

Double whammy for the market

The recent devaluation of the yuan will make Indian exports, which compete with Chinese items, more expensive in the international market. Also, Indian imports from China will become cheaper. This will hurt domestic manufacturing



SHIVAJI SARKAR

The global recession is now official. It has been confirmed by the devaluation of the Chinese yuan by four per cent. So, are we bracing for a currency war? Possibly not, because there can be a currency war only when the US is hit. But this war isn't hitting the US. Instead, the US is the biggest gainer, as China is its largest trade partner.

US consumers are dependent on Chinese imports and they will benefit the most, paving way for the US Federal Reserve to be calm on its interest rate as inflation in the US will plummet. This will be detrimental for India.

China has yet not ruffled US feathers. Rather, its action are framed as per the prescriptions of the US and the International Monetary Fund. The US had long sought this devaluation and had been insisting that the yuan was over-

priced. China had been propping up the yuan. It appreciated 14 per cent against a basket of currencies. The yuan was straining China's export sector and pushing up inflation in the US market, despite the dollar being strengthened, dependent on Chinese consumer goods.

The present downward trend is in tandem with the wishes of the US and likely to benefit the US the most, particularly on the eve of revising its monetary policy. China's net gain will be a continuation of its exports to the US and possibly there can be an increase in the exports, as goods will be cheaper. A rate increase by the Federal Reserve, on the contrary, has serious implications for India.

If China's devaluation deepens, the pressure to weaken currencies could become particularly intense in other Asian nations that export large

amounts to China or compete with China in other markets. Asian currencies tumbled on Tuesday, notably the South Korean won, the Australian dollar and the Thai baht, as investors bet that China's move could lead to further monetary easing in those nations. Many Asian nations have cut rates this year and could be forced to take further action in the coming months.

India needs a strategy to counter the Chinese. India imports heavily from its eastern neighbour. This may further swell the trade deficit, which is touching \$50 billion already. The imports are worth \$60 billion. This devaluation is likely to push up the deficit further as cheap imports will be initiated by Chinese manufacturers, irrespective of dumping safeguards, as Mr DK Joshi, senior director and chief economist at the Credit Rating

Information Services of India Limited points out.

India's overall exports contracted for seven straight months till June. Domestic players, such as Tata Steel and JSW Steel, have been urging the Government to take more measures to check cheaper imports and save the domestic industry. The import-duty hike is likely to keep the prices of imported steel to the previous level, which is considered high by Indian industry. The Government may find its Make in India in a tizzy. With cheaper imports flowing in directly and through porous borders, Indian manufacturing is already hit. It will now find it more difficult to counter new assaults.

As this move may also boost the slowing Chinese economy, investors who had been mulling over putting money in India, may have a second thought. If Chinese

exports to the US and the West increases, it is likely to clear Chinese warehouses of stacked goods and boost new manufacturing. It can create new jobs and may make China more attractive.

In the normal course, a falling rupee would have aided domestic exports. However, a rise in domestic exports will not be easy because of the global slowdown. The fact that China and India compete in several export items, such as textiles, gems and jewellery, bicycles, and tyres will also go against domestic exporters. The economic slowdown in China, which is among the top five countries for Indian exports, is another negative for Indian exporters.

Textile manufacturers and chemical producers might have it tougher now because in the global marketplace their goods will become less attractive than those from China. Dalal Street

is reflecting these woes. Shares of export companies as well as those of tyre manufacturers are tumbling. Of late, cheap Chinese tyres have hit sales of domestic manufacturers. A further fall in price will force companies to cut corners.

The strengthening dollar and falling yuan are a double whammy of India. Apart from the hit to Indian exports, Indian imports, including petroleum, will become dearer. The little relief that Indian consumers had got through the fall of official price index may disappear. The impending fortnightly cut in domestic selling price of petrol and diesel may be put off. Inflation may return.

India has not yet created hedge against Chinese moves. It has to develop a strategy for developing an independent path for Indian economy. Mere changes in monetary policy will not help.

Power the handloom

Revival of the sector may slow down rural migration

JAYSHREE SENGUPTA

RECENTLY August 7 was declared 'Handloom Day' by Prime Minister Narendra Modi in Tamil Nadu. Indian handlooms have been famous through the ages, and even now, due to a few dynamic entrepreneurs, handwoven cottons, carpets and silks are making inroads into markets abroad. But the ordinary handloom weaver living in remote areas of Assam or West Bengal is under threat of extinction and is likely to shift to some other profession sooner or later. Modi's own constituency of Banaras has many handloom weavers living in dire straits. He promised to revive handloom industry of Banaras but signs of revival are not visible yet.

The rest of India also has many handloom centres where fabrics of excellent quality can still be found and each state has its own cultural tradition of weaving. But the problems range from high raw material cost to the slow process of weaving that increases the price of the cloth produced by the handloom as compared to the power loom. The difference between handloom and power loom fabrics is sometimes hard to tell, and according to a report, 70 per cent of the fabrics sold as handloom are actually made on power looms. Better marketing, design as well as credit availability to handloom weavers are important for the revival of the handloom sector.

Handlooms are under the Government of India's textile ministry and sometimes a really interested bureaucrat, with a deep understanding of the handloom sector, can bring about a change but then he/she gets transferred and you get a regular IAS officer who has no more than a routine interest in the sector. With this variable treatment of the deep problems of the sector, there is bound to be lack of innovations and focus. There has been progress in 'cluster' development and the government has set up 20 clusters for handloom weavers in different states across the country. But the needs of weavers have to be looked into in each state because they vary from state to state. Marketing and branding are very important and e-marketing of products through government portals will definitely revive the sector.

Some private entrepreneurs are pro-



Weavers often take up other activities to supplement their income.

ducing fine handloom products for the upper strata of society, at prices unaffordable for the common person. There is no doubt that the variety, design, colours and textures offered by the handloom sector are quite unmatched by anything produced by power looms or the mill sector, but

Articles for Production Act of 1985. Even the definition of handloom was going to be changed to include hybrid looms, on which at least one process of weaving required manual intervention or human energy for production. But the government has opposed the amendment and handloom stands for

It is important to preserve handlooms because loom weaving is the second most important occupation in villages, after agriculture, and employs 4.3 million people

this is not true for cheaper varieties.

Most low-income groups buy power loom cloth and handloom has a small share of 11 to 12 per cent of the total fabric production, whereas power looms have a 60 per cent share. Power loom fabrics are cheaper and faster to produce. While a handloom fabric costs Rs 500 per metre, a power loom cloth would cost Rs 30 a metre. But the machinery used in handloom is much cheaper than power loom, which costs three times more.

Reservation of items for handlooms has become less and less popular, and now only 11 items are reserved for handloom under the Reservation and

'any loom other than power loom'.

Saris are still reserved for the handloom sector, even as the power loom sector has been lobbying hard against such reservation. There has also been an attempt to 'de-reserve' all the items, which, according to some experts, would lead to the extinction of handlooms. But the government has said it has no intention of amending the reservation Act.

There is a good reason for preserving Indian handlooms because loom weaving is the second most important occupation in Indian villages, after agriculture, and employs 4.3 million people. Handloom production is also

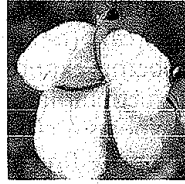
eco-friendly, has a small carbon footprint and is easy to install and operate. If it could be revived and made lucrative, it would lead to a slowdown in rural migration. Also 75 per cent of workers are women and 47 per cent are from BPL families. Most handloom workers are not able to sustain themselves from earnings from weaving and the average is a little above Rs 3,000 a month (2010 handloom census). They are forced to engage in other trades. For example, I came across master weavers in Bishnupur (West Bengal) who were weaving the famous Baluchari saris in complex Jacquard looms, but were also selling potatoes to enhance their earnings. Their children had migrated to towns and were not engaged in weaving.

The government's allocation for the handloom sector has been going up and down and this year's budget is Rs 440 crore. But the main problem is the implementation of various programmes for weavers which are aimed at giving them better access to subsidised raw materials and improve credit availability and marketing channels. There is often misuse and corruption in the delivery of the programmes — if the weavers' woes are to be believed. The end result is that they remain cash-strapped and poor and have to borrow from the money lender. Some are perpetually in debt and end their lives when they cannot pay back.

There is a growing global demand for organic cotton cloth, which India can easily make. India exported a total of 6.9 billion square metres worth \$372 million in 2013-14. Improvement in quality/design will enable Indian exporters to compete with others. Low price is not always important for niche markets abroad because consumers want fine handwoven fabrics. Also, there is a huge potential waiting to be tapped in markets in Africa and South America. Vegetable dyes, block printing and embroidered embellishments will lead to higher value addition and all handloom products should go through proper quality control which can be facilitated by the state governments. They should get into contracts with big global buyers' chains. But as a renowned fashion designer told me recently: "Everything for the revival of handlooms is being done by the private sector and nothing much by the government."

Cotton blooms on global cues

Rajkot, August 17.



Cotton prices continued to move up on delay in rain and negative outlook report of cotton in international market. *Kapas* or raw cotton was also traded higher on slow arrival. Gujarat Sankar-6 cotton gained ₹200 to ₹33,800-34,500 per candy of 356 kg. About 1,000 bales of 170 kg each arrived in Gujarat and 3,000 bales arrived in India. However, traders said that price will not increase much in coming days as overall demand is weak and sowing so far is much better across India. *Kapas* was up ₹10 to ₹920-945 per 20 kg and gin delivery *kapas* was ₹950-970. Cottonseed was up ₹7 to ₹450-470. OUR CORRESPONDENT

Bridal Shower

Ramola Bachchan on why there's always room for another wedding exposition in India



A model in a creation by Tarun Tahiliani (above); Ramola Bachchan



JAGMEETA THIND JOY

CLOSE ON the heels of the Amazon India Couture Week, the BMW India Bridal Week and Vogue Wedding Show, a two-day bridal exposition titled Runway Bridal is all set to roll out in Delhi from August 19.

Steering this exhibition, which promises a hand-picked selection of designer bridal finery, jewellery labels and décor options, is socialite and entrepreneur Ramola Bachchan. The exposition is being organised under Bachchan's venture, Runway Rising, which also puts together lifestyle exhibitions. But why another bridal show and how can one stand out in the already crowded mix? "The Indian wedding market continues to grow exponentially. There are many bridal fashion shows, but an exposition offers an open platform to buyers. While I won't pretend to be dramatically different, I must admit that it offers a gamut of designer labels and a huge array of leading names in the jewellery business under one roof," explains Bachchan. For someone who enjoys the "mind-blowing aesthetics of Indian fashion", curating the list, admits Bachchan, took time.

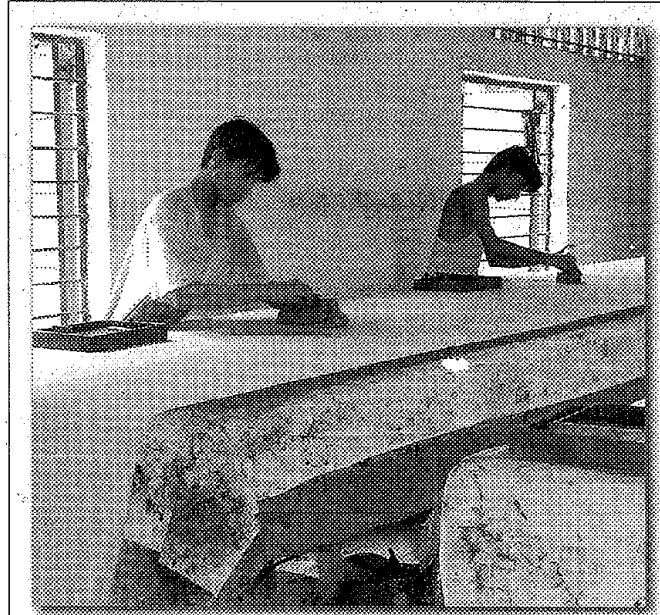
The two-day exhibition will showcase collections by designers such as Rohit Bal, Tarun Tahiliani, JJ Valaya, Abu Jani Sandeep Khosla, Manish Arora and Anju Modi along with newer labels such as Jessica Khanijo, Ministry of Design, Zoraya, Arjun and Anjalee Kapoor, J by Jannat, Pakistan-based Huma Nasr and Elisha W to list a few.

"When curating the show, one has to keep in mind that there are buyers with different budgets. There's been an increasing demand for designer bridal wear from clients in Tier II cities as well," explains Bachchan.

Those who will showcase the latest in jewellery this season include Farah Khan Ali Fine Jewellery, Shree Raj Mahal Jewellers, and Adhbut of Jaipur, among others.

New fashion biz platform unveiled

» A first-of-its-kind business intelligence platform exclusive for fashion brands, 'eShopbox Insights' has been launched. The platform will prove to be advantageous for fashion brands, as it will help to get all the information to monitor product performance, optimise marketing strategies and plan end to end for product assortment and replenishments, based on the behavioral analysis of the consumers, a release said.



Handicraft exports under shadow

India's handicraft export, impacted by global slowdown, is expected to take a hit in the current fiscal due to the devaluation of Chinese currency, the export promotion council for handicrafts (EPCH) on Monday said.

मप्र का पहला मल्टी स्टोर भोपाल में

■ मध्यप्रदेश ग्रामोद्योग
संचालनालय ने लिया
बड़ा फैसला

भोपाल (मप्र)। मध्यप्रदेश ग्रामोद्योग संचालनालय की ओर से खादी ग्रामोद्योग विभाग, सिल्क फेडरेशन, मृगनयनी और माटीकला बोर्ड को इटीग्रेट किया जा रहा है। इसके तहत संचालनालय भोपाल में मप्र का अपना पहला मल्टी स्टोर खोलेगा। इस आउटलेट में संचालनालय के सभी उपक्रमों में बनने वाले प्रोडक्ट्स

एकसाथ मिल सकेंगे। मल्टी स्टोर के लिए डीबी सिटी में 4200 वर्गफीट की जगह चिह्नित कर ली गई है।

हमें मिलेगा नया ऑप्शन

मल्टी स्टोर खुलने से संचालनालय के उपक्रमों की ओर से बनने वाले आधिकारिक प्रोडक्ट्स के लिए शहरवासियों को अन्य आउटलेट्स तक जाने की जरूरत नहीं पड़ेगी। खादी व सिल्क मटेरियल्स, बाग-बटिक प्रिंटेड ड्रेस आइटम्स, चंदेरी-महेश्वरी साड़ियां और माटी बने डिजाइनर पॉट्स मल्टी स्टोर में ही मिलेंगे।

हम नया पाठ्यक्रम होगा

शहर के बीच खुलने वाले मल्टी स्टोर में लोगों को ज्यादा ऑप्शंस मिलेंगे। साथ ही भोपाल के अलग-अलग इलाकों में स्थित सेंटर्स पर जाने का समय भी बचेगा। मल्टी स्टोर में 'कबीरा' के रेडीमेड गारमेंट्स, खादी के क्वालिटी प्रोडक्ट्स, सिल्क की साड़ियां व ड्रेस मटेरियल, कुर्ते-पायजामे, जैकेट, बेडशीट आदि उपलब्ध होंगे।

इसलिए लिया यह महत्वपूर्ण निर्णय

विभाग की हाल ही में हुई एक बैठक में प्रमुख सचिव ने प्रस्ताव पर सभी अधिकारियों से फीडबैक मांगे हैं। उनका पक्ष है, जब विभाग एक है तो एक ही शहर में अलग-अलग जगह शोरूम की कोई जरूरत नहीं। इसलिए चारों सेंटर्स को क्लब कर, यहां मिलने वाले प्रोडक्ट्स एक ही जगह उपलब्ध कराए जाएं।

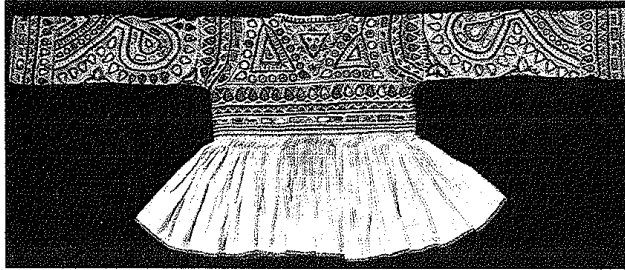
बंद नहीं होंगे पुराने स्टोर्स

विभाग की ओर से संचालित पुराने स्टोर्स बंद नहीं होंगे। शहरवासियों को लाइफस्टाइल और होम डेकोर के बेहतर ऑप्शन उपलब्ध कराने के उद्देश्य से मल्टी स्टोर खोला जा रहा है। भोपाल में सफलता मिली तो इंदौर, जबलपुर और ग्वालियर में भी मल्टी स्टोर खोले जाएंगे।

-नागेंद्र मेहता, सीएमडी, मप्र हस्तशिल्प एवं हथकरघा विकास निगम

CELEBRATING INDIA

Saris, religious fabrics highlight of India festival in London



☞ (Above) A Rabari child's jacket, from the 20th century, and (below) a Talismanic shirt, from 1480-1520 time period, are expected to be on display at the event.

V&A MUSEUM

Prasun Sonwalkar

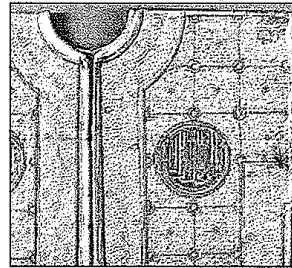
✉ letters@hindustantimes.com

LONDON: The rich tapestry of India's handmade textiles from the third to the 21st centuries—from Assamese silk to natural dyes to religious and royal clothes—are the highlight of 'India Festival' opening shortly at the Victoria & Albert Museum here.

The festival includes less-known 19th century photographs by British army captain Linnaes Tripe, a privately held jewellery collection from the Mughal era (including a rare gold filial from Tipu Sultan's throne), and the textiles exhibition called 'The Fabric of India'.

The event marks the 25th anniversary of the opening of the V&A Museum's Nehru Gallery, which displays some of the most important objects from the museum's South Asian art collection produced between the 16th and 19th centuries.

The Fabric of India is considered to be the first major exhibition to explore the dynamic and multifac-



eted world of handmade textiles from India, spanning from the third century to the present day. It opens on October 3 and runs until January 10.

Showcasing the best of the V&A's world-renowned collection together with masterpieces from international partners and leading designers, the exhibition will feature over 200 objects, many on display for the first time, organisers said.

Over the centuries, Hindus, Muslims, Jains, Buddhists and Christians have made widespread use of textiles in worship. Whether worn for rituals, offered by devotees to temples and shrines, or used as hangings to decorate sacred spaces, textiles play a key role in religious observance in India.

China's renminbi devaluation a concern for Indian textile exporters

KUNAL BOSE

Kolkata, 17 August

Why are Indian producers of bed linen and towels — major parts of home textiles segment — excited about the slow but steady improvement in outlook for the United States (US) housing sector after the collapse wrought by the brutal financial crisis of 2008-09? This year's June proved to be exceptional when, according to the US commerce department, new home starts rose sharply by 26.6 per cent. These, besides existing home sales in the US, are now at their highest since 2007 as the boom returns to the rental market.

"All this spells good times for us in the home textiles division. You see when families or individuals in the US or other developed economies move to new abodes, they compulsorily buy fresh sets of bed linen and towels. If excitement among us exporters is palpable, it is because the US happens to be the world's biggest importer of home linen followed by the European Union (EU).

The house-building industry in the UK too, continues to remain buoyant with required annual supply of homes seen at 240,000. That's again good news for home linen manufacturers," says Anil Jain, chairman, Indo

Count Industries.

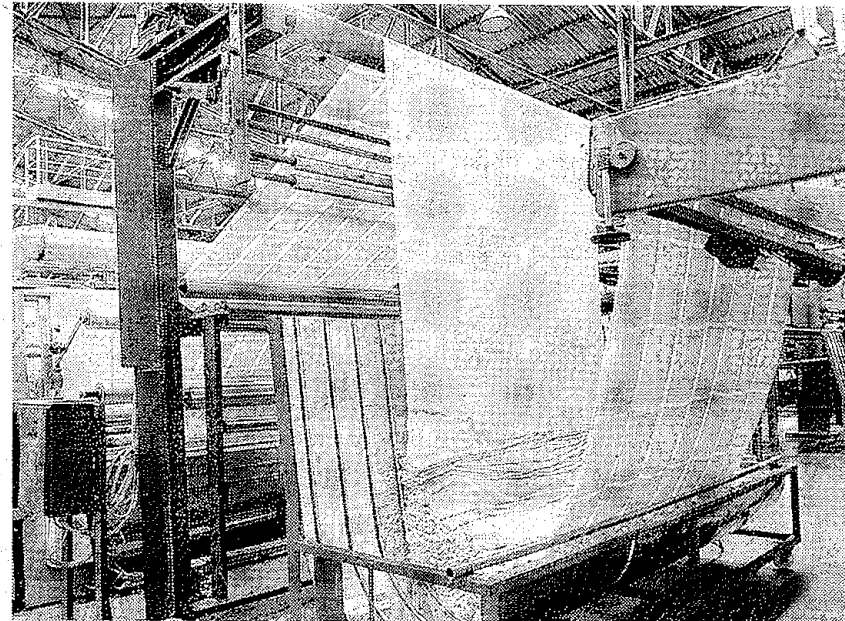
Bed linen alone, famed towels — used at the Wimbledon in separate colours for men and women contestants — are made in a Gujarat factory by Welspun since its acquisition of the iconic British towel manufacturer Christy in 2006. For India's home textiles sector, retailing in the US is making a strong comeback since late 2014.

"Whether it's a towel or bed linen, the growing numbers of customers in developed markets like the US are becoming more and more demanding about the quality and are ready to pay a few extra quid for that. A better part of one's life is spent sleeping. Why sleep on junk when premium quality sheets will give comfort and last much longer than the ordinary? We, at Indo Count, saw the opportunity to scale up from a large cotton yarn manufacturing unit to producing bed linen by

installing air jet looms for 'wide width' fabrics," said Jain.

An industry official said whether an Indian manufacturer will stand to benefit from lucrative markets of

the US and the EU for home textiles will depend on how efficiently the chain — from procurement of raw material (in this case mostly cotton which comes in a range of quality) and various stages of manufacturing to finally reaching



The US happens to be the world's biggest importer of home linen followed by the EU, triggering excitement among Indian exporters

the product to buyers in good time — is managed.

The saying goes: Fine linens begin with fine cotton. The length of individual fibres or staples decides the quality of cotton. With its mill in Kolhapur, a major cotton growing centre in Maharashtra, Indo Count enjoys the cost advantage in raw material procurement. But for success in increasingly competitive markets of the West, says a Texprocil official, companies must not compromise on employment of state-of-the art machinery. Export success for textile groups like Alok Industries,

Welspun and Indo Count are all underpinned by their capacity to steadily move up the value chain, owning design centres capable of staying in sync with market-specific trends and building sustainable relationship with big, fashionable retail chains.

Whether it is for mid-market Walmart or the high-end Bloomingdale's in the US or Debenhams to John Lewis range in the UK, to become their strategic supply partners will require of Indian companies to be convincing about their "production base with outstanding execution capa-

WARP & WEFT OF HOME LINEN SECTOR

How an Indian manufacturer will stand to benefit from lucrative markets of the US and the EU for home textiles will depend on how efficiently the chain — from procurement of raw material and various stages of manufacturing to finally reaching the product to buyers in good time — is managed

Whether it is for mid-market Walmart or the high-end Bloomingdale's in the US or Debenhams to John Lewis range in the UK, to become their strategic supply partners

will require of Indian firms to be convincing about their "production base with outstanding execution capability"

The global home textile industry (of which bed linen constitutes about 21 per cent) will be growing at a compound annual growth rate (CAGR) of five per cent in the next few years

According to Technopak, the global home textile market will expand to an estimated \$96 billion in 2017 from \$86 billion in the current year

bility." Victoria Classics in the US is a leading importer of high quality home textiles from various parts of the world and it wants suppliers to work with them "on price formula base and mutual profit agreement."

Jain says the global home textile industry (of which bed linen constitutes about 21 per cent) will be growing at a compound annual growth rate (CAGR) of five per cent in the next few years. According to the consulting firm Technopak, the global home textile market will expand to an estimated \$96 billion in 2017 from \$86 billion in the current year. Opportunities are beck-

oning the likes of Alok, Welspun and Indo Count.

The latter's focus on mid-to high-segment global bed linen market has, therefore, raised capacity in phases from 36 million metres (mm) in 2007 to 68 mm in 2015. To make full use of the expanded capacity, the company has recently opened showrooms, design studios and warehouses in the UK and Australia.

But China's attempt to improve its textile products acceptability on price point through devaluation of renminbi remains a major concern here.



Kangana Ranaut shared a selfie with actor Imran Khan on Instagram.

By Radhika Bhalla

INDIA is shining bright Down Under at the fourth edition of the Indian Film Festival of Melbourne (IFFM), with Bollywood stars descending upon Melbourne to celebrate desi cinema with complete fanfare.

The event kickstarted on August 14 and will continue till August 27. Over 55 films from India, Pakistan, Nepal and Bangladesh will be screened over the week, including classics like *Charulata* by Satyajit Ray, *Mr. India* by Shekhar Kapur, documentaries like *The Kingdom of Nek Chand* by Paul Cox and new hits like *Haider*, *Tanu Weds Manu Returns*, and *Piku* among others.

Opening the show on a fashionably high note, Kangana Ranaut and Sonam Kapoor sizzled the red carpet. While Ranaut wore a hot-off-the-runway look from Manish Malhotra's latest couture collection that was recently showcased in the Capital, Sonam kept it stylish in a black dress by Portuguese designer label Diogo Miranda.

The IFFM awards night was held on Saturday evening, complete with elegance on the runway, at the Equality Fashion Show held at National Gallery of Victoria. Designer Anamika Khanna showcased her collection while taking cue from her show in March, with a number of dhoti pants and trousers in black teamed with colourful hand embroidered jackets and capes. Her old-time friend and muse Sonam Kapoor walked as the showstopper in a cream and



Sonam Kapoor (left) dazzled in a gold and cream lace lehenga at the Equality Fashion Show in Melbourne; Anil Kapoor and Simi Garewal (above) at the do.



A model walks the ramp at the event.



A model showcases an outfit by designer Gaurav Gupta.

SHINING DOWN UNDER

gold lace lehenga, teamed with a matching U-cut choli and cape with lace border. She completed her look with a statement neck-piece, cascading wavy hair that was partially pinned up, smokey eyes and a nude lipstick.

Yesteryear actress and TV show host, Simi Garewal also cut a sleek figure in a cream creation by the designer, paired with long strings

of pearls and a bright red pout.

Meanwhile, Delhi-designer Gaurav Gupta showcased his evening wear collection of mermaid gowns, dresses and pre-draped saris in shades like black, red, silver, champagne and hints of gold. A number of risqué dresses added raw sex-appeal to the show, especially his famous mesh and sequins creation in black that was

also adapted for Deepika Padukone at a red-carpet event. Other designers who participated in the charity fashion show were Susan Dimasi, Richard Nylon and Indian-born Melbourne-based Roopa Pemmaraju.

The winners of the show included *Piku* for best film, Irrfan Khan as best actor and Shoojit Sircar as best director, while debut

actress Bhumi Pednekar bagged the title of best actress for *Dum Laga Ke Haisha*.

While Rajkumar Hirani got the Best Telstra People's Choice Award for *PK*, *Kaka Muthai* won the best indie film award.



PMEGP provides marketing support

OUR CORRESPONDENT

TO PROVIDE marketing support to micro entrepreneurs under Prime Minister's Employment Generation Programme (PMEGP), a permanent PMEGP exhibition has been setup on the 3rd floor of Khadi Bhavan, Regal Building in Connaught Place, in which Entrepreneurs from different states are being invited for the exhibitions cum sale.

Exclusive products of Silk, Muslin, fabric and readymade as well as sarees of Kantha, Baluchari, Garad, Matka, Balkal are available for sale. In addition to this, products of Jute, Dokra, Terracotta, Leather, Artificial jewelry and other

handicrafts of Bengal manufactured by PMEGP entrepreneurs are also displayed and available for sale.

The PMEGP exhibition of West Bengal, *Khadi Bongo Utsav* was inaugurated by Anup K Pujari, Secretary, MSME, government of India at Khadi Gramodyog Bhavan on August 17. On this occasion, he also launched Khadi Trouser line and took a round of the exhibition. He appreciated the products manufactured by PMEGP entrepreneurs and Khadi Institutions.

BH Anil Kumar, Joint Secretary (ARI), MSME and Arun Kumar Jha, CEO and Commissioner, KVIC, were also present on this Occasion.

