## INTERNATIONAL NEWS

<table>
<thead>
<tr>
<th>No</th>
<th>Topics</th>
<th>Page Nos</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Pakistan: Punjab textile mills suffer $125m loss on power, gas supply cut</td>
<td>2</td>
</tr>
<tr>
<td>2</td>
<td>Pakistan ginners concerned over dip in cotton prices</td>
<td>4</td>
</tr>
<tr>
<td>3</td>
<td>Taiwan: TTF launches exhibition into Re-PET textile items</td>
<td>5</td>
</tr>
<tr>
<td>4</td>
<td>USA: ICAC’s Townsend to set stage at 2012 global cotton summit</td>
<td>6</td>
</tr>
<tr>
<td>5</td>
<td>China explores potential of Bangladesh garment sector</td>
<td>8</td>
</tr>
</tbody>
</table>

## NATIONAL NEWS

<table>
<thead>
<tr>
<th>No</th>
<th>Topics</th>
<th>Page Nos</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Indian exports can reach US$ 400 billion by 2013-14 – M Rafeeqe Ahmed, President, FIEO</td>
<td>9</td>
</tr>
<tr>
<td>2</td>
<td>Industry to push for 'mega textile cluster' status</td>
<td>10</td>
</tr>
<tr>
<td>3</td>
<td>TN’s textile output to drop 15% due to power shortage</td>
<td>12</td>
</tr>
<tr>
<td>4</td>
<td>Indian govt extends interest subsidy on textile exports</td>
<td>13</td>
</tr>
<tr>
<td>5</td>
<td>5.86mn cotton bales have arrived in Indian markets – CCI</td>
<td>15</td>
</tr>
<tr>
<td>6</td>
<td>Cotton body pegs output at 350 lakh bales</td>
<td>18</td>
</tr>
<tr>
<td>7</td>
<td>Budget wishlist: BT sector seeks more support</td>
<td>20</td>
</tr>
</tbody>
</table>
INTERNATIONAL NEWS

Punjab textile mills suffer $125m loss on power, gas supply cut

LAHORE: The textile industry in Punjab has incurred production loss of $125 million since disconnection of electricity and gas supply over the last five days. The textile industry in Punjab is losing $25 million a day due to capacity closure. The uncertainty level is on the rise and the industry is suffering badly due to its bad image on delivery of foreign orders.

APTMA spokesman Aneesul Haq said it was unprecedented in the history of textile industry mills were being deprived of energy supply altogether.

The energy constitutes 35 percent of the conversion cost in spinning, weaving and processing mills. But no energy is available for either self-generation or through the system on independent feeders. The Punjab-based textile industry has entered into fifth black day due to non-availability of energy supply to the mills. There is rampant order cancellation and textile mills are facing acute liquidity crunch with every passing day.

The industry cannot sustain with workers burden unless production activity starts up. The textile industry has already laid off one shift of workers and more will be shown the door if the Ministry of Water and Power failed to restore electricity supply to the industry.

The textile workers are planning to hold a strike throughout the province of Punjab on December 26 that may lead to law and order situation.
Endorsing APTMA’s stance on energy crisis, Lahore Chamber of Commerce and Industry has appealed to the government to restore power and gas supplies to the Punjab industries to save millions of jobs.

LCCI President Farooq Iftikhar said the government has indicated closure of power for over a month, the industries were left with no other choice but to lay off millions of workers till the power and gas supply was fully restored.

APTMA has already announced to relieve its workers because of total closure of their mills while other affected sectors would soon follow the suit. He said justice demanded all provinces should be treated equally in supply of these important utilities.

He said gas closure had already put the jobs of over 15 million people and exports of around $14 billion at stake.

Government would have to reset its priorities regarding provision of gas otherwise situation would go out of hands. The rise in number of unemployed would definitely give air to anti-government sentiments.

It is not the industry only that would be suffering massively but the government would also be an ultimate loser on many counts.

How can the industry afford to pay the mark up when there in no gas for the industry, he added.

He urged the government to get replaced obsolete gas geysers and heaters with latest solar geysers and heaters to ensure gas to the industry.
The LCCI president said around 40 percent of the industrial units in Punjab run on gas and gas suspension means no production by almost half of the industry and a loss of millions of rupees to the exchequer.

The gas suspension plan a death knell for export-based industry and productivity, he sought the Prime Minister’s intervention and help for a regular supply of gas to the industry in Punjab.

dailytimes.com.pk - December 27, 2012

**************************

Pakistan ginners concerned over dip in cotton prices

Pakistan ginners are concerned over the recent dip in cotton prices, mainly due to the ongoing festival season holidays, says Mr. Mahesh Kumar, Chairman of Pakistan Cotton Ginners Association (PCGA).

In a conversation with fibre2fashion, Mr. Kumar said, “Cotton prices have currently declined and are presently around Pk Rs. 6100 per maund of 37.32 kg for high grade cotton and Rs. 5400 per maund for low quality cotton.”

“Currently, there are very less buyers for yarn and cotton in the global market due to the festival season,” he adds.

“There is a decline in prices and demand of Pakistani cotton and we hope that there would be a change in the scenario after the holiday season,” he opines.
Talking about the challenges faced by the cotton ginners, he says, “The shortage in the supply of electricity and gas is also a concern for the cotton ginners in the country.”

At present, textile units in Punjab province of Pakistan, where around 80 percent of the country’s textile mills are located, are witnessing an indefinite suspension of power supply. If the situation continues it would lead to a halt in production, and resultantly a decline in domestic consumption of cotton, which would, in turn, lead to a further decline in cotton prices.

Pakistan Cotton Ginners’ Association is a representative body, which coordinates the problems of the ginners with the Federal and Provincial Government Agencies to resolve them.

Fibre2fashion - December 26, 2012

*******************

Taiwan: TTF launches exhibition into Re-PET textile items

TAIPEI, Taiwan -- The Taiwan Textile Federation (TTF 紡拓會) yesterday launched an exhibition about innovative Re-PET textile products and technologies, with 10 representative suppliers invited to exhibit their latest achievements into turning recycled PET bottles into new textile products, a press statement released by the TTF said.

TTF Chairman Yeh Yi-hsiung (葉義雄) presided over the opening ceremony, with several VIP’s in attendance, including Huang Hua-der, chairman of Texma International; Chou Ming-chin, chairman of Ho Yu Textile; Chen
Hsiu-chung, chairman of Tah Tong Textile; Hsu Hong-chang, chairman of Fultide Enterprise, and King Chou of Fish Net Mfg.

The 10 exhibitors at the show include: Da Ai Technology, Lealea Enterprise, Ho Yu Textile, Super Textile, Shian Jia Industrial, Green Wealth, Far Eastern New Century, Tung Textile, Shinkong Synthetic Fiber and Nan Ya Plastics. They all displayed their latest textile products made of recycled PET bottles, attracting over 250 visitors.

USA: ICAC’s Townsend to set stage at 2012 global cotton summit

Set to appear on the first day of the event, Townsend will give an overview of the industry and projections for the coming year.

Terry Townsend, executive director of the International Cotton Advisory Committee (ICAC), will set the stage for the Cotton International 2013 Global Summit by providing an overview of the cotton industry for the coming year. Townsend’s presentation will open the first full day of plenary meetings for the event, which is scheduled for 20-22 March at the Marina Bay Sands Hotel & Casino in Singapore.

“The theme of this summit is ‘United for a Better Trade,’ and trade is, by definition, a form of communication and interaction,” Townsend says. “A
meeting that gives stakeholders the opportunity to exchange views and address problems in a constructive manner is of great value to the industry as a whole.”

The collaborative nature of the event, which draws senior executives from throughout the supply chain, is the crucial element in its success. “If there were a ‘silver bullet’ that could solve all of the industry’s problems, someone would have thought of it by now,” he continues. “The reality is that many small improvements, made in many different sectors, cumulatively add up to great improvements in the way the global cotton trade functions.”

Some of those small changes include improved trade rules, the standardization of quality testing, the ability of logistics companies to reduce or remove transportation bottlenecks, and stronger contract sanctity. “Everyone in the cotton value chain has legitimate interests and concerns, and all of them need to be addressed simultaneously,” he says. “If the different sectors were able to solve all of their problems by themselves, they would do that. But that simply isn’t possible, given the interconnected nature of a globalized industry.

“That’s why summits like this are both necessary and appropriate. Cotton International is playing an important role in the improvement of the global cotton industry, and I look forward to being a part of it,” he concludes.

Fibre2fashion- December 26, 2012
China explores potential of Bangladesh garment sector

Several Chinese delegates have visited Bangladesh in recent past in order to explore the potential of readymade garment (RMG) sector in the country.

Speaking to fibre2fashion, Mr. Md. Shafiul Islam, president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said, “Several groups and chambers representing Chinese textile and apparel sector have visited Bangladesh in the recent past.”

“In fact, a team of delegates from a Chinese chamber of commerce visited us earlier this week and these teams are trying to explore the potential of Bangladesh garment sector,” he adds.

According to him, Bangladesh is the most important destination for apparel buyers from global market. “Bangladesh has the history of manufacturing quality products, delivering the goods on time and a committed entrepreneurship,” he mentions.

Talking about the strength of Bangladesh clothing sector, he says, “Though there are several problems such as shortage of gas, electricity and infrastructure, manpower is our greatest strength.”

“We have a vibrant population with 76 percent of the people being below 40 years of age and this demography is the key for our success,” he continues.

Fibre2fashion- December 26, 2012

************************
NATIONAL NEWS

Indian exports can reach US$ 400 billion by 2013-14 – M Rafeequle Ahmed, President, FIEO

Responding to the additional incentive announced today to boost exports, Mr M Rafeequle Ahmed, President, Federation of Indian Export Organisations (FIEO) said that extension of Interest Subvention Scheme for one more year much before its expiry shows the pro-active approach of the Government which will provide stability. Mr Ahmed said that Engineering sector has not done well in exports despite having predominant share in exports and the Interest Subvention extended to large scale industry in certain sub-sectors of Engineering sector would add to the competitiveness of engineering exports. The initiative for Pilot Scheme for promoting Project Exports would help India to push its merchandise and services exports as well. Looking at opportunities in the Middle East, Iran, Iraq and Africa, Project Exports can emerge as one of the very important sectors of Indian exports.

Mr Ahmed said that the Scheme for incremental growth would act as stimulus for exporters looking at US, EU and Asian markets as these three accounts for close to 80% of country’s exports. President, FIEO added that Government should look at complete EDI connectivity amongst all agencies so as to reduce the Transaction Cost which itself can provide huge relief to Indian exports. President, FIEO exuded confidence to reach US$ 400 billion of exports by 2013-14 despite emerging challenges.

FIEO – Dec 26, 2012
Industry to push for 'mega textile cluster' status

SURAT: If all goes well, the country's biggest man-made fabric hub in the city may get the coveted 'mega cluster' status from the union textile ministry, Government of India in 2013.

A team led by textile secretary Kiran Dhingra, joint secretary Sunaina Tomar and textile commissioner A B Joshi are visiting the city on December 28 to check the possibilities of setting up mega cluster. The authorities will visit the textile processing and weaving units in the city and will hold discussions with the industry stakeholders at Southern Gujarat Chamber of Commerce and Industry (SGCCI).

The mega textile cluster under the cluster development programme of the ministry of textiles would help weavers in all ways - right from procurement of raw material to realizing better price for the goods produced by them. The scheme would help them by way of technology upgradation, product diversification, raw material bank, credit, market development, corpus fund for yarn procurement and supply of dyes and chemicals besides several other benefits.

Industry sources said the ministry of textiles has approved six mega clusters in the states of Andhra Pradesh, Jharkhand, Maharashtra and Rajasthan. In the Union Budget 2012-13, the then Union finance minister Pranab Mukherjee declared Bhilwara as the mega cluster for shirting and suiting for blended yarns.

City's man-made fibre industry has an installed capacity of about 7.5 lakh power loom machines weaving about 9,000 million metre of man-made
IBTEX-192 OF 2012

fabrics per annum - contributing 40 per cent of man-made fabric demand - worth Rs 34,000 crore per annum.

The power loom sector consumes about 6 lakh metric tonnes of different types of yarn, including polyester filament yarn, viscose filament yarn, nylon filament yarn and blended yarn.

"Like Ichhalkaranji, Bhivandi and Bhilwara, it is high time the power loom sector in the city should be declared as a mega cluster to promote man-made fabrics in the domestic as well as international market," chairman, FIASWI, Arun Jariwala said.

Sources said the team will be visiting Alok Industries in Vapi and the textile park set up in Palsana during their two-day visit to south Gujarat.

Vice-president, Southern Gujarat Chamber of Commerce and Industry (SGCCI), Kamlesh Yagnik told TOI, "We will strongly take up the integrated textile park issue with the visiting higher authorities from textile ministry. About 40 parks were sanctioned in the last Five Year Plan and Gujarat got only seven. There are two textile park applications from Surat still pending."

According to Yagnik, the industry wants the textile ministry to order a thorough survey about the size of the man-made fabric industry in Surat and south Gujarat region. The region should also get a regional office.

TOI – Dec 26, 2012
TN’s textile output to drop 15% due to power shortage

Tamil Nadu’s textile industry, which accounts for almost one-third of the national production, has been reeling under power crisis. Industry expects 15 per cent drop in production this year, due to 12-14 hours of power outages in most parts of the state.

Though power shortage issues have been there for the past couple of years, in the past seven to eight months, most parts of the state except Chennai, have been suffering from long hours of power cuts. Mills that used to work on three shifts a day, are now working one or two shifts.

According to the data from textile commissioner’s office, Tamil Nadu has seen 181 non-SSI textile units being closed down in the year, till October, and this is the highest in the country. These 181 units had 28,60,512 spindles, 2860 looms and 46394 employees.

“However, due to heavy bank borrowings, most of the units are forced to work at least one shift. Small units run one shift, while the medium and large units manage to run two shifts with the help of diesel generators. However, the cost of such power is 15 to 20 per cent higher,” said A Ramani, secretary, Indian Cotton Federation.

According to Viswanathan, vice president, Indian Cotton Federation, the production in volume terms should be down by at least 15 per cent this year. “Production of both yarn and fabric should be down by around 15 per cent. The state had produced 4,202 million kg of yarn in 2010-11, and the production had come down by 7.5 per cent last fiscal. This financial year it should be further down by 15 per cent,” he said.
Sangeethag

S Dinakaran, chairman of South India Mills Association expects this drop in production volumes to translate into a revenue loss of around Rs 25,000 crore. “Around 50 units have shifted to Andhra Pradesh and many other units are mulling on moving to states like Gujarat and Maharashtra,” he said.

mydigitalfc.com – Dec 26, 2012

Indian govt extends interest subsidy on textile exports

The Government of India has announced extension of two percent interest subsidy on some labour-intensive industries, including textiles, garments and handicrafts, for one more year till March 2014.

Addressing a press conference, Commerce and Industry Minister Anand Sharma said the interest subvention scheme announced on June 5 this year is being extended till March 31, 2014, in order to help the sectors that come under the purview of the scheme.

Mr. Sharma, who is also the Union Textiles Minister, said the decision to extend the interest subvention scheme was taken in view of the country’s overall exports falling by 5.95 percent year-on-year to US$ 189 billion during the first eight months of the ongoing fiscal year.
The latest step would also help in reducing the country’s trade deficit, which stood at US$ 129.5 billion during April to November this year, the Minister said.

While blaming the economic slowdown in Western countries for sluggish exports, the Minister lauded the Government’s efforts at diversifying to other markets in Africa, South America and Asean countries.

He said India continues to maintain its presence in the developed markets of the US and the EU. Meanwhile, India’s bilateral trade with Asean, Africa and South American countries has reached US$ 80 billion, US$ 65 billion and US$ 30 billion, respectively.

However, India’s exports of readymade garments, carpets and jute products declined by 8 percent, 11 percent and 14 percent respectively, during the April-November period.

The Minister also announced extension of two percent interest subsidy on incremental exports that would be achieved during January-March 2013 over the period January-March 2012.

Fibre2fashion – Dec 26, 2012
5.86mn cotton bales have arrived in Indian markets – CCI

Cotton Corporation of India (CCI) has started procurement of Kappas from Madhya Pradesh, Orissa and Karnataka in addition to Andhra Pradesh where they have already procured approximately 7 lakh bales of 170 kgs bals.

As per reports, they are also ready to open operations from other major cotton producing States. CCI has estimated that approximately 50.86 lakhs bales have arrived in the market till the 10th of December.

PUNJAB, HARYANA AND RAJASTHAN:

Daily Kappas arrivals are approximately 15000 bales in the North Zone alone. At higher prices, Mills are not very eager to buy and there is a constant fluctuation in the market sentiments here. Punjab J-34 r/g was quoted at Rs.3620/- per maund spot while in Haryana J-34 r/g was quoted at Rs.3545/- per maund spot and in Rajasthan J-34 was quoted at Rs.3525/- per maund spot. Bengal Desi was quoted at Rs.3850/- per maund spot.

GUJARAT:

Daily kappas arrivals were approximately 30,000 bales in Gujarat. Good quality S-6 was transacted at Rs.34200/- Spot per candy. While V-797 r/g was quoted at Rs.29500/- Spot per candy.

MAHARASHTRA:

Daily Kappas arrivals were approximately 30,000 bales. Good quality Bunny was transacted at Rs.33,700/- Spot per candy, while low micronaire cotton
IBTEX-192 OF 2012

DECEMBER 27, 2012

was sold at Rs.33,000/- Spot per candy. Quality in the Vidharbha region is very good at the moment.

MADHYA PRADESH:
Good quality bunny was quoted at Rs.33,600/- Spot per candy. The quality in this region is very good and prices are also reasonable. Good quality Dch-32 was quoted at Rs.46,500/- Spot candy.

ANDHRA PRADESH:
On one side, most of the ginners have handed over their factories to CCI due to lack in parity in prices in the cotton market, while on the other side farmers too are more eager to sell their produce to CCI because of the MSP price attraction of Rs.3900/- per quintal which private Ginners are unable to give. CCI has not yet quoted in their price list quotations for the approximately 7 lakh bales procured in the State till now.

In many parts of Guntur and Warangal and many other areas Ginners are on strike right now and therefore the ginning activities is at a stand still at the moment. Good buying was reported from spinning Mills from North as well as Tamilnadu and local Spinning mills are also buying apart from some exporters active in Adilabad and various other centres. Quality is not satisfactory at the moment as the grades are moderate due to lack of parity to the Ginners at existing price levels.

KARNATAKA:
Cotton here is very good at the moment and is in very good demand from Mills in the south due to proximity and savings in freight as well as very less transportation period of the cotton bales.
The prices for good quality Bunny in Bailhongal is Rs.34500/- Spot per candy while in Raichur, it is quoted at Rs.33,700/- Spot per candy but the moisture and grade is affected in Raichur due to rain damaged the cotton arriving in the market here. The quality is expected to improve within a period of 10 days in Raichur.

TAMILNADU:

Many Textile Units in Tirupur have completely controlled water pollution problem with the help of new technology in dyeing and processing of fabrics. Textile Mills are buying very cautiously and are having minimum stocks to avoid being hit by the market fluctuations. As per reports, power problems may continue till the month of February. Cotton crop arrivals also will start in a couple of weeks. Cotton plants were thirst of water in many tracts.

INTERNATIONAL:

The New York Index seems to be firming up to around 75 cents per lbs. Ginners in Pakistan have urged their Government to impose a duty on cotton imports from India in order to safeguard their interest.

Indian Cotton Federation

Fibre2fashion – Dec 26, 2012
Cotton body pegs output at 350 lakh bales

Outlook bleak: A file picture of a worker taking a break while loading cotton bales at a market yard in Warangal District in Andhra Pradesh

Despite apprehensions over fall in acreage, the cotton output is expected to touch 350 lakh bales (of 170 kg each) this year, said Dhiren N. Sheth, President, Cotton Association of India.

Although the acreage under cotton has witnessed a three per cent decrease compared with last year, the crop looks promising due to good rains received in Andhra Pradesh and Maharashtra in the later part of the monsoon.

“The cotton production this year is expected to be 350 lakh bales while the cotton consumption is likely to be about 265 lakh bales, leaving a sizeable surplus of about 150 lakh bales,” he said recently at the 90th annual general meeting of the Association.

Global demand

According to the recent International Cotton Advisory Committee, Washington data, the general outlook for cotton supply and use for 2012-13 is bleak as global cotton production and mill use are forecast at 25.9 million tonnes (mt) and 23.4 mt respectively, resulting in an oversupply of 2.4 mt.
A geographical shift in cotton mill use from China to other Asian countries is currently underway, but ICAC feels that estimating its actual extent will take time due to the lag in publication of cotton consumption figures and difficulties in obtaining these data for some countries.

Cotton yarn imports by China have increased significantly since the beginning of 2012.

The ICAC currently estimates that cotton mill use will increase in 2012-13 in India, Pakistan, Bangladesh, Uzbekistan, Indonesia, Vietnam and Thailand amongst others.

After an unexpected jump in 2011-12, global cotton trade is expected to fall by 21 per cent to 7.7 mt this season due to lower Chinese demand. However, imports by the rest of the world could rebound by 18 per cent, he said.

**office-bearers**

The members of CAI have re-elected Sheth as President. Nayan C. Mirani has taken over as Vice-President, while Bhadresh V. Mehta will be the Additional Vice-President. Shirish R Shah has been elected as the Treasurer.

*Suresh.iyengar@

*thehindu.co.in*

Business Line – Dec 26, 2012
Budget wishlist: BT sector seeks more support

The association of biotechnology firms in India, the Association of Biotechnology-Led Enterprises (ABLE), has prepared a list of expectations for the sector from the Budget to be presented in March.

The apex body of biotech companies, has asked the government to play a key role in providing impetus to the sector by giving the essential financial push to this sunrise sector. The association also said, there is a need for financial thrust for the emerging biotech sector in the country. ABLE also urged the government’s aid for the companies that are suffering economic burdens by giving fiscal and financial incentives.

For 2011-12, biotechnology industry in India touched Rs 20,441 crore landmark with 18.55 per cent growth. However, the gross domestic expenditure on R&D is just 2.1 per cent of global R&D, ABLE said.

The biotech industry in India has the ability to be an indigenous solutions provider for India in combating poverty, drastic climatic changes affecting agriculture, outburst of various life threatening diseases and so on, it added. “Bio-manufacturing, agri-biotechnology, bio-services and biofuels are some of the sunrise segments for the industry,” said P M Murali, President, ABLE India.

The 8th Annual Report and Survey of Biopharmaceutical Manufacturing Capacity and Production indicates that Asia, especially India, is a preferred destination for many biotech companies worldwide.
“Almost 95 per cent of cotton farmers in India have taken to Bt cotton. MNCs around the world like to outsource clinical trials and custom manufacturing to India and our bio-service sector is presently worth over $250 million. Bio-fuels offer an alternative to India’s oil dependency which accounts for 2.5 million barrels per day,” Murali added.

Some of the key expectations and recommendations for the sector include increase in weight tax deduction and extending its applicability to activities like clinical trials, setting up venture capital funds, tax rebates, grants for advanced skills development programs, exemption from excise, custom duties on life saving medicines as well as on their raw materials and also on capital goods and consumables, CROs, diagnostic kits, providing tax holidays and soft loans, price fixing for ethanol and allocation of corpus fund will contribute to the growth of Industry and nation.

The recommendations, if implemented by the government, will also enable the Indian biotech sector to achieve the target growth rate of 25-30 per cent and generate revenues of $100 billion by 2025.

cottonyarnmarket.com, Dec 27, 2012