



NITRA TEX-CLIPS



(TEXTILE INDUSTRY CLIPPING UPDATE by NITRA)

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MORE AND MORE COMPANIES MARK ENTRY INTO TEXTILES

In keeping with the trend of textile companies increasing capacity and adding new manufacturing units, the last week of 2005 saw a substantial number of firms, both new and existing, queuing up to file an intent to manufacture document with the Department of Industrial Policy and Promotion (DIPP). Out of 161 companies that have filed Industrial Entrepreneur Memoranda (IEM) in the last week of December, textile firms accounted for more than a quarter of all new applications. The 43 IEMs represented the largest sectoral chunk of all new applications including those from metals, auto components, plastics and chemicals.

The Economic Times, Mumbai
03rd Jan. 06

TEXTILE EXPORTERS FACE NON-TARIFF BARRIERS IN UNITED STATES

Instances of domestic export consignments facing non-tariff barriers in the US market are on the rise, as textile exports to the US grow on volumes. The restrictions are mainly in the form of shipments being subjected to rigorous labeling and marketing requirements, security parameters and documents verification at US ports and issues relating to compliances with labor and environmental norms, senior Government officials said.

The clampdown on Indian suppliers by the US and the EU can happen only through the non-tariff barrier route, unlike in case of China where shipments are being restricted by the US and the EU through provisions in China's entry agreement to the WTO. While China has already subjected to 'safeguard quotas' in the US market, exporters could see more of such non-tariff barriers being imposed as Indian exports to these markets grow in volumes.

The Business Line, Chennai
05th Jan. 2006

A YEAR AFTER, TECH UPGRADE FUND DRIVES TEXTILE EXPANSION

Indian textile companies are finally waking up to the new-found opportunity in the post-quota regime, which began more than a year ago. Blamed for being slow on achieving economies of

scale vis-à-vis its Chinese counterpart, the Indian textile industry is now on an expansion overdrive.

According to the data available with the Textile Commissioner, textile units have picked nearly Rs. 12,758 crores over the last three years under the Government of India's Technology Upgradation Fund Scheme (TUFS) which would see an addition of six million spindles and 30,000 shuttle looms this year. Though this industry has grown in the post quota regime, Indian manufactures still could not utilize the full potential of this changing scenario mainly because of inadequate manufacturing capacities.

"Most Indian manufacturers have not been able to attain economies of scale. Now many of them are going on an expansion drive and the TUF scheme is facilitating their move." Krishna Knitwear Tech chairman Sanjay Kumar Tayal said.

The Indian Express, Mumbai
02nd Jan. 06

TEXTILE MINISTRY FOR EXTENDING TECHNOLOGY UPGRADATION FUND

The textile ministry is in favor of extending the Technology Upgradation Fund Scheme (TUFS) beyond 2007. "I would speak with the finance minister, if the need to extend the scheme arises," textile minister Shankarsinh Vaghela said today at the inauguration of Apparel Mechanical Exposition. He has asked the industry association to submit a proposal for the same. Vaghela said that the Government had already disbursed Rs.18,000 crores under TUFS, which provides a reimbursement of 5 per cent on the interest charged by the lending agency.

Business Standard, Mumbai
07th Jan. 06

INDIA SET FOR TEX-BOOM: VAGHELA

Textile industry in the country has regained the status of sunrise industry and there will soon be a textile boom in the days to come, according to Union textile minister Shankarsinh Vaghela. "There was a period when the textile sector was described as a sunset industry but it has regained the lost glory and acquired the much needed sunrise status," Mr. Vaghela said while inaugurating the 61st All India Textile Conference.

The Financial Express, Mumbai
08th Jan. 2006

PRIME MINISTER PROMISES TO HELP TEXTILE SECTOR

The Prime Minister, Dr. Manmohan Singh, today reiterated the government's commitment to work hand in hand with industry to realize the vast latent potential of the textile industry and the handicraft sector. At the same time, Dr. Singh said, inaugurating the Indian Exposition Centre and Mart (IECM) at Greater Noida in Uttar Pradesh, the government and business must jointly protect the intellectual property of its weavers, artisans and designers.

Maintaining that India was on the 'threshold of a new era' in the textile sector, the Prime Minister said the industry was "capable of regaining its glorious position as one of the world's most creative and competitive industries." "And, it is well known, our craftsmen are the inheritors of a unique traditional artisanal ability and excellence," he added.

At the same time, he warned, strategies must be evolved to guard against piracy. With the emergence of a new high-end market for Indian handlooms and handicrafts, the country faced "a growing threat from those who seek to imitate our designers and methods", Dr. Singh noted.

Pointing to the "withering away" of the multi-fibre agreement (MFA), the Prime Minister spoke of major markets, such as U.S. and the E.U. opening up for Indian products.

*The Statesman, Kolkata
07th Jan, 06*

TRIPARTITE TEXTILE PANEL LIKELY TO THRASH OUT LABOUR REFORMS ISSUE

A tripartite committee involving the textile and apparel players, representatives of trade unions and the government is expected to be formed soon to break the deadlock on the issue of labor reforms. Trade unions, which have been opposing any changes to, the existing labor laws, have said that they would like to take part in the deliberations of the committee.

The development comes after a meeting of delegation led by the Apparel Export Promotion Council (AEPC) had with Left Party leaders. It is aimed at broadening the ongoing debate on liberalizing the labor laws to enable manufacturers to take up seasonal export orders, while also ensuring that the temporary labor force is assured minimum employment guarantee and benefits at the workplace.

The move towards liberalizing the labor laws has reportedly been top on the center's agenda, but the process got stuck with the left allies opposing any move towards reworking the labor regulations. In fact, the Prime Minister, Dr. Manmohan Singh has, on more than one occasion, reiterated the Government's commitment to labor reforms and admitted that the current set of rules and regulations restricted growth in the textile sector.

*The Business Lines, Chennai
10th Jan. 06*

TECHNOLOGY PANEL ON TEXTILES AND LEATHER SOON

Prime Minister Dr. Manmohan Singh has accepted the in principle suggestion the National Manufacturing Competitive Council (NMCC) to set up technology mission for textiles, leather and food processing, NMCC Chairman V. Krishnamurthy informed. He added that it was also decided that the NMCC should work through the trade and economic relations committee headed by the Prime Minister.

The NMCC has recommended that if the country's economy is to grow at 8-9 per cent annually, the manufacturing sector has to grow at 12-14 per cent a year over the next decade, against the less than 7 per cent growth in the last two decades.

*Business Standard, Mumbai
14th Jan. 2006*

TEXTILE STAMPING REGULATION MAY COVER GARMENT, MADE-UPS TOO

The Ministry of Textile's exercise of making textile stamping regulation market oriented is likely to cover the entire textile products including garment and made-ups. Earlier, the textile marking regulation remained fabric centric especially with its focus centered on cotton fabric.

The textile marking regulation is intended to protect the consumer interest on the quality of the textile products bought in the market.

The Ministry, which has constituted a committee to suggest ways and means to incorporate the consumer awareness aspect on quality parameters in the proposed textile marketing regulation, is likely to forward its suggestions to the Ministry of Consumer Affairs, according to Mr. Nagesh M. Mugadur, Joint Textile Commissioner, Mumbai.

*The Business Lines, Chennai
21st Jan. 06*

SIVAKASI ON ITS WAY TO BECOME A TEXTILE HUB

It is a loud bang of a different kind from Sivakasi, a town famous for manufacturing Deepavali crackers. Fireworks manufactures will soon take up manufacturing yarn, looms and sewing machines. Sivakasi industrialists are venturing into weaving and garments in a big way!

The situation emerged because there is not much scope for growth of the fireworks industry. "The fireworks industry here has reached the point of saturation. And, the highly qualified younger generation is for diversification into textiles, as textile industry promises a great deal of opportunities in the quota free regime," says N. Baskaran, a Sivakasi-based chartered accountant, who is coordinating the activities of the industrialists in setting up a textile park.

Dr. Ravi Kumar, Technical Officer at the Regional Office, says the region has inherent strengths because Rajapalyam, Sattur and

Kovilpatti have spinning mills of good repute. Manpower is also n plenty. And, money is not a problem. At present, there are over 100 hi-tech looms operating in the region of Sivakasi.

*The Hindustan Times, Mumbai
27th Jan. 2006*

RELIANCE PLANS RS. 700 CRORE EXPANSION IN TEXTILES, TO LAUNCH A NEW BRAND AFTER VIMAL

Reliance Industries Ltd. (RIL) is considering a mega Rs.700 crores expansion for its textile business-the group's original business before it made it big in petroleum. What's more, in keeping with its retail venture the company is even considering an option of launching a new textile brand.

Though the company executives are tightlipped about the development, market sources said the proposal was discussed at length with Chairman Mr.Mukesh Ambani during his visit to Ahmedabad in December last year. The expansion plans were discussed with Ambani senior, but he is said to have directed to make some changes in the proposal, say sources. Industry sources say though the proposal is at a very nascent stage, the company is going ahead full throttle with it.

*The Economic Times, Mumbai
07th Feb. 06*

VAGHELA TO PRESENT TEXTILE INDUSTRY'S CASE TO CHDAMBARAM

The Union textile Minister, Mr.Shankarsinh Vaghela, assured the textile industry that suggestions made buy the synthetic and Rayon Textiles Export Promotion Council (SRTEPC) to the Union Finance Minister, Mr. P.Chidambaram, would be taken up with the Finance Ministry.

Vaghela, addressing the members of the industry at an export award function organized by SRTEPC, appreciated the prowess of Indian textile exporters and said that the industry had undergone a paradigm shift in the last couple of years.

" The Govt. has also continued to give assistance to exporters for developing trade and upgrading products, the Market Development Assistance scheme, by which individual exporters are reimbursed their expenses towards export promotion, has encouraged many exporters to venture out into new markets," Mr.Vaghela said.

He said that the textile industry has come out of the doldrums of yesteryear. Bankers, who were earlier reluctant to lend money, are now looking positively towards the textile business and nearly 18,000 crore has been disbursed to the sector in the last two years, he said.

Mr. Vaghela also assured to take up with Mr.Chidambaram problem such as the Duty Entitlement Passbook scheme and the withdrawal of Rule 12 (B) of Central Excise, which have plagued the industry. He concluded by saying that rationalizing various duties is part of the Government's commitment.

*The Business Line, Chennai
12th Feb. 06*

EUROPEAN TEXTILE MACHINERY MAKERS PLANS FACILITIES IN INDIA

Spurred by the surging demand for textile machinery, European machinery manufacturers are keen on establishing a direct presence by setting up a facility in India. Switzerland-based weaving machinery major Sulzer is actively considering setting up either a manufacturing facility or assembly unit in India.

" With India having emerged as an important market for us, we are now evaluating the possibility of having a avcility here," the director of Sultex India, the marketing arm for Sulzer Textile, Peter Schegg told. While declining to go into the details of the company's India plans and financials, senior Sulzer officials said the top management is constantly assessing the opportunities in India.

Another Swiss textile machinery maker, Rieter, to wants to set up a facility for manufacturing ring spinning machinery through its subsidiary Suessen India. Belgian textile machinery major Picanol has also announced a 50:50 joint venture with Italian apparel company Carrera for the manufacture of Vinci shuttle-less looms in Maharastra in July last year. Carrera even entered into an agreement with weaving parks based in the state for supply of looms. Sulzer is now in the process of strengthening its service network in the country.

*The Economic Times, Mumbai
12th Feb. 06*

TEXTLE MINISTRY FOR FLEXIBLE LABOUR WORKING HOURS

The union textile ministry is seriously considering the 100-day employment scheme announced in the Common Minimum Program (CMP) of the UPA Government. The scheme is likely to be incorporated in the proposed textile and apparel parks across the country, Union Minister for Textiles Shankarsinh Vaghela said.

The Ministry is already holding talks with the labor ministry to incorporate flexible labor laws in textiles and apparel parks in line with those proposed for special economic zones (SPZs)

Under the ' Scheme for Integrated Textile Parks', the government has proposed to set up 25 integrated textile parks by the financial year 2006-07. Mr. Vaghela said this while delivering the inaugural address in the textile conferences organized by FICCI.

" We propose to extend the working hours from 40 hours to 60 hours a week", Mr. Vaghela said during his address. While continuing, the Union Minister for Textiles also mentioned that, normally, a textile or apparel company has a work order for around 8-9 months while the labor remains idle for the remaining months. This, in turn, weakens the company's competitive edge. The intention behind the move is to enable textile companies execute their export orders on time," concluded Mr. Shankarsinh Vaghela.

*The Financial Express, Mumbai
17th Feb. 06*

TECHNICAL TEXTILES MARKET MAY GROW TO \$7 BILLION

The domestic technical market, which is poised to emerge as a major growth area in the textiles sector, could grow to around \$7 billion by 2007, according to the industry insiders.

“ The Indian technical textiles industry can touch \$7 billion in size as the market for the sector is expected to see increased growth, “ IIT Delhi’s Head of Department for Textiles technology, Mr.V.K.Kothari, said at a meet organized by business Co-ordination House.

The meet had representations from some of the world’s largest technical textiles companies. These include senior executives from 3M, Henkel, BBA Fibreweb Group, Huhtamaki and Fulflex.

The major growth areas in the technical textiles sector include medical textiles, construction textiles, packaging textiles, baby diapers and home textiles, said managing Director, BCH, Mr.Samir Gupta.

“ Though still a nascent industry in India, the technical textiles sector has enormous applications and prospects, especially in the West. The world trade in technical textiles is over \$50 billion per annum and is growing at an accelerated pace,” Mr.Gupta said.

Realizing the export potential of the sector, the government has undertaken a slew of initiatives for promoting this sector

*The Business Line, Chennai
10th Mar. 06*

TEX- MINISTRY APPOINTS CONSULTANT

The textile ministry has appointed a consultant for a comprehensive study of the impact of Technology Upgradation Fund Scheme (TUFs) to find out whether it needs to be extended beyond March 2007.

“ The Textile Ministry has commissioned extensive evaluation of its flagship scheme TUFs. This independent external evaluation will be conducted by the KSA Technopack and would be completed as early as possible. It will study the justification of the demand by the industry for the extension beyond 2007,” industry sources said.

The study will also find out bottlenecks in the scheme and would suggest remedies. Apart from finding out the justification for demand by the industry for extension of the scheme beyond 2007, the research agency will also study its impact on textile industry, its contribution in boosting exports and the reason behind the decentralized sector not taking full advantage of the scheme.KSA was selected from among other agencies like Crisil, IL&FS, and AC Nielsen, ORG Marg after a formal bidding process.

TUFS, which provides subsidy to the textile units for modernization, is coming to an end on March 31, 2007. As the time for closure draws near, all major textile industry associations have petitioned the government for its extension.

*The Assam Tribune, Assam
20th Mar.05*

TRADE PACTS SPILT TEXTILE WORLD

The government may be optimistic about the outcome of the free Trade Agreements (FTA) and the Preferential Trade Agreements (PTA) entered with different countries, but its move has torn the textile industry apart.

While one section of the industry views these FTAs and PTAs to be beneficial because vital raw materials will become cheaper, others, such as garment makers, argue that the domestic industry will be badly hurt.

*The Telegraph, Kolkata
20th Mar.06*

TEXTILE FIRMS SMELL A NEW LINE OF BUSINESS

Specialized fabrics are slowly making an entry in the Indian markets. Quite a few number of textile players have introduced branded perfumed clothes made with specialized fabrics for the Indian customers. The garments include aroma-emitting T-shirts, anti-bacterial underwear and perfumed lingerie. While some companies are sourcing them from abroad, other players are manufacturing them in India with the help of foreign technology.

Macroscopic capsules with special properties are included in the fabrics and these capsules release distinctive fragrances when one brushes against the fabric. And even if garments made of these special fabric might cost as much as 50 per cent more than the normal one, textile players are hopeful that they will find customers.

“ It is a niche product with a good scope in the Indian market,” says Navin Kumar Tayal, Chairman, Eskay K’n’IT. This company markets specialized T-shirts and underwear under its two brands, League and Assets. Moreover, the garment one is wearing can even increase the vitamin levels.

These specialty products have managed to enter the home textiles segment too. Portico has launched anti-microbial bed sheets and anti-mite and anti-bacteria pillows in the markets. One of the latest to hit the market is the glow-in-dark bed sheet. “ The moon and sun designs on the sheet will glow in the dark. It is quite popular among children.” Says Rajiv Merchant, CEO of Portico.

*Business Standard, Mumbai
21st Mar. 06*

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