fiscal, ended March 2019 with 15.13% growth to \$1.717 billion.

The monthly index of industrial production (IIP) of textiles in February 2019 has declined (y-o-y basis), which is in sync with textiles exports of man-made yarn/fabs/made-ups; jute manufacturing including floor covering and handicrafts. Exports of apparels have registered a positive growth y-o-y in March 2019 which shows a positive correlation with increase in IIP of apparels in February 2019.

Courtesy: Financial Express

3. India is not a tariff king, has the right to protect specific sectors under WTO: Experts

India is not a 'tariff king' and it has all the right to take appropriate measures to protect the interest of specific sectors like agriculture, international trade experts have said.

Rejecting the US allegation that India's import duties are one of the highest in the world, experts said that several developed countries and regions including Japan, South Korea, European Union, and America maintain "extremely high" tariffs primarily on agriculture products.

The US President Donald Trump has repeatedly claimed that India is a "tariff king" and imposes "tremendously high" import duties on American goods.

Biswajit Dhar, a professor of economics at Jawaharlal Nehru University, said that the US allegations are completely unfounded.

"In fact, the US import duties on several of their products are quite high such as on tobacco it is about 350 per cent and 164 per cent on peanuts. They too maintain reasonably high duties," Dhar said.

Sharing similar views, Professor at Indian Institute of Foreign Trade (IIFT) Rakesh Mohan Joshi said that the US allegations are not correct and in fact, they should rationalise their duty structure being a developed nation.

Trade Promotion Council of India Chairman Mohit Singla said that the assertion of the US is not factually correct.

He said that the allegation of Trump that India is a tariff king does not hold true and is unjustified.

"Like other nations, India has the right to take appropriate measures to protect its domestic interests in specific sectors as and when it is deemed fit. Moreover, there are many countries which have much higher tariff as compared to India. Being a signatory and member of WTO, India remains committed to free, fair, and predictable trade," Singla added.

Geneva-based 164-member World Trade Organisation (WTO) is a multilateral body which frames global trade norms.

Singla claimed that countries like Japan levy 736 per cent duty on certain products; while Korea imposes 807 per cent on some goods.

Federation of Indian Exports Organisation (FIEO) said that product-specific high tariffs, like 150 per cent on alcoholic beverages, 100 per cent on coffee, and 60-75 per cent on automobiles have made India a villain in the eyes of the US President.

However, many countries in the world including Japan, South Korea, the EU, the US maintain an extremely high tariff primarily on agriculture products, FIEO Director General Ajay Sahai said.

"India's average WTO bound tariff is 48.5 per cent while average applied tariff is 13.4 per cent. The wide gap between the two clearly shows that India is not a tariff king else it would have pushed the applied tariff very close to the bound rates," Sahai said.

While bound tariffs or duties refer to the ceiling, the applied tariff is the duty which is currently in place.

Another expert, who did not wish to be named, said that the US should not level any allegation of discrimination at tariff front vis-a-vis developing countries like India as America has emerged as one of the richest nations in the world with per capita income of about \$60,000 per annum.

"Repeated mention of India as a tariff king with cherry-picked examples like motorbikes and whiskey is disingenuous, as it conveniently ignores the overall tariff structure of the country, apart from India's developing status," the expert said.

He added that India has complied with all tariff commitments under the WTO and has made sincere efforts to reduce applied duties suo-moto to 13.7 per cent today over a period of time.

Recently, the US decided to withdraw incentives being provided to Indian exporters under the Generalized System of Preference (GSP) programme. However, India has stated that it would not impact domestic exporters as the benefits were only about USD 190 million annually.

Despite the fact that India and the US were working on a trade package, the US decided to go ahead with its decision.

The package was covering all concerns related to bilateral trade with the US on sectors including medical devices, dairy products and agricultural goods. America also wants a cut on duties on certain ICT products.

According to sources, India was ready to address the US concerns regarding these sectors.

The bilateral trade between India and the US has increased to \$74.5 billion in 2017-18 from \$64.5 billion in 2016-17.

Although India has a trade surplus with the US, India is a thriving market for US defence firms, e-commerce and technology companies.

Source: Economic Times

4. Development cooperation with Sri Lanka built on foundations of political understanding: India

Participating in the Peacebuilding Commission Informal Meeting on Sri Lanka here last week, Naidu said India's development cooperation with Sri Lanka is "unique" and is built on foundations of political understanding, a historic past, geographic realities and socio-cultural empathy.

India has said its commitment of USD 3 billion in development assistance to Sri Lanka is inspired by rationale of South-South Cooperation, underscoring that New Delhi's "unique" development

cooperation with Colombo is built on foundations of political understanding and geographic realities. "Sri Lanka has a special place in Indian hearts, given the time-tested bonds, going back almost to the very beginning of recorded history in the subcontinent. Our relationship is built upon the strong foundations of a shared cultural and socio-economic heritage and extensive people-to-people interactions over millennia," India's Deputy Permanent Representative to the UN Ambassador K Nagaraj Naidu said.

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"India's commitment of USD 3 billion in development assistance to Sri Lanka is entirely based on the priorities set out by the Government and the people of Sri Lanka," he said, adding that these development projects, guided and inspired by the rationale of South-South Cooperation, focus especially on capacity-building, human resources development, uplifting of weaker sections as well as infrastructure development.

India's portfolio of development projects encompasses virtually all major sectors of the economy, including housing, infrastructure, education, health, agriculture, fisheries, industry, handicrafts, culture and sports. Naidu noted that the development projects have been widely appreciated for their transparent approach and timely implementation through recourse to local materials and manpower, in a manner that supports the local economy.

The diplomat reiterated India's commitment to stand with Sri Lanka in its efforts to build a future that accommodates the aspirations of all sections of society for "a life of equality, justice, and dignity and convey our sincere support and good wishes for Sri Lanka's journey of peace, reconciliation and progress." Naidu said the collaboration between Sri Lanka and the Peacebuilding Commission, operating under the principle of national ownership, is a classic example of a fruitful partnership. The development of the Peacebuilding Priority Plan (PPP) by the Sri Lankan Government in close consultation with Peacebuilding Support Office, UN Country Team and civil society representatives in November 2015, has had a multiplier effect in galvanizing on Sri Lankan government's efforts.

"The continued commitment of the Government of Sri Lanka to peacebuilding and transitional justice is evident from its recent decision to co-sponsor a two-year extension to implement the Human Rights Council resolution 30/1 that established the framework by which the government, victims and civil society can address the root causes of the past conflict," Naidu said, referring to the resolution adopted by the HRC on promoting reconciliation, accountability and human rights in Sri Lanka.

Naidu said the establishment of the Office for Missing Persons and the resettlement of Internally Displaced Persons, and the budget allocation of 11.3 billion rupees for reconciliation efforts in 2018 and 15.3 billion rupees in 2019 demonstrates the Sri Lankan governments strong commitment to lasting and sustainable peace. The introduction of the UN Joint Programme for Peace (JPP) in Sri Lanka aimed at harnessing assistance from multiple partners for strategic, coherent and sustainable support in the areas of transitional justice, reconciliation, good governance and durable resettlement should be supported by the international community, he added.

Source: Financial Express

5. Walmart to use 100% sustainable cotton by 2025

Walmart aims to increase the use of recycled polyester fibre, setting a goal of using 50 per cent recycled content by 2025 and to source 100 per cent more sustainable cotton. Further, Walmart will also work towards prioritising sustainable chemistry, setting a goal to reduce the discharge of priority chemicals from the textile manufacturing process.

By 2022, Walmart US stores will source apparel and home textile products only from suppliers working with textile mills that use the Sustainable Apparel Coalition's Higg Index Facility Environmental Module (FEM) to measure and help improve environmental performance.

At its recent sustainability milestone summit, Walmart announced that for the first time, checkout carousels at its US stores will include reusable bags that will be available to customers for purchase. The aim of this new campaign is to help reduce plastic waste and increase customer convenience by placing reusable bags in easy to find and highly frequented sections of its stores. As part of the launch, Walmart is rolling out a new assortment of reusable bags that are made with post-consumer recycled content.

The new reusable bag initiative will begin rolling out to stores next month and follows a recent announcement by Walmart on a series of plastic waste reduction goals that seek to advance the sustainability of the retailer's private brand packaging by making it 100 per cent recyclable, reusable or industrially compostable by 2025.

"To achieve our ambitious climate goals, we aim to expand and deepen that engagement. The progress to date shows how companies can contribute to climate action through practical actions all along the product supply chain. Ultimately, building sustainable supply chains requires collective action from everyone – not only our associates and suppliers, but customers, business in general, and civil society. We are excited to be part of the solution," Kathleen McLaughlin, senior vice president and chief sustainability officer for Walmart Inc. (RR)

Source: Fibre2Fashion News Desk

6. Industry yet to tap potential of technical textiles sector

There is great potential for the technical textiles sector but the industry was yet to tap it, Textile Secretary Raghavendra Singh said Wednesday.

The Ministry of Textiles has prepared two reports on technical textiles, to tap the potential and also how to utilise it, he said addressing the one-day 'National Conclave on Technical Textiles' here.

Another major need was skilling the people in the sector, Singh said.

DRDO Life Sciences Director General Ajay Kumar Singh said there was also tremendous potential for technical textile in defence and agriculture sectors.

The conclave was organised by Indian Technical Textile Association, Southern India Mills Association and Indian Texpreneurs Federation, in which nearly 200 delegates participated.

Technical textiles has been identified as the thrust area for an exponential growth by the Centre and also by all the state governments considering its potential for value addition, exports, domestic demand.

According to the organisers, the central government offers 15 per cent credit linked capital investment subsidy for technical textiles machines under Amended Technology Upgradation Fund scheme apart from providing various other benefits.

The Tamil Nadu, Andhra Pradesh, Telangana and Karnataka governments have also offered special incentives for investments made in technical textiles.

The Tamil Nadu government in its recent Integrated Textile Policy has announced 6 per cent interest subsidy for technical textiles products.

Source: Business Standard

7. 'Baseline surveys will help industry'

Baseline surveys of the textile sector will reflect the real needs of the industry, and the industry should help in the conduct of such surveys, Raghavendra Singh, Secretary, Union Ministry of Textiles, said here on Wednesday.

Inaugurating an investors conclave on technical textiles, organised by the Indian Technical Textiles Association (ITTA), jointly with the Southern India Mills' Association (SIMA) and Indian Texpreneurs

Federation (ITF), Mr. Singh said the surveys would enable the government to take concrete measures for progress. "I request the industry to help us do baseline survey," he said. One such survey was done in 2014. Industries in the technical textiles sector should also tap the skilling programme (Samarth programme). Skill resource was needed for technical textiles, he said.

According to Ajay Kumar Singh, Director-General of Life Sciences, Defence Research Development Organisation (DRDO), in the Tejas light combat aircraft, the pilot's clothing and gear were developed indigenously and only 10 % of it was imported. A study shows that per capita non-woven consumption in India is 0.4 kg and it is three kg in the U.S. By 2049, it is expected to be 25 kg in the U.S. and 20 kg in India. So, there is opportunity and "We can have phenomenal growth." The need is for research and development. There is scope for development of fire-retardant clothing. The raw material for it has to be imported for the clothing to be developed locally now. Another area of potential is insecticide textiles and mats. This will benefit several applications," he said. He urged the stakeholders to form a "mahagathbandhan" for the progress of the sector.

P. Nataraj, SIMA chairman, said yarn and fabric should be included under reimbursement of all embedded taxes. The Government should also take efforts to release the arrears under the Technology Upgradation Fund scheme.

S. Sundararaman, chairman of ITTA, explained the need for new entrepreneurs to get into technical textiles.

Prabhu Damodharan, convenor of ITF, spoke on the need to brand Tamil Nadu textiles.

Source: The Hindu

8. Efforts on to promote speciality fibre in India

The Union Ministry of Textiles is in discussions with other countries to support the Indian textile industry with technology for speciality fibre and related products

"Technology is important for speciality fibre. We are trying to see how to get it," Union Textiles Secretary Raghavendra Singh told journalists here on Wednesday.

The government is in talks with the Japanese Government and is also discussing with some companies in the U.S. in this regard.

Two committees were formed — one for speciality fibre and the other to see how to take the segment forward. Both committees have submitted the reports, he added. The Ministry had notified 207 products that classify as 'technical textiles', mainly for export and import purposes.

There were requests from the industry to include more products. "If the industry gives a list, the number of products notified can be expanded regularly," he said.

Mr. Singh urged the Centres of Excellence in the country for technical textiles to initiate the process to select some of the prototypes developed so far and give an industry connect to these products. The Ministry had consulted several other ministries, departments, and State Governments on technical textiles used in several applications across sectors.

Source: The Hindu

9. Centre ready to expand list of technical textiles

COIMBATORE: While the growth of textiles sector is spoken of enthusiastically and has been projected at 2lakh crore by 2021, there needs to be a reality check about its growth, said Raghvendra Singh, secretary textiles, ministry of textiles. The industry and research institutes should come together to realize the sector's full potential, he said and asked industrialists to identify prototypes developed by centres of excellence in textiles and adapt them to the industry. He was speaking at the inaugural session of the 'National Investors Conclave on Technical Textiles' in the city on Wednesday.

Singh said while the Centre has classified 207 products as technical textiles for import and export, it was ready to expand the list based on representations from stakeholders. If industrialists give a list

of technical textile products according to their importance of the export or import potential, the Directorate General of Foreign Trade under the ministry of commerce and industry will come out with notifications expanding the list, he said. "It depends on us how to make it pervasive."

Over the past seven to eight months, Singh said they had consulted various ministries in the Union government and state governments and have come up with 106 textile products, for which standards already existed. "These belong to various sectors such as railways, home affairs, defence, shipping, agriculture and transport. We need to work on these with the BIS, as we have the standards and have a procedure which could be made mandatory with these ministries for their tenderization process," he said. As there was a month's time before the new government assumes office, Singh said stakeholders of the sector should do the groundwork and come up with what needs to be represented to each ministry.

The centres of excellences in textile sector across the country, such as the South India Textile Research Association (SITRA) in Coimbatore, have come up with around 600 prototypes, Singh said. He added that it was incumbent on industry associations to assess the prototypes and in order of priority select around 50 or 60 and give it an industry connect.

Speaking at the session, K S Sundararaman, chairman of Indian Technical Textile Association, said currently only the established players in the field were seeking to expand and there was a need to 'evangelize' more new entrepreneurs to take up technical textiles. Technical textiles would create jobs and bring more women into the workforce, said Prabhu Damodaran, convener of Indian Texpreneurs Federation.

Source : Times of India
