



NITRA TEX-CLIPS

(TEXTILE INDUSTRY CLIPPING UPDATE by NITRA)



Vol -III No. 02

APR. - JUN. 2005

CHINA FACES TEXTILE TROUBLE: US MULLS QUOTA RESTRICTIONS ON IMPORTS OF CHINESE APPAREL

Surging apparel imports from China to the US, which has limited Indian exports, has also caused concern among US manufacturers. In a bid to curtail disruption in trade; the US is looking at re-imposing quotas on major categories of apparel from China. Quotas could be re-imposed on cotton trousers, cotton knit shirts and underwear from China, after a full-scale investigation by interagency panel- the Committee for the implementation of Textile Agreements (CITA). The CITA investigation is the first step in safeguard action allowed under China's WTO accession agreement.

*Times of India, Mumbai
21st Apr. 05*

TUFS COULD ATTRACT SANCTIONS UNDER WTO RULES: PLAN PANEL FOR PHASING OUT TECH FUND

The Planning Commission, in its mid-term appraisal (MTA), has recommended that the technology upgradation fund scheme (TUFS) for the textile industry should be phased out after the expiry of its present validity in March 2007 as it could make textile exporters vulnerable to sanctions in the international market.

The MTA report added that since under TUFS, the industry got funds for modernization at subsidized interest rates, it could lead to importing countries imposing anti-subsidy measures against Indian exporters.

*The Financial Express, Mumbai
22nd Apr. 2005*

IT'S ADVANTAGE INDIA AS CHINA PLANS TO TAX ITS TEXTILE EXPORTERS

With China planning to impose a new set of high tariffs on its garment exports to the EU and US, Indian apparel exporters could stand to gain market share in these two key markets.

Faced with a backlash in the EU and US markets, China is likely to impose higher tariffs of as much as 50 cents per item on exporters in case of product categories such as shirts, trousers and ladies wear. Incidentally, these are the very items where the Indian suppliers have a significant presence in the world market. Both the EU and US

have announced plans to consider imposing 'safeguard quotas' on soaring Chinese textile and apparel imports.

*The Business Lines, Madras
23rd Apr. 05*

EU ASKS CHINA TO CUT TEX-EXPORTS

European Union Trade Commissioner Peter Mandelson said it was in China's interest to cut textile exports to avoid retaliatory measures from the EU in growing trade row. He warned Beijing that textile dependent developing EU economies were facing economic collapse thanks to a sudden surge of cheap imports from China and that member nations wanted immediate curbs. However, he praised China for having already put in place some measures to cool export growth but said he wanted to see more.

*The Times of India, Mumbai
26th Apr. 05*

WOMEN ON NIGHT SHIFT MEANS MORE OUTPUT FOR TEXTILE MILLS

The government's decision to allow women to work in the night shifts is proving to be a big booster for the textile industry, in view of the increasing demand for readymade garments in the international market. The legislation comes at a time when India is looking to up its share from 30% to 60% in textile exports.

The female workforce plays a pivotal role in this industry. The legislation would benefit the organized textile sector as well as the unorganized one in Gujarat, Maharashtra and Tamilnadu. The industry would now be able to operate double shifts for women who could work only in the day shift earlier.

*Business Standard, Mumbai
28th Apr. 2005*

THE BRANDS ROLL OUT

Until now, renowned names like Arvind Mills, Ashima, Welspun India and Aarvee Denim, among others, have been catering to top clothing brands of the world such as GAP, Levi's, Marks & Spencers, Dockers etc, with most of the big ready-to-wear brands in the US sourcing their clothes from Indian suppliers. Arvind Mills, for instance, supplies denims to almost all the big brands in the US as well as in other countries. Many of the labels come to

India in value-added formats. With the textile majors now launching their brands, several changes are expected in the market. The Indian textile majors will now compete with those very brands to which they have been supplying fabric for several years.

Arvind is planning to launch its own branding the US market, while Ashima aims to enhance its brand presence with its brands, Icon and Logo. Similarly, Aarvee Denim & Exports is coming out with its own label, Adem. Aarvee has been supplying fabric to leading brands in the UK and France. It will retain the existing Amtwex brand for its fabrics. Welspun is also mulling over investing substantially in brand development and is considering retail initiatives, along with global distribution alliance.

*Business India, Mumbai
09th May, 05*

ITC UNVEILS PLAN FOR TEXTILE EXPORTS

Eying the four-fold growth in the textile industry, particularly exports, paperboard major ITC (paperboards and specialty papers division) is launching a new initiative to create customized solutions for garment accessories.

"By the initiative, partnering for global success, ITC would entail in creating special products in association with printing technology specialists, printers, garment producers, in line with stringent specifications of global brands," K.I.Viswanathan, Head, Marketing said.

With international brands looking forward to ready-to-retail sourcing, not just the manufacturer of premium world class textile products, the company would target tags, photo-cards, inserts and packaging cartons required for garment industry.

*The Pioneer, Delhi
15th May. 05*

HIGH CRUDE PRICES WILL HIT TEXTILE: FICCI STUDY

Crude oil price of 50 dollars a barrel in the international market would pull down India's GDP growth by 0.4 per cent and push up inflation by 1.5 per cent, a FICCI has said.

The cumulative impact of a double digit oil price increase in 2005-06, on top of a 14.9 per cent rise in 2004-05 will be most felt by the manufacturing sector, especially like textiles." The study said. Seventy per cent of India's oil requirements is met by foreign sources.

*Tecoya, Mumbai
19th May. 2005*

ORGANIC COTTON ON REVIVAL PATH

At least one thousand cotton growers couldn't care less if BT cotton booms or the textile quota goes. These farmers in Punjab and Gujrat have opted to grow only organic cotton, giving pesticides, fertilizers, and GM seeds the big heave-ho from their lands.

In doing so, they have bumped into a goldmine of opportunity in exporting organic cotton textiles and ready-mades, currently the rage in Europe and the US.

*Indian Express, Mumbai
24th May. 05*

NTC LAND SALE: GOVT. DROPS IDEA OF PVT. PARTICIPATION

In the light of a Supreme Court order, the govt. has decided to modify its earlier plan to develop the land of closed NTC mills in collaboration with private parties.

While modifying the interim order of the Bombay High Court putting a stop on all such construction activities on the textile mill land in Mumbai, the Supreme Court had allowed NTC to go ahead with the sale of land as per the scheme for revival of the company prepared by the Board for Industrial & Financial Reconstruction (BIFR).

The apex court bench had observed that the interest of justice would be sub served if the NTC is permitted to complete the transactions in terms of the scheme framed by the BIFR.

The BIFR had said that the land and other assets of 69 closed NTC mills be sold to raise funds for revival of 53 sick mills. Because the real estate market was down during the last few years, the govt. decided to rope in private players and develop the land jointly. "As the scheme prepared by the BIFR did not mention that private players can be roped in to develop and sell the land of closed mills, the govt, has decided to drop the idea of having private participation in the process." Sources told PTI.

"Now the land of NTC mills will be sold directly through a bidding process." They added. The last sale of NTC land in Mumbai netted the govt. close Rs. 276 crore. So far, the govt. has raised Rs.800 crore from sale of NTC land across the country.

*The Free Press Journal, Mumbai
23rd May. 2005*

CHINA DROOLS OVER LOCAL APPETITE FOR TEXTILE TOOLS

The 'Dragon' is eying India once again. Even while aggressively competing with India in the domain of apparel exports, the Chinese are pragmatic enough to tap the growing market for textile-equipment machinery in India.

Some estimates indicate that, close to 40% of the machinery investment being made by Indian apparel exporters is of Chinese origin. India is a huge market for the Chinese textile equipment makers and with many Indian textile firms willing to spend on technology upgradation, thanks to availability of schemes like TUFs, It is but natural that they are attracted to this market, according to the experts. It is estimated that close to 30-35% of the investments being made by the apparel units goes towards equipment/mechanization.

*The Economic Times, Mumbai
31st May. 05*

BAR-CODING TO GET TEXTILE PUSH

In a bid to push up textile exports in the post-quota regime, the textile ministry is planning to bring bar coding and radio frequency technologies under the ambit of the TUF, which gives interest subsidies on loans used for technology upgradation in the sector.

Leading textile exporters and other players associated with bar coding and radio frequency have had detailed meeting with the textile ministry. Based on inputs from these meetings, the textile ministry has held several rounds of meetings with the commerce ministry to work out the modalities of bringing bar coding under TUF scheme.

A senior official in the textile ministry, dealing with TUF schemes said, "yes we are actively considering to bring bar coding under TUF. Bar coding is the first concern and will look into radio frequency subsequently."

A product's bar code is a thirteen-digit number along with bars. The code enables exporters, importers and consumers of shipments and products to identify the product. Bar-code helps to automatically capture product movement and sales data at the wholesale or retail level, which are then transmitted via electronic data interchange (EDI) to manufacturers.

*Indian Express, Mumbai
31st May. 05*

ACTION PLAN TO HELP TEX-ECONOMY TO REACH \$85 BILLION

Spurred by the turnaround in the textile industry during 2004-05, the Ministry of Textiles has come out with an action plan for the current fiscal to consolidate the gains already scored to help the textile economy grow from the current \$37 billion to \$85 billion by 2010.

Speaking to newspapers to announce the achievements of the Ministry during the first year of the Central government and the tasks it has set itself to achieve this year, the Union Textile Minister, Mr. Shankersinh Vaghela, said that the foremost task on hand was upgradation of the technologies used by industry through import, technological assistance to the sectors involved in textiles, and development of indigenous technologies.

Mr. Vaghela also said that the thrust would be on promoting 'made in India' brand, marketing and better positioning of handlooms and handicrafts sectors. Besides, apparel parks, textile malls, handloom and handicraft clusters, and urban haats would be developed to help the sector grow rapidly.

*The Business Lines, Madras
03rd Jun. 05*

AUSEE TEXTILE GIANTS TO OPEN OFFICES IN INDIA

Five major textile retailing giants from Australia-David Jones, Target, Country Road, Little Label and Lowes- will open buying offices in India

this year to take advantage of the high quality apparel and garments produced in the country.

The five retailing firms, which have sales of about two billion Australian dollars, expressed willingness to open the buying offices in India before December 2005, said Mr. Sarat Chandran, Director, Indo-Australian Chamber of Commerce.

The retailing firms from Down Under are expected to open the buying offices in Chennai, which is closer to the textile hubs, Coimbatore and Tirupur. Chennai also has the advantage of a well-established port. Australian retailers are increasingly diversifying their buying of apparel and garments from China to India.

*The Statesman, Kolkata
09th Jun. 05*

EUROPE PLANS TO MOVE FROM MASS PRODUCTION TO CUSTOMISATION

The increasing international competition on account of significant relocation of textile and clothing manufacturing to low wage countries has prompted the European textile and apparel manufacturers to charter new innovative frontiers, particularly in the technical textile orbit.

Under its Technology Platform for the future of textiles and clothing, the European Commission Euratex (European Apparel & Textile Organization) has structured three main focus areas these focus areas are highlighted by Mr. Filiep Libeert, President, Euratex at the opening session of the Techtexil and Avantex Symposium 2005.

The first focus being on moving from commodity fibres, filaments and fabrics towards specialty products from flexible high-tech processors

His second one being establishing and expanding textiles as the raw material of choice in many industrial sectors and application fields.

Whilst the third and final focus is to end the era of mass manufacturer of textile products and moves towards new era of customization, personalization, intelligent production, logistics and distribution.

*Tecoya, Mumbai
08th Jun. 05*

TEXTILE FIRMS LOOK TO GAIN FROM CHINA'S WOES

Indian textile makers are raising money and pulling in foreign partners to ramp up their production quickly after global quotas elapsed, moves gaining fresh impetus from China's trade dispute from the US and the Europe.

Soaring Chinese textile exports since the January 1 end of global quotas have prompted the US to impose import limits and Europe to threaten caps. They say the Chinese export surge is disrupting their markets.

The growing concern over China's exports has led some potential investors to look to India as an alternative.

"They see India as being capable of producing high quality textile products, in addition to offering a large domestic market as well. Our partners picked us over China," said Gautam Singania, Managing Director of Raymond Ltd, which has signed deals with two Italian firms in the last eight months.

The Financial Express, Mumbai
10th Jun.05

GOVT MAY TAKE JOINT VENTURE ROUTE FOR TEXTILE REVIVAL

The recent textile boom has opened up a new avenue for the govt. to revive sick NTC mills. It may adopt a joint venture route to revive sick mills by inducting "strategic" private partners in individual units. Some of the NTC mills may fit well in the aggressive expansions strategies of private textile firms.

"The govt. may enter into JV agreements with such private companies, interested in individual NTC mills. This sick mills can be turned around by public-private partnership in the buoyant textile market," a govt. official said. JV route is proposed to be adopted only for certain identified mills

While the govt. has already decided to modernize 22 best performing viable mills in the first phase, it wants to explore JV route for other 31 units. "We expect that some of the 31 units can be revived through the JV route. Remaining units may be closed after offering VRS to workers," the official concluded.

The Economic Times, Mumbai
17th Jun.05

NTC MAY DEVELOP GEMS & JEWELLERY CENTRE ON MUMBAI MILL LAND

Buoyed by the returns following the sale of surplus land of its three mills fetched, amounting to Rs. 1,160 crore, NTC is keen on retaining one of the mill lands for itself to develop it on a commercial scale.

Sources in the textile ministry told that NTC has decided to keep the land of Indu Mills in Prabhadevi facing the Arabian Sea for commercial exploitation through an ambitious development program. They said that the Export Promotion Council for Handicrafts (EPCH) would be approached to develop a world-class Gem & Jewellery Centre in that land. The EPCH has the expertise in developing such world-class mart, as it

had developed one such international mart for handicrafts in Greater Noida near Delhi.

The sources said that the proposal is to develop this NTC land in Prabhadevi not only to build a world class center for gems and jewelry, but also other business centers, including hotels and malls for making it the tallest building in Asia.

The Business Lines, Madras
28th Jun. 05

MILLS OUTSOURCE LOOM FABRICS TO CUT COST: MOVE AIMED AT MEETING BULK ORDERS FROM RETAIL BIGGIES

To equip themselves to meet large orders of global retail majors like Wal Mart, JC Penny and GAP, India's composite textile mills are, for the first time, adopting a 'need based outsourcing model' to bridge the weak links in manufacturing. They are tying up with independent weavers (powerloom) for outsourcing fabrics, giving the later highly remunerative jobs linked to prior orders from the retail biggies.

According to industry sources, the mills and powerloom are recognizing the benefits of such mutually complementary tie-ups. On one hand, the powerloom industry is very much upbeat for the tie-up as that would enable them to fetch better price realization for their produces. The composite sector, on the other hand, is also happy, as the tie-up will enhance their ability to meet the exacting requirements of major retailers.

Realizing that the removal of quotas, competition in the global textile markets has increased, necessitating such manufacturing collaborations, The Indian Cotton Mills Federation (ICMF) and the Powerloom Development & Export Promotion Council (PDEXIL) have swung into action and have already had deliberations on the proposal. The textile ministry has also backed the model, stating that it would help leverage the low production cost of powerloom with better processing facilities and marketing infrastructure with the mills. Cost of weaving is 10-20% lower in powerloom sector compared to the large mills.

"Composite mills can gain more competitiveness by adopting the powerloom, which have low cost weaving capacities," said Sudripta Roy, Jt. Secretary, Ministry of Textiles.

The Economic Times, Mumbai
30th Jun. 05

Compiled by Partha Basu for:

NORTHERN INDIA TEXTILE RESEARCH ASSOCIATION

Sector-23, Raj Nagar, Ghaziabad-201 002

Tel No.: 0120- 2786451, 2783586/592/638 Fax No.: 0120 -2783596

E-mail: nitra@nde.vsnl.net.in

Web site : www.nitratextile.org

