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ASSOCIATION NEWS

1. This year's theme for World Cotton Day (7th October) celebration is 'Cotton for Good' enduring positive impact including providing employment, protecting environment and giving us natural fibres. Cotton has a negative carbon footprint, as it degrades 95% faster than polyester in waste water helping to keep environment clean.

World Cotton Day and the Golden Jubilee of CITI-CDRA were celebrated in the Hall of KrishiVigyan Kendra, Jhabua. Shri N.S. Rawat, Dy. Director of Agriculture was the Chief Guest. Other Dignitaries, who attended the function included :

- Dr. I.S. Tomar, Chief Scientist, Krishi Vigyan Kendra, Jhabua.
- Shri Purvesh Jain, General Manager (Purchase), Indo Count Industries Ltd.
- Shri Sandeep Kumar, Head, C.S.R., Indo Count Industries Ltd.
- Shri Vinod Bafna of Bafna Fibres, Meghnagar.

Dr. R. S. Tripathi, CITI-CDRA Project Coordinator, Madhya Pradesh, presided over the function. After welcoming the guests, Dr. Tripathi apprised the audience about the project activities for enhancing the production and productivity of cotton through the adoption of low-cost technologies. There was a huge gathering of farmers, including lady farmers, who participated in the function. Shri N. S. Rawat, Dy. Director of Agriculture, Jhabua addressed the audience. Shri Rawat, in his address to cotton growers, urged to adopt low-cost technologies for higher income. He also emphasized on organic cotton farming for better returns. Shri Purvesh Jain, General Manager (Purchase), Indo Count Industries Ltd.; Shri Sandeep Kumar, Head, C.S.R., Indo Count Industries Ltd., Shri Vinod Bafna of Bafna Fibres, Meghnagar emphasized quality cotton production for higher returns. Shri Purvesh Jain assured the farmers of the lifting of their cotton from their doors. Shri P.S. Chauhan, Project Officer, Alirajpur District, proposed vote of thanks.

2. Another function on World Cotton Day was organized at Petlawad in the

Jhabua District in collaboration with Pratibha Syntex Ltd., which was attended by about 400 farmers including women. Dr. R. S. Tripathi, CITI-CDRA, Project Coordinator and Chief Guest addressing the session emphasized that farmers should have curiosity to improve their production, which will lead to increase in their income. He suggested that cotton crop should be grown as its roots go deeper in soil than any other crop and loosen the soil. Pratibha Syntex Ltd., Managing Director and Vice-Chairman of the Association Shri Shreyaskar Chaudhary emphasized on preparation and utilization of bio-pesticides for the better management of cotton pests without damaging the eco-friendly pest. He expressed gratitude to the farmers for associating with the Company and apprised them that the products made from cotton grown by them are reaching to 40 countries. FPO Director Mrs. Tarashila spoke about her growth story as to how she developed bioinput production in Mohankhedra.



3. Under Corporate Social responsibility, the Grasim Industries Ltd., trained and explained about methods to practice organic cotton farming to around one hundred farmers from Nipania, Atalavada, Ninavat Kheda, Kalasi, Khajuria, Palki, Piploda, and other villages. Earth-worm kits were also distributed to these farmers.

RAW MATERIAL

1. According to International Cotton Advisory Committee (ICAC), the annual revenue from cotton is estimated at US\$ 41.2 billion, while cotton trade amounts to US\$ 18 billion every year. According to United Nations, cotton crop being resistant to climatic changes can be planted in dry and arid zones. Cotton occupies just 2.1% of World's arable land and despite this it meets 27% of World's textile needs.





2. As per ICAC, World cotton production is expected to increase by 6% in 2021-22, the estimate of 25.7 million tons is still lower than it was pre-pandemic. The lower production in India and China is likely to offset by increased production in Australia, Brazil and USA. Global consumption is estimated at 25.9 million tons. The current price forecast of the season's average Cotlook A Index for 2021-22 ranges from 82 Cents to 127 Cents, with a midpoint at 101.60 Cents/lb.

3. According to USDA report, the global cotton balance sheet for 2021-22 shows lower consumption, higher production and higher ending stocks. During the 1st week of October, 2021, World cotton prices averaged over 115 Cents/lb., up at least 40% from a year earlier. While World income growth and spending on goods are expected to remain high during 2021-22, projected annual World cotton consumption growth is 2.9%. Consumption by China is likely to be reduced due to energy production cuts.

4. The cotton season 2020-21 has come to close on 30th September, 2021 and the Cotton Association of India (CAI) has released its final estimates of cotton crop for this season. CAI has made final estimate of cotton crop at 353.00 lakh bales, mill consumption at 292.00 lakh bales, SSI consumption at 25.00 lakh bales and non-mill consumption at 18.00 lakh bales. The exports have been pegged at 78.00 lakh bales and imports at 10.00 lakh bales. The State-wise production of cotton has been estimated as under:-

States	2019-20		2020-21	
	Lakh Bales	'000 Tons	Lakh Bales	'000 Tons
Punjab	9.50	161.50	10.50	178.50
Haryana	25.50	433.50	22.50	382.50
Rajasthan	28.00	476.00	32.50	552.50
Gujarat	95.00	1615.00	91.50	1555.50
Maharashtra	87.00	1479.00	81.00	1377.00
Madhya Pradesh	18.00	306.00	18.50	314.50
Telangana	52.00	884.00	44.00	748.00
Andhra Pradesh	15.25	259.25	16.00	272.00
Karnataka	20.00	340.00	24.00	408.55
Tamil Nadu	5.00	85.00	7.50	127.50
Odisha	3.75	63.75	3.00	51.00
Others	1.00	17.00	2.00	34.00
Total	360.00	6120.00	353.00	6001.00

CAI has estimated closing stock as on 30th September, 2021 of 75.00 lakh bales of which 27.00 lakh bales are estimated with Cotton Corporation of India (CCI), Maharashtra Federation, MNCs, Ginners, Traders, MCX, etc., and 48.00 lakh bales are estimated to be with spinning mills and stockists.

5. As per reports, strong rebound in post covid-19 demand and bullish sentiments due to tight supplies are expected to keep cotton prices above the Government set Minimum Support Price (MSP) levels during cotton season 2021-22. The high cotton prices are likely to reduce cotton exports and also procurement of cotton by Government agencies. During last two cotton seasons, CCI had spent around Rs.55,000 crore on procurement of 2.07 crore bales. Presently cotton prices are ruling about 40% above the MSP.

6. As per reports, cotton exports from the Country could fall by around 36% during cotton season 2021-22 as the domestic demand has been rising. Lower cotton exports from World's biggest cotton producer could support global prices, which are at their highest level in the decade due to strong demand from top consumer – China.

7. According to Cotton Corporation of India and Indian Cotton Association Ltd., cotton was sown on a total of 16.99 lakh hectares in the northern region, as against 17.96 lakh hectares during previous cotton season. Domestic cotton prices have soared to a record high of ₹63,000 per candy (356 kg) as the global market has surged on low production, rising demand and supply constraints. On the Inter Continental Exchange (ICE), New York, cotton prices have gained a tad over 50 per cent year-on-year rising to 108.67 cents a pound (₹66,025 a candy). "Quality cotton in the domestic market costs about ₹65,000," said Shri P. K. Agarwal, Chairman and Managing Director, Cotton Corporation of India (CCI), which had procured

cotton over the last two years to ensure markets do not drop below the minimum support price (MSP) level.

8. The Southern India Mills' Association (SIMA) has appealed to the Prime Minister on 12th October, 2021, to introduce an innovative cotton procurement and trading scheme for Cotton Corporation of India for price stability. It can be done by providing Government funding to procure 10-15% of cotton that arrive in the market during the season and by creating a strategic stock for price stability, selling cotton only to actual users in a staggered manner till the end of the season and maintaining some buffer stock for the next season. With the removal of cotton from Essential Commodities Act, multinational cotton traders started dominating our cotton economy, procuring cotton on a large scale during season taking advantage of hedging facility and cheaper funds, export cotton at lower price.

9. Speaking at the Cotton Day celebration on 7th October, 2021, Shri Piyush Goyal, Union Textile Minister, stated 'Our rank today is 34th, which is abysmally low and we need to expire to be in the top three productivity countries in the World. The World average is around 757 kg. per hectare. We should increase cotton production to 800-900 kg. per hectare from 457 kg. per hectare now. The Country holds the first place in cotton production at 360 lakh bales, which is roughly 25% of the World's production. Collective efforts to increase the cotton productivity are required.

10. Speaking the Cotton Day celebration by Cotton Association of India on 7th October, 2021, Shri Suresh Kotak suggested two ways of increasing productivity of Indian cotton:-

- First – Technological – Adopt, Adapt and tailor make from latest technology in cotton production system from various countries, e.g., China, Australia and Brazil.
- Second – Operational cum plant managerial practices – What is needed is high density planting, short duration BT varieties, conservation tillage, mulching, canopy management, orientation of rows for light interception, higher plant population, inter-cropping, etc.

11. The Polyester Staple Fibre (PSF) and Partially Oriented Yarn (POY) prices have been increased three times in the month of October, 2021. It may be recalled that prices were increased by Rs.3500/ton effective from 2nd October followed by another increase of Rs.5000/ton on 11th October and Rs.4000/ton from 18th October, 2021.

POWER



1. According to Cushman & Wakefield's (Global Manufacturing Risk Index – 2021), India has emerged as the second most preferred manufacturing destination over other countries, including the U.S and Asia-Pacific region. Redesigning the supply chain induced with green technology will help adapt to climate change mitigation measures. Clean technology intervention in the textile sector will help in driving climate change mitigation and help industries improve their overall profitability, thereby ensuring long-term sustainability. Decarbonized garment manufacturing could deliver 90 million tons of GHG emissions savings (Comparative Study of Energy Assessment from Apparel Industries, 2006). While the large textile industries have raced ahead by implementing clean technology interventions due to their access to PAT Scheme and net-zero commitments.

MAN POWER

1. Shri Shirish Wadikar, In-charge Joint Director, Industrial Health & Safety, has been appointed as Chief Inspector of Factories for the State vide Order dated 4th October, 2021 of the Labour Department.

2. Moving away from nutritional requirement as a criteria to fix minimum wages, the newly reconstituted Expert Committee, may opt for Multi Criteria Decision Making (MCDM) method to fix the amount of minimum wages. The MCDM will also address employers' views, while suggesting the minimum wage. The new Chairman of the panel, Statistician and Economist Shri S. P. Mukherjee told that most of the examples of minimum wages practices in various countries found in International Labour Organization's (ILO) Compendium, have not adopted a scientific approach.





3. As per reports, the Government will soon set up a Committee to frame India's first National Employment Policy with an aim to significantly push up employment generation in the country. Work has begun to identify the members of the committee that is expected to have representatives from stakeholder Ministries, academia, experts and representatives of employers and trade unions,

LEGAL & TAXATION

1. Confederation of Indian Textile Industry (CITI) submitted a representation to Hon'ble Union Minister of Finance & Corporate Affairs, Smt. Nirmala Sitharaman, with copy to Hon'ble Minister of Textiles, Commerce & Industry, Consumer Affairs, Food and Public Distribution, Shri Piyush Goyal and Secretary Textiles, Shri Upendra Prasad Singh, IAS, making an appeal to slot the entire MMF textile value chain (fibre to garment) under 5% GST slab and also retain the fabric and readymade goods in the Schedule of Goods chargeable to GST @ 5% (non-zero lowest GST Schedule), thereby:

- Implementing the principle prescribed during introduction of GST (i.e.) lowest rate for basic, essential goods used by common man;
- Support the MSME sector, which is majorly in the manufacture of fabric/garments (valued below Rs.1,000);
- Reap the benefits of implementing AatmaNirbhar/ PLI Schemes. Copies of the Representation also forwarded to Shri Sanjay Mangal, Principal Commissioner - GST Policy Wing, Central Board of Indirect Taxes and Customs (CBIC), and Shri G. D. Lohani, Joint Secretary (TRU-I), Central Board of Indirect Taxes & Customs.

2. Industry insiders fear that the proposal to fix a uniform GST slab of 12% for the garments sector, if it goes through, will hit the 'already battered' industry and may lead to job losses. Currently there are two tax slabs - 5% for garments below ₹999 and 12% for above that. However, representatives of the garment sector are demanding that it should be 5%. "The industry, one of the largest employer is worst-hit by the pandemic. With no social gatherings and people working from home, demand dropped by over 50% and they also do not have capacity to spend.

3. The GST Council, at its Lucknow Meeting on 17th September, 2021 has decided to impose 12% GST on all textile products except cotton to correct inverted duty structure in the sector. With a unified Goods and Service Tax (GST) rate on textile products set to kick in from 1st January, 2022, Gujarat-based textile industry fears that synthetic textile prices would surge by nearly three times

EXPORT & IMPORT

1. Confederation of Indian Textile Industry's (CITI) Analysis of Exports/Imports during April-September, 2021 is as under

Value in US\$ Million

Exports	Apl-Sep 2020	Apl-Sep 2021	% Change
Cotton Yarn/Fabrics/ Made-ups, Handloom Products, etc.	4,028.01	7,287.51	80.92
Man-made Yarn/Fabrics/ Made-ups, etc.	1,444.59	2,684.42	85.83
Jute Mfg. Including Floor Covering	136.71	229.13	67.60
Carpets	590.61	871.76	47.60
Handicrafts Excluding Handmade Carpets	636.72	1,023.86	60.80
Textiles	6,836.64	12,096.68	76.94
Apparel	4,784.72	7,331.18	53.22
Textiles & Apparel	11,621.36	19,427.86	67.17
All Commodities	1,25,623.70	1,97,891.18	57.53
% of T&C to total	9.25	9.82	

Value in US\$ Million

Imports	Apl-Sep 2020	Apl-Sep 2021	% Change
Cotton Raw & Waste	183.08	296.72	62.07
Textile Yarn/Fabrics/ Made-ups, etc.	528.10	894.63	69.41

2. Shri Raja M. Shanmugham, President, Tirupur Exporters' Association has appealed to the Union Textile Minister to help for extension of Interest Equalization Scheme on Pre and Post shipment Rupee Export Credit for another two years to make knitwear garment exporting units competitive in global market. 5% interest subvention on Pre and Post shipment Rupee Export Credit was available to MSMEs and 3% to non-MSMEs upto 30th September, 2021.



3. Smt. Darshana Vikram Jardosh, Minister of State for Textiles, speaking at the inauguration of TEXCON: 13th Edition of International Conference on Textiles & Apparels organized by Confederation of Indian Industry on 21st October, 2021, said the Government has set a strong aspirational goal of achieving \$ 100 billion from textile exports in the next five years and we will remain committed to ensure implementation of all development schemes and bring in many more schemes in pursuit of this aspiration.

4. India should target a "realistic" goal of \$65 billion worth of textile exports in the next five years, industry body CII and global management consulting firm Kearney have said in its report -Creating a Competitive Advantage for India in the Global Textile and Apparel Industry. India will be able to expand its share of global exports to 6.6% from 4%. This report was released at TEXCON on 21st October, 2021.

STATE OF THE INDUSTRY

1. The Index of Industrial Production (IIP) data for the month of August, 2021 released on 12th October, 2021 is as under:

Items	For the Month		Cumulative		% Growth
	Aug 2020	Aug 2021	Apl-Aug 2020-21	Apl-Aug 2021-22	Apl-Aug 2021-22
Textiles	96.6	118.9	61.0	113.5	86.1
Wearing Apparel	113.8	117.1	80.9	102.3	26.5

2. The Union Textile Minister, Shri Piyush Goyal, has reviewed the Amended Technology Up-gradation Fund Scheme (ATUFS) on 24th October, 2021 to boost the Indian textile



industry by enabling the ease of doing business, bolstering exports and fuelling employment. Some significant decisions to resolve pending issues include:

- Reduction of Compliance burden by accepting only single certificate from the concerned bank instead of multiple documents regarding evidence of payment for claimed machineries.
- Rationalization of GR related to cases of consortium finance.
- Consideration of Standalone embroidery machines w.e.f. inception of the ATUFS.
- Facilitating Industry by providing Condonation of filing for UIDs to 1795 pending cases besides the cases in which cut off dates falls during 23rd March, 2021 and 22nd October, 2021 (COVID Second wave period) with time line of its submission to Office of Textile Commissioner/iTUFs within 90 days (i.e., total period for unit and banks).
- Condonation for the submission of JIT request to 814 units besides the units in which cutoff date for submission of JIT request in post COVID-19.
- Simplify the procedure of Joint Inspection using calibrated approach to linking joint inspection to subsidy support size.

3. The Textile Ministry has proposed a grading system to select entities for the Rs.10,683 crore Production Linked Incentive (PLI) Scheme for Man-Made Fibre (MMF) and Technical Textiles Sectors giving preference to manufacturers, who generate higher employment, locate in smaller cities, are financially sound, have relevant experience and technical capacity and are ready to invest in integrated production rather than in single segment. In the Draft Guidelines for the Scheme issued on 14th October, 2021, that will be formalized after comments are received from all stakeholders, the Ministry has also assured that in case minimum threshold of turnover for incentive is not achieved in a particular year by participants, they will lose out on incentives in that particular year, but will not be restricted from claiming incentive in the subsequent years, if they meet the eligibility criteria. Under the grading system, a maximum of 80 points can be scored by an aspirant. An applicant can score as much as 15 points for providing jobs to over 10,000 persons; can score up to 10 points for both sound finances and relevant experience and technical capacity; for investing in 'aspirational districts' and Group C towns as designated by Housing Ministry can fetch up to 15 points; single segment investment can earn an applicant 5 points, whereas investing in integrated weaving and processing or fabrics and garmenting can double those points to 10.

4. The Textiles Ministry on 7th October, 2021, signed an MOU with Germany's Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). "The objective of the project is to increase the value addition from sustainable cotton production in India by focusing on sustainable cotton, and strengthening downstream processing". It is focusing on four majorly cotton-producing states - Maharashtra, Gujarat, Madhya Pradesh and Tamil Nadu. The MoU will cover 1.5 lakh farmers and bring about larger areas of land under cultivation by increasing cultivated land area of 90,000 hectares.

5. With a view to realize the vision of Building an Atma Nirbhar Bharat and to position India strongly on global textile map, the Ministry of Textiles notified on 20th October, 2021, Scheme for setting up of seven PM Mega Integrated Textile Region & Apparel (PM MITRA) Parks in Greenfield/Brownfields sites in partnership with willing State Governments. A two stage selection process has been put in place.. Stage one is for preliminary selection of potential sites offered by States, wherein expenditure on constitution of SPV, planning of park, and selection of Master Developer would be done. At stage two, sites will be ready for release of Grant-in-Aid for construction of Park. The Scheme would lead to creation of a modern, integrated large scale, World class industrial infrastructure including plug and play facilities with budgetary outlay of Rs.4,445 crore for a period 2021-22 to 2027-28.

6. The Ministry of Textiles on 25th October, 2021 has approved the pilot project on skilling of design and commissioning technical personnel associated with the application of Geo-textiles in infrastructure projects (roads, highways, railways, and water resources). Indian Institute of Science, Bangalore, IIT-Madras, and IIT Roorkee will carry out the project. The coordinating faculties of the Engineering Departments will look after the implementation of the special courses, in consultation with the other concerned centres and offices of the respective institutes. Additionally, the project will be implemented in batches and phases. One batch will consist of 75-100 candidates. Two batches per institute will be selected during the pilot phase.

7. The latest results of the International Textile Manufacturers Federation (ITMF) conducted 10th ITMF Corona-Survey reveal that the business situation is mostly positive. The business expectations in six months' time remain on a relatively high level. 48% of respondents expect improvement by March, 2022 and 13% foresee gloomy days. The net effect is a positive balance of +35 pp (48% minus 13%). Furthermore, order intake has increased significantly in September, 2021 on a global level compared to May and July, 2021 and companies anticipate a further increase in the next six months.

8. According to Shri Santosh Trivedi, General Manager, District Industries & Trade Centre, Burhanpur, the MSME Department of the State has identified 60 hectares of land in Sukhpuri Village in Burhanpur District, which may turn into a textile cluster under the State Government's new MSME Policy. A Special Purpose Vehicle (SPV), Burhanpur Sukhpuri Textile Cluster Association has proposed an anticipated investment of Rs.350 crore for this cluster.

THANK YOU
Shri Narendra Modi
Hon'ble Prime Minister

FOR PM MITRA SCHEME
TO EMPOWER TEXTILE AND
APPAREL SECTOR



Shri Narendra Modi
Hon'ble Prime Minister

PM MITRA SCHEME HIGHLIGHTS

- Setting up of 7 Mega Integrated Textile Region & Apparel (PM Mitra) Parks with an outlay of Rs. 4,445 Crore in a Period of 5 Years.
- Intends to generate 7 Lakh direct and 14 Lakhs indirect employment.
- Provides opportunity to create an Integrated Textile Value Chain from Spinning, Weaving, Processing, Dyeing, Printing to Garment manufacturing at one location.
- To develop world class infrastructure and attract cutting edge technology through innovative PPP structure, Collaboration between Centre, State Govt. and Private Sector developer.
- Inspired by the S F vision of Hon'ble PM : Farm to Fibre to Factory to Fashion to Foreign

The Industry is Thankful for Several Transformational Reforms Undertaken to Realize Vision of an Aatmanirbhar Bharat

- PM - MITRA will strengthen Textile eco system and India's Competitive advantage
- Integrated Textile Value Chain will reduce logistic cost of Industry
- Will help local players to become Global Champions
- PM MITRA to help to boost

"LOCAL GOES GLOBAL, MAKE IN INDIA FOR THE WORLD"