



NITRA TEX-CLIPS



(TEXTILE INDUSTRY CLIPPING UPDATE by NITRA)

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TEX-INDUSTRY SET TO DOUBLE SHARE IN GLOBAL MARKET: STUDY

The phasing out of MFA provides the opportunity to increase its share in global textiles and garments exports to 8% in 2010 from the present 3.9%. This would enable the sector achieve sales of \$50 billion, according to a study conducted by PHDCCI. It will happen due to India's inherent cost and operational advantages. India is set to pocket a larger share of the world textile and garment export market, which is projected to grow to about \$655 billion by 2010.

The study points out that with the termination of MFA, India's garment segment is poised to fuel the country's textiles and garments export as this segment provides the highest per unit realization and has high value added content.

Business Line, Madras
2nd Jan. 05

TEX-PROS IN DEMAND AS QUOTAS GO

The job market for textile professionals is hot. Domestic as well as foreign garment manufacturers and buying agents – Steave & Barry's, Stirling Group, J & J, Birla VXL and Cornell Overseas-are on the campus prowl. Their demand: shrewd negotiators with excellent communication skill. Their offer to freshers: Rs. 1.8 to 3.5 lakh per annum. The remuneration package becomes fatter for professionals having two to four years' experience.

Economic Times, Mumbai
4th Jan.05

BLEAK FUTURE FOR AFRICAN TEXTILES

African textile producers are expected to be the hardest hit when rich countries end a curb on clothing import on from developing nations, forcing Africa to compete with larger low-cost producers.

Many African countries say the end of WTO agreement on Textile & Clothing, which for 40 years has guaranteed their textile exports duty-free, quota-free access to western markets, could spell a free-for-all rather than free-trade.

Analysts say, it will force countries like Mauritius, Madagascar, Uganda and Lesotho to compete with China and India-larger low-cost producers, which can sell their goods at cheaper prices on the global market.

Then here are other competitive suppliers like Indonesia, Thailand and Pakistan to further

grab their chunk, leaving very little or almost nothing for African countries.

Deccan Herald, Bangalore
2nd Jan. 2005

ORIGIN LAWS MAY PUT TEXTILES IN NEGATIVE LIST

The textile ministry has asked the commerce and industry ministry to keep textile related items on the negative or sensitive list for bilateral free trade agreement until clear-cut rules of origin are adopted. The move is aimed to ruling out any circumvention.

The rules of origin re formulated to ensure that products imported under trade agreements have a certain percentage of domestic inputs and have gone through a certain level of processing. This is done to protect domestic industry.

Business Standard, Mumbai
17th Feb. 2005

INDO-PAK JOINT EFFORT ON TEXTILE PICING

The Indian and Pakistani textile mill owners are planning to hold videoconference every month so that textile goods prices and other textile related issues could be discussed. NITMA President Shisir Jaipuria during his recent visit to Pakistan gave the proposal in this regard. During this visit, textile industrialists of both the countries also agreed to form a working group on textile goods price issues.

Reports from All Pakistan textile mills Association (APTMA) said that some western textile businessmen are getting undue benefits by quoting wrong prices offered by India. Exchange of price related information between textile industrialists of both India and Pakistan can be helpful in getting due prices of textile items in the international market.

Tecoya Trend, Mumbai
12th Feb. 2005

NEW TEXTILE BILL TO GUARD CONSUMER INTERESTS

The new bill will only increase the government's control over the industry, including retention of the powers of inspectors to enforce compliance. The textile ministry will also have the right to decide the sort of packaging that a mill may employ. It has also incorporated a provision for authentic data collection, under which it will be mandatory for companies to send production and

trade data regularly to a central agency. Failure to comply could invite a prison term of up to six months, which is milder than the one-year term under the essential Commodities Act.

Officials said that the new bill is aimed at protecting small-scale units in the post quota regime. The bill also takes into account consumer interests. The administrative agency will also have powers to check on a surge in prices or shortage.

Economic Times, Mumbai
13th, Feb. 05

TEXTILE EXPORTERS JOIN PUBLIC ISSUE BANDWAGON

Textile exporters are queuing up to tap the capital markets. Faced with a deluge of orders following lift-up of quota, a number of big textile exporters are mulling the IPO option to raise capital for ramping up capacities.

Two of the biggest garment exporters –the Gurgaon based Orient Craft and the Bangalore based Gokuldas Exports-are among those planning to tap the capital markets, while a number of mid-sized and smaller players are also weighing the option to fund their expansion plans. In fact, CRISIL has estimated that textile payers are likely to raise nearly Rs. 16,000 crores by way of institutional and public equity investments over the next five years to meet the post-quota orders.

While the bigger players are looking to consolidate on their leadership position, smaller and mid-sized players are also looking to raise capital from the market to expand capacities and thereby achieve the requisite economies of scale for matching the prices offered by the bigger players.

The Business Lines, Madras
14th Feb. 05

RAYMOND SIGNS RS. 180 CRORE JOINT VENTURE WITH ITALIAN TEXTILE CO.

Raymond, the Mumbai based textile major, has entered into a 50:50 joint venture with Italian cotton textile major Cotonificio Honegger to manufacture value-added cotton shirting fabrics. They will set up a unit with the capacity to produce 10.5m. meters.

Raymond's chairman Gautam Singhania said that the total cost of the project is estimated at Rs. 180 crores. The location for the project has not been finalized. Raymond has identified locations in Karnataka and Maharashtra and a final decision will be taken shortly.

According to company officials, the project will go on stream in one year. Under the deal, Cotonificio Honegger has agreed to buy a part of the total production for its captive consumption. Robert Lobo, who has recently joined Raymond from Morarjee Gokuldas, will lead the joint venture.

Economic Times, Mumbai
18th Feb. 2005

CHAMPION INTRODUCES DOUBLE DRY COTTON

For Spring 2005, Champion is launching the first-ever line of cotton athletic-wear for men and

women that also wicks away moisture. The new Double Dry cotton line uses innovative moisture management technology developed by Cotton Incorporated to deliver exceptional wicking performance while maintaining the look, feel and comfort of cotton.

Double Dry Cotton is big news for cotton fans that want softness and comfort plus moisture wicking performance. Today's athletes-whether they are performing at the highest level of competition or just beginning a workout routine – are all looking for moisture management to keep them cool and dry. Now with the introduction of Double Dry Cotton, there is an alternative to traditional synthetic materials.

Tecoya, Mumbai
21st Feb. 2005

PAKISTAN TABLES TEXTILE VISION 2010

The All Pakistan Textile Mills Association (APTMA) is learnt to have prepared a Rs. 300 billion investment oriented plan to modernize and make Pakistani textile industry competitive enough to encash the opportunities lies ahead.

APTMA feels that Pakistan industry has a western technology edge and better cotton yield, which can induce American, Korean and European relocation of plants. Further, there are prospects of converting US cotton in Pakistan for export of textiles under duty-free access to USA under TIFA/FTA and better alliances with Sri Lanka and Bangladesh.

Tecoya, Mumbai
18th Feb. 05

SALE OF NTC ASSETS GATHER STEAM

The sale of assets of National Textile Corporation is gradually gathering momentum with a piece of land with a mil in Delhi fetching the government Rs 67 crores. The six-acre land that the NTC mill in Delhi had been sold for Rs. 67 crores as against the reserve price of Rs.45 crores. Last week asset sale committee met and cleared the sale of the land in Delhi.

The asset sale committee comprised of representatives of central and state governments operative agencies appointed by Board for Industrial and Financial Reconstruction (BIFR) itself, NTC and concerned NTC subsidiary. The boom in the real estate market resulted in better valuation of the land, which will be used for building a housing complex.

Earlier, when the same piece of land was put up for sale, the bids that were received were below the reserve price of Rs. 35 crores. Now the Govt. is looking up to sell the prime land of five of the seven NTC mills in Mumbai. The Maharashtra govt. has been given the land of two mills for its own use. Tenders will be floated for each piece of land separately, and the first tenders expected to out shortly. Government had appointed consultants to help with the sale of land held by NTC mills in Mumbai.

Free Press Journal, Mumbai
24th Feb. 05

EUROPEAN TEXTILE MAJORS GUNG-HO ON INDIA

Even as the US remains the top destination for Indian textile exports, European investors-led by the Italians and the Germans-are emerging as big investors in India's booming textile sector. While Italian fashion garment manufacturing major Carrera has already firmed up plans to invest nearly Rs.1000 crores in Maharashtra for setting up manufacturing units across multiple locations, another Italian group is carrying out feasibility studies for setting up a full-fledged Italian Fashion village near Kochi in Kerala.

*The Business Lines, Madras
03rd March, 05*

FOREIGN GROUPS PICK UP STAKE IN ABHISHEK INDS. AND WELSPUN INDIA

Foreign investors are increasingly picking up in Indian textile players because of the huge export potential following the end of trade quotas late last year. A private equity arm of Citigroup has picked up a seven percent equity in Ludhiana based terry-towel manufacturer Abhishek industries Ltd. through a secondary market transaction valued at around Rs. 45 crores

This comes close on the heels of Temasek, the Singapore based private equity fund, buying a 14.01 percent stake in another terry-towel major Welspun India for close to Rs.140 crores through a preferential allotment.

*The Business Lines, Madras
02nd March, 05*

TEXTILE PROCESSING PARK PLANNED AT CUDDALORE

The government has planned to set up a textile processing park, the first of its kind in Tamil Nadu, on a 500 acres land in Cuddalore. The Handlooms and Textile Secretary, A. Elangovan, said there were no big yarn and fabric-processing unit in Tamil Nadu. The existing units did not have the capacity to process the required quantity, forcing textile units to go either to Bangalore or Ahmedabad

The park would be set up with an investment of Rs. 1000 crores with ocean discharge facility for effluents, informed Mr. Elangovan at a seminar on 'Globalization: Technical Challenges in Indian Textile Industry' organized by the Indo-German Chamber of Commerce, at Chennai.

*Business Standard, Mumbai
28th Feb. 05*

GOVERNMENT TO AMEND ACTS FOR WOMEN WORKERS AND FLEXI-TIME

The govt. is spinning out better labor conditions for the textile industry. According to industry sources, the package will have two crucial elements, the extension of working hours and a provision to allow women to work from 6 a.m. to 10 p.m. The govt. will have to amend sections 54, 55 and 56 of the Factories Act (1948) for effecting the change.

Women constitute around 35-40% of the total textile industry workforce. Apparels, which

constitute the major proton of the textile industry, provided employment to 4.6m in 2003-04, up from 1.58m in 1993-94. The figure is expected to reach 12.5m by 2010-11, according to data compiled by AEPC.

Section 51, which stipulates that no adult worker shall be allowed to work beyond 48 working hours per week, may also be amended. The extension of working hours is in line with the compliance set by the global buyers. Many Indian textile exporters are finding it difficult to comply with the global standard of 60 working hours per week.

*The Economic Times, Mumbai
04th March, 05*

TEXTILE MINISTRY FOR LABOR REFORMS

The Union Textile Minister Sankarsinh Vaghela said the ministry has moved a paper on labor reforms to concerned ministries. The paper has outlined a slew of reform measures to make the industry competitive in the quota less global market. But the ministry has not proposed the hire and fire policy.

The minister said the labor reforms in the textile industry would be done in line with the Center's announced priority on employment. He further said the industry should take care of the employment generation, and not only ask for sops and tax benefits. "However, you are welcome to convey your demands to not only me, but also to the finance Minister and the Prime Minister. Even you can write to Sonia Gandhi. They take care of the industry and I can assure you they will listen to your causes," he added.

*PITB Corporate Bureau, Mumbai
06th March, 05*

INDIAN TEXTILES (IT) TO TAKE OVER FROM INFO TECH (IT) AS NEW ECONOMY DRIVER: SURESH KOTAK

Information Technology is considered as the driver of the emerging Indian economy. However, now it is time for Indian textiles to take over as a new driver, averred Mr. Suresh Kotak, President, ICC (India) and Former President, IMC & EICA, here. Addressing the seminar on "Emergence Of Indian Textile Sector As A Global Player", Mr. Kotak said that there was huge potential lying ahead for Indian textile manufacturers in post MFA era, as the markets are no longer restricted. The textile industry in India exemplifies many opportunities and threats from globalization, he added.

*Tecoya Trend, Mumbai
14th Mar. 05*

EASING OF ENTRY-EXIT NORMS WILL BENEFIT TEXTILE INDUSTRY

The govt. announced that textile sector, facing the challenges of the post quota regime, has shown encouraging signals clocking 14.8% growth in the first three quarters of this fiscal, but easing of entry-exit norms would further benefit it.

According to H.A.C.Prasad, Sr. Economic Adviser in the Finance Ministry, easing the entry-exit barrier will, however, be critical in determining

the success of the manufacturing sector in general and the textile sector in particular to reap enormous potential benefits of the post-quota regime. The govt. also pointed out that small-scale reservation has not succeeded in producing the expected results and hands constrained investment in some critical areas like knitwear, which has large growth potential.

Furthermore, there is little justification continuing such reservations, as all such items are now freely importable.

*The Indian Express, Vijayawade
11th Mar. 05*

TEXTILE EXPORTS MAY BREACH \$70-b MARK BY 2004 : EXIM BANK STUDY

The Indian textile industry has the potential to breach the \$70-b mark in exports by 2014, according to the Exim Bank's latest study titled 'Textile Exports: post MFA Scenario- Opportunities and Challenges'

Following the phasing out of quota this year, the clothing sector would offer higher gains than the textile sector, said the report.

China, India, Pakistan, Taiwan, Hong Kong, Brazil, Indonesia, Turkey and Egypt would emerge as 'winners'. However, in the long term, sustaining market shares would depend on cost, quality, and timely delivery by market players.

*The Business Lines, Madras
18th Mar. 05*

LOCAL TEXTILE COs RELIEVED AS CHINA PLANS PRICE CONTROLS

The Indian textile sector has heaved a sigh of relief as its Chinese counterpart has decided to adopt a self-imposed price control mechanism to check unfair trade practices. Many Chinese companies are selling products at prices lower than the production cost, creating unhealthy competition in the market. However, China's decision to observe self-control in textile exports is expected to strengthen India's position in global apparel markets.

In the wake of stiff resistance from the EU and the US, China Chamber of Commerce for import and export of textiles (CCCT) has said that no Chinese company will be allowed to export its products below a specified price.

*The Economic Times, Mumbai
13th Mar. 05*

MUMBAI MILLOWNERS, NTC PAY Rs. 905 CRORE TO TEXTILE WORKERS

Private textile mill owners in Mumbai and NTC have paid Rs.905.44 crores over 17,000 city mill workers towards VRS and their dues as on date, even as no progress has been made towards

redevelopment nearly 600 acres of mill land in Mumbai.

"The private mill owners have raised loans to pay workers, discharge liability to the financial institutions and banks for past and current debts despite any development of these mills lands not being undertaken in view of the controversial Development Control Regulations (DCR) 58 in force since 2001," Mill Owners Association (MOA) sources said.

The mill owners have paid Rs.261.44 crores towards VRS while NTC paid Rs.644 crores through an escrow account, which is to be operated by eight member committee headed by former judge of the Mumbai high Court Sh. B.V.Chavan, the sources said.

*The financial express, Mumbai
21st Mar. 05*

CENTRAL APPROVES SETTING UP FIVE HI-TECH WEAVING PARKS

The govt. has approved setting of five high-tech weaving parks in the country, textile Minister Shankarsinh Vaghela informed. "The Govt. Is encouraging establishing hi-tech weaving parks involving modernized powerloom thorough through assistance under various schemes." He aid in a written reply to a question in Rajya Sabha.

With the setting of the parks with modern weaving and preparatory machines, the powerloom workers will get better job opportunities and better working environment.

*Tecoya Trend, Mumbai
24th Mar. 05*

MILL OWNERS NOT KEEN ON CONVERSION OF MILLS INTO HERITAGE BUILDING

Dismissing reports that mill lands belong to the city, the Mill Owners' association claimed that 88% of the land belonged to the owners and indicated that it was not enthusiastic about converting them into heritage buildings.

The Association Secretary General V. Tamane said only 12% of the land ere on lease ranging from 99 to 999years. Tamane claimed that the revised DCR 58 was a boon to the workers, owners and banks, and added that the workers ere happy as they had got their dues.

On the proposal by some groups in the city to convert mills into heritage buildings as had been done in other countries like England and Ireland, he said it would amount to blocking a progressive step. "We would be losing our priority as such issues are time consuming. It has got several in-built problems and the workers and financial institutions can not wait indefinitely for settlement", he added.

*The Free Press Journal, Mumbai
27th Mar. 05*

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