

## Govt bid to create market linkage for weavers

### STAFF REPORTER

GUWAHATI, March 10 – Minister for Handloom, Textiles and Cultural Affairs Bismita Gogoi today announced that the Government is taking up a lot of initiatives to improve the socio-economic condition of weavers, including creating the right market linkage for them.

Inaugurating the National Level Handloom Expo 2015 today at the Assam Engineering Institute ground, Chandmari, supported by Development Commissioner (Handlooms) and organised by the Directorate of Handloom and Textile, Assam, the Minister said that the department was concentrating on extending economic support to the weavers in various ways.

Calling upon the participants

at expo to take advantage of the government schemes, the Minister further said that to expand business it was important to maintain honesty while dealing with the customers. She further said that the handloom sector has given economic empowerment to women.

It needs to be mentioned here that the department has of late undertaken many steps for improving the handloom sector, which is one of the major earning options for the rural people, next to agriculture. One such effort is holding expos inside and outside the State for expansion of business.

"The department has been

holding various expos over the years for the benefit of the weavers. Our efforts got an added impetus under the North East Region Textile Promotion Scheme that was launched in 2013 by the Government of India," said DK Nath, Director of Handloom and Textiles.

Nath informed that last year, two expos were held outside the State under the scheme in Agartala and Delhi. This year expos were held in Kolkata, Agartala and Mumbai. "In Assam, we already organised an expo at Sivasagar," said Nath.

The expo at Chandmari will continue till March 23.

On the other hand, Nath mentioned that the Handloom Trade Centre opened in Dibrugarh this year will benefit the weavers as it will provide a platform for business as well as exchange of ideas.

"Our attempt is to take the products of Assam outside the State. Expos give an idea to the weavers what the customers want," said Nath, pointing out that weavers are learning to cater to the demands of the customers outside the State. Nath also said that it is important for the weavers to maintain quality and to be open to innovative ideas so as to capture the market.

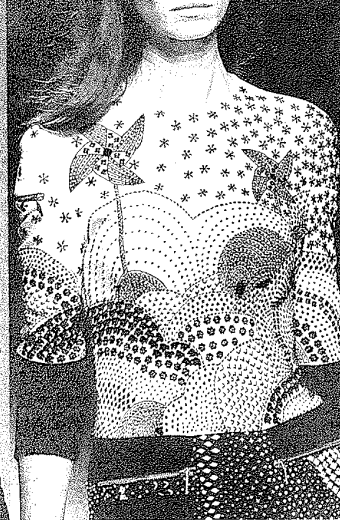
# India, vintage vibe in Paris

Here's a look at retro glam, a punk vibe and some intricate Indian craftsmanship from the French ramps

PHOTO: PATRICK KOVARIK/ AFP



PHOTO: PATRICK KOVARIK/ AFP



## INDIAN CRAFTSMANSHIP

Indian designer Rahul Mishra showed his collection, The Village, at Paris Fashion Week on Wednesday. Mishra stuck to a signature monochrome palette with a splash of blue and mild pinks. Beautiful bird motifs, intricate embroidery and sheer play stood out.

PHOTO: CHRISTOPHE ENA/ AP



## GEOMETRIC GORGEOUSNESS

Even though the Valentino runway was studded with Hollywood actors Ben Stiller and Owen Wilson in their Zoolander avatars, the designs stood out for their romantic, vintage appeal. From sculpted, geometric prints to a layered winter appeal, the label's Paris ramp saw it all.

PHOTO: JACQUES BRINON/ AP



## AT THE BRASSÉRIE

Leave it to Chanel to transform the ramp into a grand French bar. Karl Lagerfeld's vision was translated on the runway in the form of signature tweeds for fall/winter and a vintage-infused vibe. Supermodel Cara Delevingne made her first appearance on the ramp in Paris this season at this show.

## ROUGHING IT UP

At the Saint Laurent show in the French Capital, the vibe went from rock chic to street punk. From ripped stockings offset with voluminous babydoll dresses to cropped and crisp leather jackets — the mood was mean and rugged. The beauty look was also designed to add to the theme, with Black Swan-esque cat-eyes.

PHOTO: FRANCOIS MORI/ AP

TEXT: HTC



# Textile exporters in a spin as euro slumps

Exporters from Tirupur especially hit, as they have huge exposure to the currency

MEERA SIVA / GURUMURTHY K

BL Research Bureau

The euro tumbled against the dollar — falling 3.6 cents — after the strong US jobs data released last week. With the euro at 1.06 to the dollar, the market is bracing for the currency reaching parity with the dollar — that would mean a further fall.

Businesses close to home are feeling the effects of euro's troubles. Individual textile exporters in Tirupur, Tamil Nadu, who have sizeable exposure to the currency, have been hit hard after the recent drop in the currency's exchange rates.

Concerns about the Euro zone economy are not new, but the

currency's sudden plunge in December 2014 and now has caught the textile merchants unawares. The euro that was trading at around ₹85 last year slipped slowly to around ₹75 levels by early December. This shake-up was quite sudden, though there were signals that there may be trouble brewing.

"There was reluctance to hedge euro exposure, especially after the short rally in mid-December when the exchange rate went close to ₹80," says Murali Rajagopalan, Director of Kalynda Financial Advisory.

But the currency nose-dived in a month to a low of ₹68 in late January 2015. This is a 20 per cent drop from the levels seen last year. So, if an exporter was expecting €300,000, rather than the ₹2.4 crore he would have got last year, the money he would receive now will be ₹30 lakh less. There has not been much



respite since, as the euro held at 70-71 levels in January and February before the recent rout.

## More awareness

Rajagopalan however, notes that the suddenness of the currency's movement and the subsequent losses suffered are creating more awareness on currency hedging. "In the past, textile exporters were not willing to do any risk management. Full currency hedging was not seen as a way to protect the cash situation of the

business," he notes. Hedging by making use of pre-shipment credit in foreign currency (PCFC) has been popular in the last two-three years, says Raja Shanmugham, an exporter and Chairman of CII, Tirupur.

"PCFC provides a natural hedge and the cost of borrowing is also lower. Interest rates on rupee credit are around 12 per cent compared with 2.5-3 per cent over Libor rates for foreign currency credit," he explains. With Libor rates hovering near zero, borrowing in dollar or euro is much cheaper.

Still, a weak euro means low margin for manufacturers. "Garment prices are only revised once in every few years and due to heavy global competition, sellers are not in a position to negotiate better deals," he explains. So the already wafer-thin margins have eroded further, says Shanmugham.

# Jute body to file anti-dumping case against Bangladesh

Jute goods from neighbouring nation get 10% cash subsidy; yarn gets 7.5% incentive

**TOMOJIT BASU**

New Delhi, March 12

As cheaper jute products from Bangladesh flood the domestic market, the Indian Jute Mills Association (IJMA) is set to file an anti-dumping case in the first quarter of the 2015-16 against subsidised exports from the neighbouring country.

"The association has been working on an anti-dumping case which should be filed with the Ministry concerned within the next quarter. A countervailing duty has to be either an anti-subsidy

or anti-dumping duty, both will be pursued simultaneously," said Raghavendra Gupta, Chairman, IJMA.

Bangladesh offers a 10 per cent cash subsidy on jute goods, such as bags and Hessian cloth, and a 7.5 per cent subsidy on jute yarn. The government also provides 40 per cent and 20 per cent of funding required by mills and exporters, respectively.

With import duty being nil under the SAARC treaty, according to industry estimates, nearly two lakh tonnes (lt) of jute finished

goods flow into India from Bangladesh every year on the back of the "duty anomaly".

The case will be filed with the Designated Authority heading the Directorate General of Anti-dumping and Allied Duties (DGAD), a body under the Commerce Ministry, which will investigate and recommend anti-dumping measures, if any, to the Centre.

## Exporters hurt

India accounts for 70 per cent of the world's estimated production of jute goods, with the majority being used for packaging domestically. Although a net exporter, Indian exports have been hit with



no shipments to Syria and Thailand, a combined market of 70,000 tonnes, over the last two-three years due to political turmoil.

On an average, Bangladeshi jute products are estimated to be 10 per cent cheaper and imports surged by 35 per cent between

April and December 2014. "Indian mills are working at almost 25 per cent below their production capacity due to stifled demand," said Gupta.

According to data from the Textiles Ministry, exports of jute goods (Hessian, sacking, carpet backing cloth etc.) between April

and December 2014 are estimated at 88,600 tonnes. For the 2013-14 fiscal (April-March), 216,000 tonnes of jute products were exported. "The volume of exports is \$300 million annually, which accounts for 15 per cent of production. The subsidised export policy followed by Bangladesh, our main competitor, makes it difficult for Indian manufacturers to compete since it's difficult to match their price," he said.

Gupta also expressed hope that domestic orders, particularly by the industry's biggest buyer - the Food Ministry - which declined by 35 per cent last year, would pick up in 2015-16 with sustained demand.

# Trade push: SAARC working on quality norms for five sectors

Move aimed at removing technical barriers to trade

AMITI SEN

New Delhi, March 12

India and its South Asian Association for Regional Cooperation (SAARC) partners have narrowed down on five sectors for which common quality standards would be evolved to facilitate freer flow of goods in the region.

“The sectors that have been selected include electric products & electronics, textiles & leather, food and agriculture products, building & construction and chemicals & petrochemicals,” Chandan Bahl from the Bureau of Indian Standards told *BusinessLine*.

Bahl said that some sectoral

meetings had already taken place over the last few months and technical teams were examining the existing standards in all SAARC countries for harmonisation.

## Quality barriers

SAARC includes Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka. Difference in quality norms in importing countries have been identified by exporters as a significant non-tariff barrier that restricts free flow of goods in the region.

The harmonisation of standards is being carried out by the South Asian Regional Standards Organisation (SARSO), a SAARC specialised body, which became operational in Dhaka from April 2014.

“It often takes time for in-

spections to take place when goods are being exported from one country to the other. Harmonising standards could take care of the problem to a great extent,” Bahl said.

Pakistan, for instance, has been complaining about not being able to export cement to India freely as Indian inspectors don't come to the country to examine their consignments on time.

“This happens sometimes because we have problems in getting travel approvals from the Ministry of External Affairs,” another official pointed out.

Cement, which falls under building & construction, is one of the items for which common quality standards are being worked out.

# Silk exports inch up on rising demand

Readymade garment shipments dominate in value terms

VISHWANATH KULKARNI

Bengaluru, March 12

Exports of silk and silk goods are witnessing an uptrend in the current financial year on robust demand for ready made garments (RMGs) from traditional markets such as the US, the UAE and the UK.

For the first nine months, the exports of silk and silk goods were up by about 18 per cent to around ₹2,022 crore as against ₹1,719 crore in corresponding period last year, according to provisional figures collated by the Central Silk Board.

Silk RMGs accounted for close to two-thirds of the total exports in value terms, fol-

lowed by fabrics and made ups. Exports of RMGs were up 37 per cent during the first nine months of current financial year at ₹1,336.77 crore against corresponding last year's ₹975.63 crore.

## Ray of hope

"We are doing slightly better in RMGs, but are losing market in silk yarn, fabrics and made-ups on account of production not keeping pace with demand. Also, the exports of yarn and fabrics are not profitable on account of high cost of fabrics and high incidence of duty on raw silk imports," said TS Chadha, Officiating Executive Director of

the Indian Silk Export Promotion Council (ISEPC).

The exports of fabric and made-ups were 10 per cent lower in the first nine months at ₹579 crore against ₹644 crore in corresponding last year. Similarly, the exports of silk carpets were marginally lower at ₹11.58 crore against corresponding last year's ₹11.79 crore. The shipments of silk waste were marginally higher at around ₹88 crore against corresponding last year's ₹82.27 crore.

## New markets

Chadha said demand is seen picking up in newer markets such as Thailand and Vietnam and even from China, the largest producer of silk. "China is also buying for re-exports. But compared to Chi-

na's export of raw silk to India, their import of RMGs are negligible," Chadha said adding that hopefully the total shipments for current financial year should exceed last year's levels.

India imported about 2,647 tonnes of raw silk in the first nine months, an increase of about six per cent over previous year's 2,504 tonnes, largely from China. In value terms, the raw silk imports for the nine months were estimated at ₹735.28 crore against ₹680.43 crore in corresponding last year. Total imports of raw silk, yarn, fabrics and made-ups stood at ₹1,357 crore in 2013-14.

Total exports in 2013-14 stood at ₹2,480 crore, a marginal growth over previous year's ₹2,303 crore.