NEW CLIPPINGS

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INTERNATIONAL NEWS

Germany: Yarn Expo Autumn 2014 to take place from Oct 20

Returning from 20 – 22 October this year, Yarn Expo Autumn 2014 will be held in hall N4 at the Shanghai New International Expo Centre once again. With an exhibition area standing at 5,000 sqm, nearly 150 overseas and domestic yarn suppliers will participate in this edition, while many of them say they will showcase their latest eco products.

Samil Spinning Co Ltd from Korea is one such company. “Textile consumption, especially that of eco textiles, will continue to increase in the promising Chinese market, which is good for us as our high-tenacity rayon spun yarns, such as MicroModal, Modal and Tencel are all eco-friendly materials,” Isaac Hwang, Assistant Manager in the company’s R&D Marketing team said. He also stated the firm will bring some new products, namely Drysil, a new-age performance spun yarn featuring excellent moisture management properties, Porexil, an anti-pilling 100% synthetic air-jet spun yarn, and Hysil, a new ring-spun yarn to the fair.

Another exhibitor from Indonesia – PT Indorama Synthetics – will bring cotton yarns from its new factory in Uzbekistan. “We will promote our open-end cotton yarns and world-class cotton combed compact yarns for knitting & weaving applications at the fair,” said Neeraj Gupta, a representative of the firm, adding these products are made in the only Greenfield spinning mill in the Kokand region of the country.

Exhibitors optimistic about the dropping cotton price

The cotton price in China has been dropping since the Chinese government decided to terminate its cotton stockpiling mechanism in April, helping yarn suppliers in the country save more on raw materials. In order to further expand their business, nearly 50 Chinese yarn makers have already confirmed their participation at this edition to showcase their latest collections, including unique and functional products. Some of the big names include China Textile Academy, Wuxi Si-Mian Textile Co Ltd, Zhejiang Lianhong...
Fiber Co Ltd and Fujian Billion Polymerization Fiber Technology Industrial Co Ltd.

Overseas yarn spinners, on the other hand, are also optimistic about their situation. “Some local manufacturers did become more competitive due to the recent price drop in China; however, the international cotton price is also falling, following the same path as the Chinese cotton price. Plus, consumption in China is huge and we are confident that imports of cotton yarn products to China will pick up soon as domestic supply falls short of demand,” said Gupta of PT Indorama Synthetics, acknowledging the importance of utilising the fair to meet with more buyers at the fair.

Source: Fibre2fashion.com- July 31, 2014

Texas Tech Researchers Discover Low-Grade Nonwoven Cotton Picks Up 50 Times Own Weight of Oil

Nonwoven cotton could become the new picker-upper for oil spills.

Texas Tech University researchers recently discovered that low-grade cotton made into an absorbent nonwoven mat can collect up to 50 times its own weight in oil. The results strengthen the use of cotton as a natural sorbent for oil, said Seshadri Ramkumar, professor in the Department of Environmental Toxicology at Texas Tech who led the research. The results were published in the American Chemical Society’s journal Industry & Engineering Chemistry Research.

Ramkumar is a creator of Fibertect®, a nonwoven decontamination wipe developed by researchers at Texas Tech capable of cleaning chemical and biological agents. Vinithkumar Singh, a doctoral candidate working under Ramkumar, performed the experiments in this study. This multidisciplinary project involved scientists from Cotton Incorporated and Texas Tech’s Departments of Mechanical Engineering and Environmental Toxicology.

“With the 2010 crude oil spill in the Gulf of Mexico, which resulted in the major spill of about 4.9 million barrels of oil, it became apparent that we needed new clean-up technologies that did not add stress to the
environment,” Ramkumar said. “This incident triggered our interest in developing environmentally sustainable materials for environmental remediation.”

In the four-year project, scientists tried to create a fundamental understanding of the effect of fiber structure and basic characteristics of cotton on oil sorption capacity of unprocessed raw cotton. The work also examined the basic mechanisms behind oil sorption by nonwoven cotton webs.

“We believe nonwoven cotton webs as an oil sorbent have tremendous potential for application in real-time oil spill scenarios along with environmental sustainability and commercial acceptability,” Ramkumar said. “In this study, we have used low-grade cotton as well as mature cotton, and it was observed that low-grade cotton performs better than regular mature cotton in the oil sorption capacity. Nonwoven cotton batts consisting of immature and finer cotton fibers showed 7 percent higher oil sorption capacity than cotton batts developed using mature and coarser fibers. Cotton batts could be used to clean up oil spills on land as well as any oil-water system.”

Ramkumar and his researchers are working with Texas Tech’s Office of Technology Commercialization to take this new technology into commercial space within a span of 12 months. Recently, there have been some active interests to evaluate our product for further consideration, he said.

“Our research shows cotton as a high-performance fiber that can be deployed to clean up toxic oil spills,” Ramkumar said. “More importantly, the oil sorption by environmentally friendly and natural sorbents like aligned nonwoven cotton made from raw unprocessed cotton and correlation with its characteristics, such as cotton quality, fineness and maturity, are not reported at all to our best knowledge.”

For a copy of the research, visit http://pubs.acs.org/doi/abs/10.1021/ie5019436.

Source: Texas Tech University, July 31, 2014
ITMA 2015 over 95 per cent sold at close of space application

Overwhelming response reaffirms reputation of ITMA as global industry technology showcase

Global textile and garment technology suppliers have snapped up space at next year’s ITMA exhibition in Milan. ITMA 2015, the world’s most established textile and garment machinery exhibition, has attracted over 1,300 applicants from 43 countries by the application deadline of 4 July. As a result, over 95 per cent of the 200,000 square metres of space has been taken up.

CEMATEX, the European Committee of Textile Machinery Manufacturers, which owns the ITMA brand, is delighted with the outcome. Mr Charles Beauduin, President of CEMATEX, said: “We are very encouraged by the strong space take-up over the last few weeks. The overwhelming response is testimony of ITMA as a relevant marketing and sourcing platform. It further reinforces the reputation of CEMATEX’s global platform.

“The textile and clothing sector is one of the most globalised of any industry. Manufacturers competing for a slice of the world market need to invest in better technology to raise productivity and meet more stringent demands on quality. Increasingly they are required to adopt clean technologies to produce eco-friendly products. ITMA’s theme of sustainable innovation is timely and resonates with the world’s leading textile and garment makers, fashion and lifestyle brands and retailers.”

Interest in ITMA from CEMATEX countries is very high, with many companies planning to launch their latest technologies at the exhibition. Over 750 applications have been received to date from companies in CEMATEX countries, taking just over 70 per cent of the space booked so far.

Several CEMATEX countries have increased the space booked for the 2015 show compared with the 2011 event, including Italy (up 30 per cent), Netherlands (up 20 per cent), France (up 13 per cent), Germany (up 4 per cent) and Sweden (up 2.5 per cent), highlighting the strength and positive market sentiment of European textile machinery manufacturers.
The top 5 countries in terms of space booked are Italy (34 per cent), Germany (25 per cent), Turkey (7 per cent), Switzerland (7 per cent) and India (6 per cent).

The top 5 countries in terms of number of applicants are Italy (31 per cent), Germany (20 per cent), India (13 per cent), China (10 per cent) and Turkey (9 per cent). It is interesting to note that the two Asian giants in textile manufacturing are also fielding a large number of exhibitors to ITMA 2015.

The top 5 sectors are finishing (24 per cent), spinning (16 per cent), weaving (14 per cent), knitting (14 per cent) and printing (10 per cent).

Commenting on the sectors, Ms Eileen Ng, Executive Director of MP Expositions and Project Director of ITMA 2015, said: “The top five sectors have always been well represented at ITMA. Exhibitors sign up for large stands to showcase their machinery through live demonstrations. Visitors can look forward to learning about the latest technologies from these manufacturers.

“We are encouraged that the printing sector has more than doubled in space applications from the last ITMA show in 2011. The positive response affirms our decision to expand it into a dedicated chapter. As there have been rapid developments in the digital realm, manufacturers will be using ITMA 2015 to launch their innovative solutions.”

Emphasis has also been given to the nonwovens, fibre & yarn and garment making chapters.

Technical textile solutions which have formed an integral part of the offerings by technology providers at ITMA will be further highlighted with displays of new applications.

With more than 15 months to go before the exhibition opens in Milan, the organising team is confident that the ITMA 2015 exhibition will see more participation from the industry. It is also expected to be a more exciting showcase as the world moves towards sustainability, spawning cutting-edge
research and development, technological innovations and a host of enhanced and new machinery, and other product offerings.

In addition, ITMA 2015 will feature a number of knowledge-sharing events. These include the World Textile Summit, nonwovens forum jointly organised by EDANA, and Textile Colourant and Chemical Leaders Forum. Recently, CEMATEX also announced the launch of the ITMA Sustainable Innovation Award programme.

ITMA 2015 will be held from 12 to 19 November at Fiera Milano Rho in Milan, Italy. Limited exhibition space is available and those keen to participate are advised to apply online (www.itma.com) as soon as possible.

Source: www.itma.com, July 31, 2014

Retail sales of Chinese textile and apparel shows growth in H1

The Nation Bureau of Statistics report that in June the total retail sales of consumer goods are 2.1166 trillion Yuan, with an increasing of 12.4% (12.4% is in nominal terms, take out the price factor actual growth is 10.7%; and the following are nominal terms). Retail sales of units above designated size grow by 10.2% to 1.1103 trillion Yuan. In H1, the total retail sales of consumer goods are 12.4199 trillion Yuan, with an increasing of 12.1%. In June consumption of clothing shoes & hats and textiles is 97.8 billion with an increasing of 11.7%, and it is increase by 10.0% to 588.6 billion in H1.

Source: China Textile Information Center-July 30, 2014
USA: North Face all set to make its polyester clothes from 100% recycled content by 2016

The North Face, Inc. is an American outdoor product clothing manufacturer specializing in outerwear and equipment such as backpacks, tents, and sleeping bags has planned to manufacture all of its polyester fabric from 100 percent recycled content and set a goal to achieve it by 2016.

Currently, polyester makes up 80 percent of the material it uses in its apparel products. North Face uses manufacturers in USA and Asia to produce its products.

To reach its goal, it will primarily take used water bottles that are recycled into polyester for use in clothing.

Currently, the company’s Denali large black jacket uses 51 water bottles to manufacture.

North Face also offers a lifetime warranty on its clothing and gear and receives more than 160,000 product units each year at its warranty department.

Half of these are repairable and returned to consumers, while the remainders are donated or down cycled depending on the condition. According to Jeff Dorton, North Face director of materials commercialization their goal is to match the materials they use to the brand. They have decided to put a big stake in the ground and aim to use 100 percent recycled content for all of their polyester fabric by 2016.

It’s easier for them to manage a big goal like this as they can take a win on a single yarn, get a good deal on it and spread it through the entire category. The North Face is a wholly owned subsidiary of the VF Corporation with headquarters in Alameda, California. Its attire has grown in popularity.

Source: Yarnsandfibers.com- July 31,2014
Macy’s Releases 2014 Sustainability Plan

Macy’s Inc. is adopting practices to reduce waste and packaging in the merchandise supply chain and among private brand products as part of its 2014 plan to decrease the company’s environmental footprint, the retailer announced last week.

The department store chain released its 2014 objectives in a multi-year plan to integrate sustainability practices across products, facilities, and customer services. Since Macy’s set sustainability goals in 2008, the company has taken more than 100 actions to curtail its environmental impact, said Amy Hanson, Macy’s executive vice president overseeing sustainability practices.

“We have come a long way in making our company more efficient, less wasteful and greener, which is important to our customers, associates, shareholders and communities,” Hanson said in a press release.

Among the new initiatives for 2014, Macy’s revealed plans to reduce waste by standardizing the size of packing cartons, using recycled polyester fibers in woven garment labels, and using paper hang tags made from FSC-certified paper on its private brand merchandise, the company said. Additionally, Macy’s Private Brands has joined the Sustainable Apparel Coalition, a trade organization representing more than one-third of the global apparel and footwear market and working to reduce environmental and social impacts of products, according to the release.

Macy’s is transitioning toward greater sustainability at the store level as well. The company aims to drive customer adoption of paperless billing statements, electronic bill pay, and digital receipts. Nearly 18 percent of Macy’s and Bloomingdale’s customers chose paperless billing statements in 2013, saving 745,000 pounds of paper. About 6 percent of all store transactions in 2013 were paperless, according to the press release.

The retailer has also installed more than 1.1 million energy-saving LED light bulbs in more than 800 Macy’s and Bloomingdale’s stores, decreasing electricity usage by 37 percent between 2002 and 2012. Macy’s will expand use of LED light bulbs in stores nationwide to reduce energy consumption by another 6 to 10 percent by 2015, according to its 2013 Report on Social Responsibility.
Building on the progress of its energy-saving upgrades, the retailer is also installing clean, renewable energy systems at stores and facilities. It will set up 20 solar systems on roofs of stores and distribution centers by 2015, adding to the 55 solar power systems already stationed on facilities.

By late fall, Macy’s shoppers in California will see 17 new electric vehicle charging stations outside eight Los Angeles-area stores in collaboration with Volta Industries, a leading network of free charging stations in the U.S. The new stations will add to the 33 EV charging stations already outside Southern California stores for customer use.

Source:Sourcing Journal.com - July 30, 2014

H&M opens world’s largest upscale flagship store in US

Over 1200 eager H&M fans lined up in mid July on the famed Fifth Avenue for a chance to be one of the first to shop the newest and most upscale flagship in the US and the largest H&M store in the world to-date.

Opening day was the culmination of a partnership between H&M, The Whitney Museum of American Art and renowned American artist Jeff Koons. The grand opening also celebrated the launch of the Jeff Koons for H&M leather handbag featuring Balloon Dog (Yellow), one of his most famous works. Eager passersby peeked into the four-story tall glass façade of the mega-store which features a larger-than-life image of the balloon dog.

Beginning Thursday, July 17, the specially-designed, limited-edition leather handbag featuring the Balloon Dog (Yellow) and is being carried in select markets across the US including New York, Los Angeles, Chicago and Dallas, as well as online.
H&M’s CEO, Karl-Johan Persson, President of H&M North America Daniel Kulle, and Flagship Store Manager Erica Hebert officially cut the ribbon and welcomed the first shoppers as they danced into the store. "This store is unlike any other we have ever designed. We are so proud to finally have a true flagship that carries every one of our concepts: Ladies, Men’s, Young Trend, Home, Accessories, Shoes, and much more", says Kulle. "Our customers will finally get to experience our full offering under one roof and H&M at 589 Fifth Avenue will become the destination for both our local customers and our visitors from around the world."

The new flagship, measuring 57,100 square feet, includes six floors of fashion and a 470 square foot LED screen which create a regal feel upon entering the store. Timeless design details in-store include green and white marble tiles, opulent walls of mirrors, and distinct herringbone woodwork. The store is the first in the country to offer a full concierge shopping service which will create a truly unique consumer experience. It is also the first store in New York to carry the H&M Home collection.

The first customers started lining up outside of the store on the red carpet at 7pm on the evening before the opening, and were rewarded with Access to Fashion Passes, balloon dog decorated custom H&M canvas tote bags filled with fun giveaways and stylish balloon dog headbands!

Source : China Textile Information Center-July 30, 2014
NATIONAL NEWS

Textiles Minister wants PM to link the sector to rural job guarantee scheme

*National Textiles Policy likely to be finalised by Aug 15, 2014*

Textile Minister Santosh Gangwar has written to Prime Minister Narendra Modi requesting that the entire textile sector, including garments and fibre, be linked to the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGA).

The proposal, if accepted, will not only guarantee minimum wages to workers in the textile sector but also ensure adequate availability of labour for manufacturers.

I have written to the Prime Minister to link the entire textile sector with MGNREGA (Mahatma Gandhi National Rural Employment Guarantee) Scheme. It will ensure that the thousands of workers employed in the sector get a guaranteed minimum wage, Gangwar told Business Line.

The Textiles Ministry is also in talks with the Labour Ministry to streamline labour laws for the sector. This may form part of the National Textiles Policy which Gangwar hopes to finalise by August 15.

The draft policy, which will be uploaded on the Ministry’s Web site soon, will invite comments from all, the Minister said.

The new Textiles Policy will have a vision statement for the sector for the next 10 years that would include the target of trebling India’s market share in the world from the current 4 per cent.

Textiles park soon

Gangwar said that the proposed textiles parks with initial investment of ₹100 crore 40 per cent of which would be subsidy from the
Government were also expected to be set up soon. August 7 is the last date for the bids, the Minister said.

Finance Minister Arun Jaitley had announced the setting up of 25 textile parks in this year’s Budget.

The textile industry, especially garments manufacturers, has been long demanding that the MGNREGA scheme be available for workers who seek employment in their sector. The industry has been facing a shortage of labour during peak demand season, as many workers prefer to work under MGNREGA schemes that guarantee minimum wages for a minimum 100 days in a year for every household.

The MGNREGA scheme has already been extended for silk cultivation, and a proposal had been made by the previous UPA Government to extend it to the handloom sector.

The textile sector is the second largest employment generating sector after agriculture in the country employing about 35 million people.

Source: Cottonyarnmarket.com - August 01, 2014

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**Government allocates Rs 11,952 crore for powerloom sector**

NEW DELHI: With an aim to modernise the powerloom sector in the country, government has allocated Rs 11,952 crore under the Revised Restructured Technology Upgradation Fund Scheme (RR-TUFS) to be implemented during the 12th Plan period.

Textiles Minister Santosh Kumar Gangwar said in Lok Sabha that to give emphasis on decentralised powerloom sector, interest reimbursement and capital subsidy for new shuttleless looms have been raised from five per cent to six per cent and 10 per cent to 15 per cent respectively.
The margin money subsidy has also been increased from 20 per cent to 30 per cent with an increase in subsidy cap from Rs 1 crore to Rs 1.5 crore, he said.

The Minister said a pilot project has also been envisaged under the powerloom sector which aims at providing subsidy for developing infrastructure, common facilities, construction of factory buildings and for shuttleless looms on hire purchase basis to improve their quality and production and to face the competition from domestic market as well as export market.

"Capital subsidy has been increased from 25 per cent to 30 per cent for handloom and silk sector, margin money subsidy cap is increased from Rs 45 lakh to Rs 75 lakh for MSME and jute sector," he said.

Gangwar said the scheme has been evaluated thrice in 2003, 2006 and 2010 and all evaluations found the scheme beneficial for the textile industry and recommended its continuation.

"These evaluations have found improvement in quality, turn over productivity, profitability, exports etc and a decline in cost, wastage, maintenance and labour costs etc," he said.

The Minister said the scheme was last reviewed by the Expenditure Finance Committee in March 2013 and it was recommended to continue the scheme in the 12th Five Year plan. A subsidy of approximately Rs 2,60,000 crore attracted under TUFS.

On the poor scenario of textile industry here, he said the meeting felt the UT offered good scope in the dyeing sector. Infrastructure available for discharge of industrial effluent was such that there was no threat to the environment. This facility should be used for revival of well being of workers.

The much talked about Textile park should be set up here, he said, adding that a committee should be established with technical experts to work out modalities to reactivate the three major textile industries-Sri Bharathi Mills, Swadeshi Cotton Mills and the AFT mill- in Puducherry.

There should be no room for vote bank politics and no piecemeal approach
should be adopted to revive the three mills in view of their significant role in economic development of Puducherry, he said.

Source: Cottonyarnmarket.com - August 01, 2014

Textile association seeks wage board

PUDUCHERRY: A textile workers association has asked the Centre to constitute a national level wage board for workers in the sector saying such boards in a number of segments had proved helpful.

The textile sector had been registering good growth in the country but the plight of the workers continued to cause concern. The wage structure was also not of help to them, the All India Textile Workers Federation said. Briefing reporters on resolutions adopted on the concluding day of the two-day meeting of the federation executive, general secretary of the Tamil Nadu AITUC T M Moorthy said the meeting felt that a wage board should be constituted and its recommendations implemented for the good of 3.5 crore workers directly employed in textile industries. Wage boards set up in various other sectors had proved to be helpful, he said.

Claiming that the industry's share in foreign exchange earnings was considerable, he said the Central and state governments should take effective action to ameliorate the lot of the workers. There should be undelayed initiatives to rehabilitate those affected by closure of textile industries.

Source: Cottonyarnmarket.com - August 01, 2014
Kapas futures declines on subdued spot demand

Kapas prices dropped by Rs 32 to Rs 786.50 per 20 kg in futures trading today as speculators reduced positions amidst subdued demand in physical markets.

At the National Commodity and Derivatives Exchange, kapas for delivery in February month contracts fell by Rs 32, or 3.91 per cent, to Rs 786.50 per 20 kg, with an open interest of 51 lots.

The most-active April contracts month also eased by Rs 6.50, or 0.79 per cent, at Rs 814.50 per 20 kg in an open interest of 9,927 lots.

Marketmen attributed fall in kapas prices at futures trade to off-loading of positions by participants driven by subdued demand from textile units at spot markets.

Source: Cottonyarnmarket.com-August 01, 2014

Cotton prices seen dropping at its lowest in nearly five year

Cotton farmers although favoured by Mother Nature, but it is not the same for the cotton market with cotton price dropping more than 20 percent just in the past few months. The price was around 85 cents per pound before Memorial Day. It’s now as low as 64 cents.

Cotton is growing well across the country, which means supply is up, but a major buyer, China, has a lot of cotton in reserves, so demand is down. The reason of drop in cotton price is due to both supply and demand trend

Thirty-four-thousand acres of cotton were planted this year in the state, Alabama ranks 10th in cotton production in the U.S.

According to experts, it's the lowest seen in nearly five years. Just to put it in
perspective, cotton was trading at 91 cents to 93 cents this time last year. The impact goes beyond farmers. Cotton in Alabama creates more than 2,700 jobs and has an annual economic impact of nearly $300 million. Even with the decrease, farmers believe the drop in price will turn around.

While, as per Brian Hardin, director of governmental and agricultural programs at Alfa they have had several good years with prices and it's just in a cycle where those factors coming together are pushing it down. 64 cents or 65 cents is not what they would like to see for cotton. Where the price stands now, farmers can't even come close to making a profit.

As per Montgomery and Macon County cotton farmer, the cotton price needs to be above 80 cents, really upper 80's to be profitable. The world will look at it and decide that's just a cheap, good buy and will have people come back in to buy it and drive prices up. Also the cheaper it gets the mill demands should pick up. There are some companies that are building new mills in the United States. They could bring some of their manufacturing technology back here and that could be a huge plus for the future economy.

Source: Cottonyarnmarket.com-August 01, 2014

Sowing of cotton gather momentum but yet to catch pace with revival of monsoon

With the revival of monsoon, sowing operations for cotton has gathered momentum but yet to catch up pace across the country compared with the previous year, However, similar acreage is expected this year as well.

According to SM Kolhatkar, director, Cotton Development Board, cotton has been planted on 81.46 lakh hectares across the country compared with 105 lakh hectares a year earlier. By July 25, cotton has been sown on some 24.326 lakh hectares in Maharashtra compared with 37 lakh hectares in the year-ago period. The last three year's average for cotton acreage has been around 117 hectares.
Dr KR Kranthi, director, Central Institute of Cotton Research, Nagpur, however, has expressed some concern over the delay in monsoon and the ability of the farmers to catch up with sowing operations. At present, just 60-70% of the sowing has been completed which normally, by this time, sowing should be complete in both Maharashtra and Gujarat.

Moreover, in Andhra Pradesh, another cotton growing state, sowing has been completed on just 2 lakh hectares compared with 10 lakh hectares same time last year.

Sowing is picking up and deficit in acreage would be made up, the follow up rains in September and October will hold the key for yields and output. If there is no rain in this period, the crop does not pick up well and farmers cannot take up late sowing for Soya crop at this time of the year. So it remains to be seen if this induces farmers to shift to cotton and the impact on the overall acreage has to be seen.

Kranthi still expects cotton acreage to go upto 110 hectares. Maharashtra, the largest state under cotton, will still get to see about 38-40 lakh hectares under the fibre crop while in Gujarat, the acreage may come down to around 23-24 lakh hectares against last year’s 28 lakh hectares, Kranthi said.

In north India, cotton has been planted on about 14 lakh hectares while in Andhra the acreage could stand at around 18-19 lakh hectares.

The delay in monsoon can have an impact on the overall output but as cotton is a sturdy crop it can survive in less rainfall. In Andhra and parts of Karnataka, cotton plantings can go on till early August.

However, in Gujarat, where the rains were scanty till a few days ago, cotton has gained acreage from other crops.

Source: yarnsandfibers.com- July 31, 2014
Cabinet give positive signal for modification in labour law

The Union cabinet on Wednesday approved amendments to three outmoded labour laws that is the Factories Act 1948, the Apprenticeship Act 1961 and Labour Laws which exempted from furnishing returns and maintaining of registers by certain establishments 1988, that acted as an obstacle to faster growth and hurt employee interests.

This is the first step and is perhaps the biggest reforms in nearly 44 years. It is a huge step and gives positive signal about the government’s intention to attract investment.

The cabinet has approved amendments which is a valiant reform to help attract investments and improve the ease of doing business in the country.

The amendment to the Factories Act 1948 is expected allow women for night duty with adequate safety and provision for transport after work. This is expected to help several sectors such as textiles and garments.

It also aimed to increase the overtime hours from the current ceiling of 50 hours per quarter to 100 hours per quarter. The amendment also proposes this limit to be increased to a maximum of 125 hours per quarter in public interest with the approval of state government.

The amendments also seeks to ensure safer work environment for employees in hazardous environment as well as provision of canteen facilities in respect of factories employing 200 or more workers instead of the present stipulation of 250 workers.

It also provides for shelters or restrooms and lunchrooms in factories employing 75 or more workers instead of the present stipulation of 150 workers.

The amendment to the apprenticeship act 1961 is expected to help in skill development and training. The move is aimed at providing flexibility to firms on hiring apprentices and removing restrictive clauses for employers.

The Narendra Modi administration has undertaken to revive the economy and the manufacturing sector to create jobs and experts said that the reforms
in labour laws is expected to lead in investments and deepen industrial activity.

But the government needs to put in place system to implement the new reforms approved.

Source: Yarnsandfibers.com- July 31, 2014

Govt to benefit $1.1 bn by promoting domestic solar manufacturing

While supporting domestic industry could result in moderately higher price of solar power in the short run, the cost curve would fall in the medium term as scale and supply chains develop, says ISMA - KPMG report

If the government supports domestic solar equipment manufacturing industry, it could benefit $ 1.1 billion over the next 10 years owing to improved energy security, job creation and huge forex savings, according a white paper published by Indian Solar Manufacturers Association (ISMA) in collaboration with KPMG. The paper highlights that given the strategic need for solar power in India, a holistic policy to encourage domestic solar manufacturing is the need of the hour.

“It is estimated that about 100 GW of solar capacity will be established in the country by 2030. If a sustainable domestic manufacturing industry is promoted, it can save $ 42 billion in equipment imports. It will also create 50,000 direct new jobs and more than 125,000 indirect jobs in the next 5 years. The presence of solar manufacturing within the country will also result in better energy security as it would prevent potential supply side disruptions since the country would not be dependent on imports,” said the paper.
The paper noted that Indian Manufacturing Policy recognises solar manufacturing to be of strategic importance. However, the solar manufacturing industry has been facing challenging times because of various factors including lack of a level playing field and various global factors. These have not allowed the industry to develop economies of scale and an end-to-end supply chain.

Ashwani Sehgal, President, ISMA said, “Indian solar manufacturing is competitive but suffers due to lack of incentives that are provided to solar manufacturers in other nations. About 40% of the India solar producers have shut down with the industry utilisation at just 21%. Countries with ambitious solar energy generation plans such as China, USA and Japan have strongly supported domestic manufacturers through a number of trade and manufacturing incentives to make them even more dominant in the coming years. These measures include loans at reduced interest, credit guarantees, capital subsidies, tax holidays, antidumping measures and preferential domestic procurement amongst others.”

Highlighting the striking similarity of the solar manufacturing industry today with the electronics industry in the past, the report suggests urgent measures to avoid repeating the same mistakes. The country currently imports over $30 billion of electronic goods annually making it the 4th largest item in India’s import basket contributing to 23% of India’s trade deficit. This situation could have been prevented, if the electronics industry was supported during the nascent stage. The cost of catch-up today is enormous and despite efforts to prop up the domestic electronics industry, India has not been able to curtail the massively growing electronics imports. This is because many critical drivers such as skilled manpower, economies of scale, R&D capability and the entire ecosystem need sustained government support over a period of time.

According to Santosh Kamath, Head of Renewable Energy, KPMG in India, while supporting domestic manufacturing industry could result in moderately higher price of solar power in the short run, the cost curve would fall in the medium term as scale and supply chains develop. He added, “The concerns over unavailability of solar panels or sharp price rise can be allayed given that adequate manufacturing capacities exist in countries such as South Korea, Japan, Mexico and Singapore. There is a cost difference of about 5-10% between the largest Chinese solar panel supplier and the largest Singaporean
solar panel supplier indicating availability of competitively priced imports.”

The report pointed out that if solar manufacturing is backed by reliable long term demand on a level playing field, there would be substantial investments by solar equipment producers. Some global players may also invest in the country to make the country an export base. The entry barriers for solar capacity creation are low and gestation time for green-field investments is only 6-12 months. Thus a robust domestic industry will not only offset the higher costs of solar power today but would generate additional revenues through investments and taxes in the long run. The net benefit to the Government owing to promotion of solar manufacturing has been pegged at $ 1.1 billion over the next 10 years owing to employment and taxes benefits.

**Benefits of booster dose**

Support a strategic solar equipment manufacturing industry at early state of the life cycle is important because:
- Strong ancillary industry is created
- Clusters for knowledge and infrastructure sharing are developed
- Research institutions develop industry linkages and support innovation
- Large domestic market helps in expanding capacity
- Capabilities are built to compete effectively in competitive global markets
- Overall strategy for innovation and exports are developed at an early stage
- Economies of scale results in lower cost and brand building
- Skilled manpower gets developed with passage of time

Source: Business Standard- July 31, 2014