

Centre ready with sops for exporters

R. SURYAMURTHY

New Delhi, Aug. 23: The government plans to announce export incentives, such as an interest subsidy scheme, to boost shipments amid weak global demand.

The government hopes that interest subvention and the inclusion of more sectors and countries under the Merchandise Exports from India Scheme (MEIS) will provide some cushion to exporters hit by the devaluation of the yuan.

Senior commerce ministry officials said the government could expand the scope of the interest subsidy scheme to more sectors such as chemicals, pharma, engineering, electronics and textiles.

Engineering exports have taken a hit, with shipments of non-ferrous metals to China dropping 36 per cent in June 2015, according to an analysis by the Engineering Export Promotion Council (EEPC) of India.

"China is the top importer of non-ferrous metals. It imports around 19 per cent of India's total export of these metals," EEPC India chairman Anupam Shah said.

Officials said the rates of duty credit scrips issued under MEIS (ranging from 2 per cent to 5 per cent) might not be tinkered with.

Exports dipped for the eighth straight month by 10.3 per cent in July to \$23.13 billion on account of continued weak global demand, while a China-led currency war over-valued the rupee and eroded local competitiveness. Imports declined 10.28 per cent to \$35.94 billion in July this year because of a fall in oil imports. The trade deficit stood at an

CAUSE & EFFECT

Frown factor

● India faces tough competition from Chinese exports because of yuan devaluation

The solution

● Interest subsidy

● Allow more sectors such as chemicals, pharma, textiles to enjoy sops under Merchandise Exports from India Scheme

eight-month high of \$12.81 billion.

"Our worry is that if there is one more poor economic data, China will again devalue its currency, which will have a cascading effect on other currencies, thus affecting our export potential to other countries where we have to compete with China," said Ajay Sahai, director-general of the Federation of Indian Export Organisations.

"The devaluation of the yuan will help increase the competitiveness of Chinese exports. However, a further decline in the currency may make it difficult for India to maintain its pace of monthly exports at \$22 billion," India Ratings and Research had said in a research note.

"To retain export competitiveness to the extent possible, the rupee must also decline. Since 2013, when the RBI took corrective measures to steady the rupee, our currency has performed better than other emerging markets. There are definitely signs of competitive depreciation across countries — driven at present by market forces and not governments or central banks," said CARE Ratings.

Looking for diversity of minds, teams and ideas

DEVELOPING ASSETS This company values people who can ideate and execute in an unstructured environment

How do you spot and attract talent?

The beauty industry is very dynamic. We follow a deliberate strategy for spotting the best talent all over the world while optimising recruitment costs and offering an outstanding candidate experience. To achieve this, we focus on digital communication and direct search.

We leverage our hiring channels such as campus hiring (25%), direct sourcing (30%), employee referral (25%) and partner agencies (20%).

At L'Oréal India, we have introduced gamification to engage, spot and recruit young talent. We value people for their unique talent, set of competencies, and personality. We believe in individual entrepreneurship, that high employee engagement and network are stronger than processes. We look for people with potential, who will contribute to L'Oréal's growth and become the next generation of leaders. We search for diversity of minds, teams and ideas, which are an asset for our development.

The best way to retain and nurture stars?

L'Oréal builds jobs to fit people and to develop their unique set of competencies, rather than mould people

briefcase



MOHIT JAMES has over 20 years of work experience in areas of human resource management, strategy and information technology. His professional responsibilities have taken him through various aspects of human resources and organisational development areas within textiles, software and consumer products industries in companies such as VIP Industries, Kale Consultants, Arvind Mills.

He has served in senior management positions including head, organisational development.

**Mohit James, hr director,
L'Oréal India**

into predefined jobs. This emphasis on individual talent, which starts at recruitment and continues throughout our employees' whole career, is a major strength of L'Oréal and allows us to remain competitive for talents.

What kind of a workplace environment do you strive to create?

Our mission is to uphold L'Oréal's reputation as the world's leading beauty group, a company built on entrepreneurial spirit, forward thinking and innovation, an environment where talent is nurtured and diversity is celebrated. This highlights the value we place on ideas and initiatives, giving individuals the freedom to drive change and fuel

growth. We make sure our employees are happy.

What specific attributes/values do you look for in candidates being interviewed?

We only want the best. We are selective in hiring candidates and look for a balance between a poet and a farmer, ie someone who can balance idea creation and execution in an unstructured environment.

Are skill sets important when hiring for your company?

We want to hire individuals who embody our values and our ethical principles. These include passion, innovation, entrepreneurial spirit, open-mindedness, excellence and responsibility.

Coordinated by Ayesha Banerjee

Cocoon Prices Drop After 5% Cut In Import Duty On Raw Silk From China

SILK FARMERS hit by unstable prices

Pratiksha.Ramkumar@timesgroup.com

A Venkatachalapathy, a sericulture farmer, heaved a sigh of relief on Thursday morning as he managed to offload 40kg of cocoon at ₹305 per kg, a record price since mid-July. His joy was however restrained because of the steep fluctuation in prices. A farmer for the last 35 years, Venkatachalapathy says that unstable prices pose a threat to his livelihood.

"Since June the prices have been fluctuating so abruptly that it even goes as low as ₹170 per kg. Unless we sell it for minimum ₹300 per kg, we are unable to afford it," he said.

Close to 810 sericulture farmers in Coimbatore district find themselves in a similar situation. Cocoon prices in the country fell by more than 60%, once the import duty on raw silk from China was reduced from 15% to 10%. This allows weavers and silk dealers to buy raw silk from China at almost the same price as domestic raw silk.

In Coimbatore district, where mulberry is cultivated and sericulture is practiced across 1,475 acres, the cost of producing 1 kg of good quality cocoon comes up to ₹230. "Just the inputs like moths, fertilizers for mulberry and insecticides to keep the worms healthy, cost ₹100 a kg," said R Ramakrishnan, president of the Sericulture Farmers Association, Udumalpet. "In addition, we need to pay for labour to ensure the worms are fed twice a day and to help remove the cocoons when they are formed," he said.

With prices hovering at less than ₹250 per kg since mid-July, sericulture farmers are in despair. "On one hand

they say that farmers should increase production and productivity, on the other hand they kill our profession by encouraging imports from China," says Ramakrishnan. India imports around 4,000 tonnes of raw silk from China every year. "Though India's requirement is around 26,000 metric tonnes annually, we produce only 23,000 tonnes," says S V Krishnamurthy, HOD of sericulture at Tamil Nadu Agricultural University.

The fluctuating prices at the Coimbatore market has also left government officials worried. "Hardly 10% of the sericulture farmers come and sell their cocoons to the government," said assistant director of the sericulture department, S Palani Durai.

Meanwhile, regular silk dealers who purchase cocoons on a daily basis from the sericulture department say that the Ramzan and Aadi season also led to fall in prices. "Most silk and yarn wholesal-

ers are Muslims, and they don't work during Ramzan season," said P Venugopal, purchasing head, Avarampalayam Sarvodaya Sangam. "Aadi is considered an inauspicious month and weavers got very few orders," he added.

The peak season for cocoons is between December and February and again between June and August. "Post-rains and pleasant weather is when prices peak and the quality is good," said Venugopal.

THE FABRIC OF WEAVING

WITH PRICES HOVERING AT LESS THAN ₹250 PER KG SINCE MID-JULY, SERICULTURE FARMERS FACE A STEEP DROP IN INCOME

SILK SYNOPSIS

Total number of sericulture farmers in Coimbatore district	Area under mulberry cultivation	Total silk deposited at the state sericulture dept office
811	1,475 acres	1.5 tonnes a day
Import duty on raw silk from China reduced from 15% to 10%		
India's silk requirement	Main types of silk produced in India	
26,000 to 27,000 metric tonnes	Eri, Muga, Tussar and Mulberry	
India's production of raw silk	Peak season for good quality cocoons	
23,000 metric tonnes	December-Jan and July-August (post monsoon)	

AVERAGE PRICE OF COCOONS IN COIMBATORE

Last year
₹400 to ₹450 per kg
Mid-July
₹150 to ₹170 per kg
Early August
₹270 per kg
Last Week
₹305 per kg

COST OF PRODUCING COCOONS

₹230 per kg within city limits
₹210 per kg on the outskirts

FROM COCOON TO CLOTH

- > The silk moth lays thousands of eggs
- > Eggs hatch into larvae (caterpillars)
- > Larvae are placed under fine layer of gauze and fed huge mulberry leaves till they shed skin four times
- > Once the worm grows to about 3 inches, within four weeks, it gets ready to spin a cocoon
- > The silkworm attaches itself to a frame like a twig, tree or shrub and spins a cocoon in three to eight days. It produces about 1km of filament over four days
- > The cocoons are reeled in by steaming them in hot air or boiling water, during which the silk is slowly unbound from the cocoon
- > This silk is then dyed and woven into fabric



Long way to go to match Chinese silk quality

TIMES NEWS NETWORK

Despite improvements in the quality of silk produced domestically, especially in Karnataka and Tamil Nadu, Chinese silk still beckons weavers. According to them, Chinese silk is stronger and thus produces better fabric, and unless Indian yarn becomes stronger, they can never compete.

"Chinese silk never breaks when we start weaving on the handloom machine. Thus our fabric thickness is uniform throughout the sari and shows no breakages," says Kalyani A, a weaver in Alangombu. "Indian silk threads are improving, but we still are wary of using them," says the 45-year-old weaver from a community which uses only Chinese silk threads.

Silk dealers admit that constant research and development in hybrid varieties of mulberry and better breeding of silkworms has led to better quality over the past two decades. "The ratio of number of kilograms of cocoon required to number of kg of yarn it produces has come down from 1:14 to 1:7 over the past two decades. It even comes down to 1:5 in markets," says N Muruganantham, sericulture inspector, Coimbatore.

एफडीडीआई के छात्र धरने पर बैठे

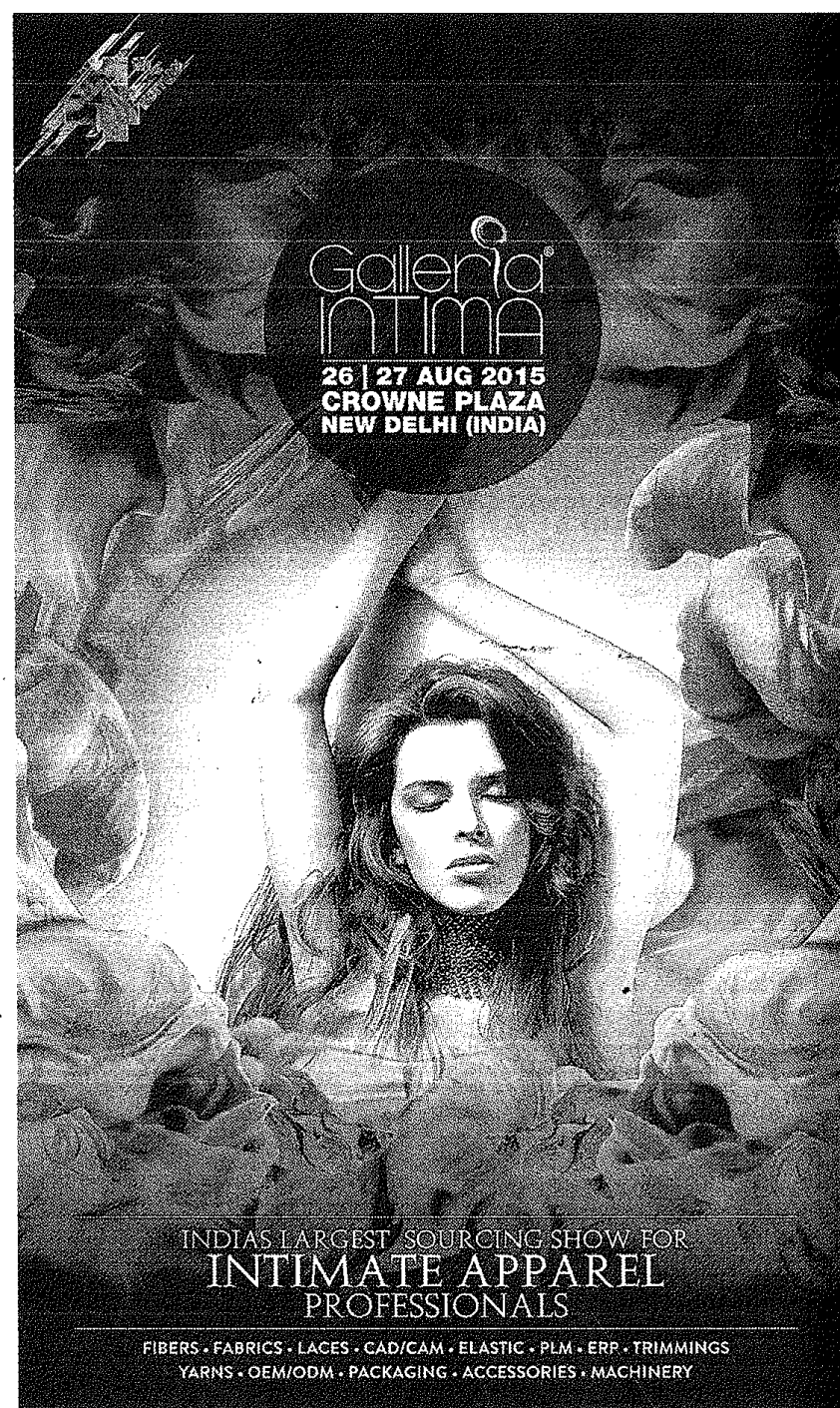
नोएडा (एसएनबी)। फुटिवयर डिजाइन एंड डेवलपमेंट इंस्टीट्यूट में सोमवार को तीसरे दिन छात्रों का प्रदर्शनी जारी रहा। छात्रों ने एफडीडीआई प्रशासन को नौ सवालों की सूची सौंपी और पूछा कि वे एफडीडीआई के छात्र हैं या फिर मेवाड़ विश्वविद्यालय के। छात्र मान रहे हैं कि उनके भविष्य से खिलवाड़ किया जा रहा है।

छात्र सुबह 10 बजे से ही कैम्पस के मुख्य गेट के सामने बैठ गए। हाथ में तख्ती और बैनर लिए हुए एफडीडीआई प्रशासन के खिलाफ नारे लगा रहे थे। उनका कहना था कि कॉलेज ने छात्रों के साथ धोखा किया है। छात्रों के एक प्रतिनिधिमंडल ने कॉलेज प्रशासन के साथ बातचीत की और नौ सवालों की सूची सौंपी। सूची के माध्यम से गंभीर आरोप भी

लगाया। एफडीडीआई से पूछा गया है कि मेवाड़ विश्वविद्यालय रिटेल मैनेजमेंट का कोर्स ही संचालित नहीं करता। फिर किस हैसियत से एफडीडीआई के छात्रों को रिटेल मैनेजमेंट में विशेषज्ञा वाली स्नातक और परास्नातक की डिग्री दे रहा है। इसके अलावा छात्रों ने सवाल किया है कि एफडीडीआई

छात्रों ने एफडीडीआई प्रशासन को नौ सवालों की सूची सौंपी

प्रशासन ने मार्च 2015 से लेकर अब तक पूरे मामले में क्या कदम उठाया है उसकी जानकारी दे। दरअसल, एफडीडीआई का मेवाड़ विश्वविद्यालय के साथ एक करार था। करार के तहत एफडीडीआई के छात्रों को मेवाड़ से स्नातक और परास्नातक की डिग्री दी जा रही थी। यूजीसी ने इस करार को अवैध बताया। उसके बाद से छात्र प्रदर्शन कर रहे हैं।



OUR CORRESPONDENT

Taking Prime Minister Narendra Modi's recently launched "Make in India" initiative forward, the Intimate Apparel Association of India (IAAI) will hold a two-day trade fair that will focus on intimate wear manufacturing in India. Santosh Kumar

Gangwar, Minister of State for Textiles (Independent Charge) will inaugurate the exhibition. The Joint Secretary for Textile Exports, Sunaina Tomar and Arti Mehra, General Secretary, BJP, will also be present. The exhibition will be held at Crowne Plaza, Rohini on August 26 and 27. This year, in the fourth edition of India's biggest intimate apparel trade

Fair to showcase intimate apparel

It will focus on the strengths of the Indian industry that can be leveraged to position India as a leading manufacturing destination



Representative images

fair, Galleria Intima, one of the focal points is the development of the intimate apparel sector of the country—to make it emerge as the next major hub of intimate wear manufacturing.

The show will focus on the strengths of the Indian industry that can be leveraged to position India as a leading manufacturing destination for intimate wear. The event will showcase all the elements of intimate apparel such as fibres, laces, hooks and overall packaging.

It is expected to draw visitors from a wide variety of sectors including brand owners, manufacturers of intimate wear, designers, export houses, large format retailers and online retailers. More than 1000 brands from India alone are expected to visit along with 80 exhibitors from 10 plus countries. About 15 Chinese companies are also expected to participate, bringing with them their



storehouse of raw materials, making the fourth Galleria Intima exhibition, an all-encompassing platform for intimate apparel.

At Galleria Intima 2015, the central aim would be to proceed with Make In India initiative and sell the "Made in India" products in the International market as well as derive the benefit of increasing domestic consumption.

India's global trade of apparels for the financial year 2013 stood at \$379 billion, out of which only nine per cent of this total outcome was

occupied by the intimate wear category, thus highlighting the immense untapped opportunity this sector represents.

The intimate apparel category includes a vast range of clothing items, varying from lingerie, underwear, loungewear and nightwear to shape-wear, swimwear, socks, stockings and more. India has seen a remarkable growth in exports through the years as well, with intimate wear accounting for \$1.2 billion in the financial year 2013, a contribution of 4 per cent of total global trade in the intimate apparel category.

India has an abundance of raw materials as well as a large pool of inexpensive workforce to provide cost effective solutions to lingerie manufacturing. Not only this, India also presents a growing middle-class, fashion-conscious consumer market that demands top quality products from well-established global brands.

30% duty on raw silk to protect mulberry farmers on the cards

KA BADARINATH

New Delhi

THE government will consider slapping 30 per cent import duty on raw silk to protect mulberry farmers in the three southern states of Karnataka, Andhra Pradesh and Tamil Nadu.

Prime minister Narendra Modi has asked finance minister Arun Jaitley to examine the request made by Karnataka chief minister Siddaramaiah who led an all-party delegation of state MPs, ministers and top leaders on Monday.

Responding to a request made by Siddaramaiah, Modi said he would get the request examined. Several states have asked the centre to enhance import duty on raw silk to 30 per cent from the prevailing 10 per cent as a protective measure to help domestic mulberry farmers.

Cocoon prices have fallen by over 60 per cent after finance ministry slashed import duty on raw silk to 10 per cent from an earlier 15

per cent in June this year. As against an annual demand of 26,000 tonnes, domestic silk output has been pegged at 23,000 tonnes. In the last one year, India has imported about 4,000 tonnes of raw silk from China. Cocoon prices have been fluctuating between Rs 170 – 300 per kilo pushing mulberry farmers to desperation and suicides in several southern states after the raw silk duties were lowered.

Modi has also directed agriculture minister Radha Mohan Singh to depute a



Tariff barrier

■ Cocoon prices have fallen by over 60% after finance ministry slashed import duty on raw silk

■ In the last one year, India has imported about 4,000 tonnes of raw silk from China

■ Fluctuating cocoon prices have pushed mulberry farmers to commit suicides in several southern states

central team for assessing the drought situation in Karnataka. The Siddaramaiah-led delegation also sought the prime minister's intervention for an out-of-tribunal settlement on the Mahadayi river water issue that concerns Karnataka, Goa and Maharashtra. The matter is currently before a tribunal. Modi suggested that consensus needed to be evolved among different political parties in all states before attempting an out-of-tribunal settlement. A PMO statement said that

“mutual consultations” were the way out for Mahadayi river issue.

Karnataka chief minister Siddaramaiah also asked Modi to convene a meeting of all three chief ministers to find a solution to sharing 7.56 tmc ft of water from Mahadayi to tackle the drinking water crisis in Belagavi and Hubballi – Dharwad. The issue is pending before water disputes tribunal constituted in 2009 whose verdict is expected by this year-end.

On the plight of sugarcane farmers, prime minister Modi said the fall in sugar prices has impacted farmers across the country and the government was taking several steps to address their issues. Apart from Karnataka chief minister Siddaramaiah, Congress leader in Lok Sabha Mallikarjuna Karge, union ministers M Venkaiah Naidu, Ananth Kumar and Sadananda Gowda were also present at the meeting.

badarinath

@mydigitalfc.com

Arvind Lifestyle banks on kidswear

PRESS TRUST OF INDIA

Mumbai

ARVIND Lifestyle, which recently launched a kidswear retail format, will open 40 stores over the next four years and expects at least 15 per cent of its total sales to come from this segment by 2018.

The Children's Place' is positioned as a mass premium brand and the outlets will be opened in tier II and III cities besides metros, a top company executive said on Monday.

"Kidswear will be a significant contributor to our growth," said J Suresh managing director and chief executive of Arvind Lifestyle Brands.

"Our ambition is to reach Rs 5,000 crore in sales by 2018, and we expect 15 per cent of this to come from the kidswear segment," he added.

The Children's Place will play the largest role for Arvind to achieve this, Suresh said.

Arvind plans to open 40 stores and 60 shop-in-shops in four years.

This fiscal, the company expects to open 3-4 standalone stores and about six shop-in-shops.

According to industry estimates, the kidswear market in India is pegged at Rs 50,000 crore, of which a large portion is fragmented and unorganised.

"Kidswear today is what menswear was 15 years ago. Kidswear will also have to go through its cycle of evolution," Suresh said.

The Children's Place will contribute about 50

per cent of Arvind's kidswear sales going forward, he said.

"We have other children's wear brands, including GapKids, babyGap, and US Polo, which will constitute the remaining 50 per cent," Suresh said.

The company has partnered Shoppers Stop for an exclusive shop-in-shop format of The Children's Place, as well as online children's retailer hopscotch. "We will see how it goes, and take it forward with other online retailers," Suresh said.

With ₹ fall, foreign textile importers renegotiate contract terms

DILIP KUMAR JHA

Mumbai, 24 August

The depreciating rupee has prompted textile and apparel importers abroad to renegotiate the terms of their contracts with Indian exporters. Now, new contract orders are being deferred till the Indian currency stabilises.

Since August 11, when the yuan started depreciating, the rupee has fallen 3.60 per cent to trade at 66.65 against the dollar early Monday. It has depreciated 5.52 per cent so far this year. Typically, depreciation in the rupee results in higher realisation of export-driven products from India. As a result, global importers re-negotiate prices of the products.

"Yes. New buyers have started re-negotiating contract terms

and prices. Foreign buyers have started inducting a new clause in the contracts that keeps re-negotiation of prices open. Old customers, however, have not intervened yet. Clients who had negotiated apparel import terms have deferred orders by two to four weeks, which might be prolonged till the rupee stabilises," said Rahul Mehta, president of the Clothing Manufacturers Association of India. In case of sharp currency fluctuations, prices would be re-negotiated, he added.

India exports \$41 billion worth of garments and apparels a year. As such, re-negotiation in contract terms and prices makes a huge difference in the overall realisations of exporters. New foreign customers, meanwhile, have started deciding apparel prices

in dollar terms, keeping the rupee at current levels.

R K Dalmia, president of Century Textiles and chairman of the Cotton Textiles Export Promotion Council, believes benefits for Indian textile exporters would depend on currency fluctuations in competing countries. "In case Indian exporters compete with their counterparts in China, we would not get much benefit due to the yuan's devaluation. If we are competing with Bangladesh, we will get some benefit. But since other Asian currencies have depreciated due to the yuan's devaluation, Indian exporters wouldn't get the benefit they would have, had the yuan not been devalued," said Dalmia. For smooth business, stability in the rupee is vital for long-term sustainability, he added.

Whitefly spreads wings, Malwa cotton farmers incur losses

SARBJIT DHALIWAL
TRIBUNE NEWS SERVICE

CHANDIGARH, AUGUST 24

With the attack of whitefly on the cotton crop becoming more virulent, farmers in the cotton belt of Malwa region are suffering huge financial losses. A lot of damage has been caused to the crop in the Abohar-Bathinda-Sirsa belt. At many places, farmers have uprooted the crop as the attack had become unmanageable. At this stage, no other crop can be sown. The basmati transplanting season is also over.

State Agriculture Minister Tota Singh today directed officials of the department to take all requisite steps to save the crop from further damage. He asked Agriculture Department Director Mangal Singh Sandhu to ensure that farmers do not face any problem in the procurement of pesticides required to counter the whitefly attack.

Director, Research, Punjab Agriculture University (PAU), Balwinder Singh today said at certain places such as the Abohar-Muktsar belt, the damage was up to 50 per cent. He said the attack was more extensive on the cotton crop that was sown late as compared to that sown earlier.

"Usually, the whitefly attacks the crop in August but this time it began early in July," said Balwinder Singh. There was a delayed sowing of the cotton in most parts of the cotton belt as the wheat crop had matured late. In July, the weather remained wet and it provided ideal conditions for



A FARMER EXAMINES COTTON CROP IN BATHINDA. TRIBUNE FILE PHOTO

Agriculture Department under fire

ABOHAR: The Punjab Pesticides and Fertilisers Association has slammed the Agriculture Department for its 'failure' to deal with the situation created by attack of white fly on cotton crop. Association secretary Rakesh Kalani said here on Monday that the explanation given by Agriculture Department Director Mangal Singh Sandhu that white fly had intruded in the Malwa region from the neighbouring west Punjab province of Pakistan was "misleading". He alleged that the state government had purchased insecticides weighing 21,000 litres against the payment of ₹7 crore to supply the same to farmers at subsidised rates just to "benefit" some manufacturers of its choice. The department did not bother to consult the PAU before finalising the products (insecticide) and the spray proved to be a farce, he alleged. Kalani said the state would once again lag behind in producing cotton due to this manmade situation. The affected farmers should be adequately compensated, he demanded. — OC

whitefly to flourish.

"We have advised farmers to spray only those pesticides which were recommended by the PAU and not to follow instructions of pesticide dealers in this regard," said Balwinder Singh.

Besides, farmers have been using a wrong method of spraying the fields. They spray cotton plants from above while the whitefly takes shelter under the leaves, close to the roots.

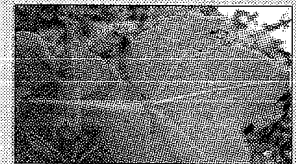
Most of the farmers use tractor-loaded spray systems which are not effective in the case of whitefly attack.

"Farmers should spray cotton plants from the root upwards by spreading out the leaves. Of course, this is a difficult procedure but there is no alternative to control the attack," said Balwinder Singh Sidhu, Commissioner, Agriculture, Punjab.

PAU officials say farmers were not following their

PAU experts' advice

- Farmers should stick to only recommended hybrid cotton varieties
- They should spray only those pesticides that have been recommended by the Punjab Agriculture University
- They should spray cotton plants from the root upwards as whitefly takes shelter under the leaves, close to the roots



The underside of a cotton leaf attacked by whiteflies.

At certain places such as the Abohar-Muktsar belt, the damage (from whitefly) is up to 50 per cent. The attack has been more extensive on the cotton crop that was sown late as compared to that sown earlier.

Balwinder Singh, DIRECTOR, RESEARCH, PAU

instructions with regard to the hybrid cotton varieties. "We have recommended certain hybrid varieties of cotton for sowing in the state. Farmers should stick only to recommended hybrids," said Director, Research, of the PAU. Moreover, farmers should not remove weeds, which play host to whitefly, from cotton fields. Even inter-cropping of pulses in cotton fields is not advisable, he said.