



Newsbites - SAVE

Social Awareness and Voluntary Education (SAVE) is a non-profit societal reconstruction organisation, Founded by Mr. A. Aloysius in the year 1993. SAVE carries out developmental programs towards uplift of the socio-economically poor and marginalized communities. The organisation continues to work for the elimination of child labor from the exploitation, empowering women, youth, promoting fair labor standards and comprehensive development of both rural and urban poor communities.

TIRUPUR UPDATE: A NEWS LETTER OF SAVE

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SOCIAL AWARENESS AND VOLUNTARY EDUCATION (SAVE)

Editors : A.Aloysius &
A. Viyakulamary

**No. 5, Iswarya Nagar, Dharapuram Road,
Tirupur-641 608, Tamilnadu, India**

Ph. 0421-2428100, Fax: 0421-2428200

E-mail: savetirupur@gmail.com / savealoy@gmail.com

Website : www.savengo.org

NEED OF THE HOUR

Spinning Mills Slash Prices for cotton yarns to clear excess stock

Express News Service

Aiming to clear the excess stock of cotton yarn, several spinning mills slashed the price to Rs. 4 to Rs. 5 per Kg in the district. Speaking on the development, Tamil Nadu spinning Mills Association Advisor Dr. Venkatachalam, “Several spinning mills have excess stock in their godown. While many have already reduced the operating hours, a few have reduced the price of cotton yarn. However the association has not stipulated any particular price for cotton yarn. We have advised all the members to take their decision on their prevailing condition. We believe situation based measures would be apt to solve the issue. Tirupur Exporters Association general secretary Vijayakumar said, “As procurement is not made on a large scale from the garment units in Tirupur, the cotton mills continue to be in crisis for several months.

Finance Minister Meets Textile Industry Representatives

They discuss measures needed to revive the sector

The Hindu

Union Finance Minister Nirmala Sitharaman met the textile industry representatives and had discussions on measures needed to revive the sector. Prabhu Dhamodharan, convenor of Indian Textpreneurs Federation (ITF), who took part in the meeting, said one of the common demands of the industry was structural changes for man-made fibre (MMF) sector. There was a need to remove the anti-dumping duty on MMF and rationalise GST for this segment. While India is competitive in the international market for several cotton products, it is not so for MMF products. The industry should be able to tap opportunities in the global market in synthetic products. Another demand placed by the industry is extension of Rebate of State and Central Taxes and Levies (ROSCTL) schemes, now available to garments and made-ups, for yarn and fabric too. The ITF also suggested that the government comes out with a system to bring the MNC brands to the manufacturing clusters and engage them directly with the suppliers to reduce imports. The Open end Spinning Mills' Association said that because of the China-US trade war, the export of nearly 200 containers of open end yarn to China has stopped in the last five months. There are raw material challenges for the open end spinners. The GST on recycled PET polyester fibre should be reduced to 12 % from 18 %. The open end spinners produce nearly 10 lakh kg of yarn from recycled PET bottle fibre.

<https://www.thehindu.com/news/cities/Coimbatore/finance-minister-meets-textile-industry-representatives/article29395064.ece>

Germany unveils 'green button' for sustainable textiles

Development Minister Gerd Müller has said the new initiative guarantees a responsible supply chain. But critics say it is too weak to make a difference. German Development Minister Gerd Müller presented the country's new "Green Button" seal for sustainable textiles. The new scheme is meant to ensure that consumers can purchase clothing that has achieved certain social and environmental standards, including a minimum wage for textile workers and a ban on child labor, as well as the use of certain chemicals and air pollutants. Müller has said that he was inspired to ensure the social responsibility and safety of the clothing industry after being moved by the 2013 Rana Plaza disaster in Bangladesh. About 1,130 people were killed and 25,000 injured when a garment factory collapsed in the capital

Dhaka, affecting workers who made clothes for major chains like Benetton, Primark, Walmart, and Mango. The seal has already been applied to products from some smaller German brands, but also large chains like Lidl and Tchibo. However, the new scheme has been heavily criticized by the textile industry, which says it is superfluous and has created duplicate structures to those that already exist. They also pointed out that if only Germany was taking part, it wouldn't make any real difference in a globalized sector. Wötzel told that "the criteria are simply too weak" to make a difference with regards to sustainability and ensuring that textile workers are employed in fair and safe conditions. Germany's office for consumer protection said that they would have to wait and see what effects, if any, the seal had on the clothing industry in the country.

<https://www.dw.com/en/germany-unveils-green-button-for-sustainable-textiles/a-50351898>

Textile hub Tirupur feels the heat

Five years ago, power loom owner Manikandan (name changed) from Palladam in Tirupur district admitted his son in Class 4 in a reputed school. "It was a time when our power loom ran day and night, seven days a week and make lakhs of profit. With the growing crisis in textile industry, his power loom started receiving less orders compared to the previous years, forcing him to reduce daily working hours and number of working days in a week. Eventually, as his income fell, he found it hard to pay his son's school fees. Fall in demand, lesser orders, crashing price of woven cloths due to Goods and Services Tax (GST) and rise in cotton prices added to his troubles. While Manikandan kept adapting and changing his business model by reducing production and cutting man power, his 14-year-old elder son was going through turmoil because of his frequent change in school. Frustrated over this, Manikandan's son committed suicide. "He was the class topper until last year. He complained to me twice about the frequent change of schools. But, I had no other option as I did not have enough money to pay his fees. Now, I have lost him forever," says Manikandan holding back tears. Manikandan's story isn't an exception. Many like him, who set up their own business unit after working most of their lives in spinning mills, garment factories and power loom industry, are facing a grim and uncertain future.

<https://thefederal.com/business/2019/09/06/textile-hub-tirupur-feels-the-heat-of-slowdown/>

TIRUPUR UPDATE ON LABOUR AND MIGRANTS

EFFORTS NEEDED TO BRING IN INVESTMENTS, GENERATE JOBS

Processes for Defence Procurements from MSMEs

The Hindu

The Union Government should take steps to bring in investments in the MSME sector and incentivise job creation, said A.V. Varadarajan, former president of Coimbatore District Small Industries Association (CODISSIA). Since an emerging area of opportunities was the Defence, the Government should simplify the processes for Defence procurements from MSMEs and should have procurement offices in each State capital and also in MSME hubs such as Coimbatore, Pune, Thane and Surat. Industries can be classified under three categories: normal, those that provide at least 25 jobs for every investment of 1 crore, micro and small industries that provide at least 50 jobs for every 1 crore invested. Any new industry that generates more than 25 jobs in three years should be exempted from providing the source of income.

The plant and machinery and jobs created should be certified by the authorities concerned. In order to encourage employment generation, the wages paid by the employer must be allowed for standard deduction while calculating

Income Tax. The State Government should also provide exemptions for establishment of new industries and should simplify the process for approvals.

<https://www.thehindu.com/news/cities/Coimbatore/efforts-needed-to-bring-in-investments-generate-jobs/article29377274.ece>

All India Traders Federation to bring SME businesses online

The Hindu

The Confederation of All India Traders, which recently rolled out the “CAIT Mastercard Global linker” programme, plans to bring online one lakh small and medium-scale businesses by October 31. Secretary General of the Confederation of All India Traders (CAIT) Praveen Khandelwal told that the programme had several components that would enable SME traders to tap e-commerce opportunities. It has been estimated that the country had seven crore SME trade businesses. But only 35 % of these were computerised. The entire government structure - Central and State governments - was going online. So, the compliance should also be on the online platform. “We thought we need to help the traders digitalise so that they sustain their businesses and hence the digitalisation programme of the Confederation would enable the SME businesses to go online, facilitate e-payments, and support in the logistic needs. These could be businesses with 10 lakh to 15 lakh turnover a year to those with 700 crore turnover a year. The outlet size can be as small as 500 sq. Further, in smaller towns and villages, it might be difficult for a trader to invest in a computer system and have someone to monitor the orders. The CAIT has planned to have clusters of 30 traders each and have an entrepreneur who would support these traders in the online business. It has also appealed to the Union Government to provide subsidy or interest subvention to help the traders in rural areas and smaller towns buy computers. They can now use the common service centres to register and go online. The digitalisation programme would attract the younger generation to trading, create jobs, and provide a larger market to businesses

[.https://www.thehindu.com/news/cities/Coimbatore/all-india-traders-federation-to-bring-sme-businesses-online/article29377183.ece](https://www.thehindu.com/news/cities/Coimbatore/all-india-traders-federation-to-bring-sme-businesses-online/article29377183.ece)

Migrants in Tamil Nadu: case of much ado about nothing

The Hindu

There is now an opportunity to temper the rancour in Tamil Nadu over ‘migrants taking over’ jobs meant for locals, thanks to the data on migration — inward and outward — from Census 2011. Controversies witnessed in recent months over the recruitment of non-Tamils in government jobs in Tamil Nadu have triggered a perceptible rise in voices against migrants taking up jobs in the State. As per the census, 18.85 lakh migrants who were born outside Tamil Nadu were residing in the State. This is roughly 2.6% of the State’s total population. Of all the migrants in Tamil Nadu, these migrants from other States constitute only 6.2%.

The remaining are those who have migrated within Tamil Nadu. While the popular perception is that a majority of the migrants are from north-eastern and northern States, Census 2011 data shows that 77.2% of the migrants from other States are from neighbouring Andhra Pradesh (which includes Telangana since the State was undivided in 2011), Kerala, Karnataka and Pondicherry. Interestingly, while 12.76 lakh migrants from these neighbouring States were residing in Tamil Nadu in 2011, the same figure from Tamil Nadu migrating to these States was higher, at 15.86 lakh. Those who migrated to Tamil Nadu from the north-eastern States of Arunachal Pradesh, Sikkim, Nagaland, Manipur, Mizoram, Tripura, Meghalaya and Assam numbered a meagre 11,873 people. According

to Census 2011, of all the migrants from other States who had come to Tamil Nadu, only 16% had come in search of employment, which includes both skilled and unskilled jobs.

<https://www.thehindu.com/news/national/tamil-nadu/migrants-in-tamil-nadu-case-of-much-ado-about-nothing/article29364682.ece>

Labour ministry to call stakeholder consultation on revised draft of social security code

The Economic Times

“The draft of ‘code on social security’ is ready and will be shared with stakeholders for their comments soon. Labour ministry has proposed a comprehensive social security system to provide retirement, health, old-age, disability, unemployment and maternity benefits to 50 crore workers in the country, in yet another populist measure ahead of the general elections next year. Aiming to continue its endeavour to push for labour reforms, Santosh Kumar Gangwar-led labour ministry will soon call stakeholder consultation on the revised draft of social security code. Out of the four labour codes proposed to amalgamate 44 labour laws, the ministry has already got the labour code on wages passed by the Parliament while tabling the labour code on occupational safety in the Lok Sabha.

The 50 crore beneficiaries would be classified into four tiers. The first tier would comprise of destitute and people below poverty line who cannot contribute for their security and hence the cost of which will be entirely borne by the government under the tax based schemes while workers in the unorganised sector who have some contributory power but cannot be self-sufficient may be covered under the subsidised schemes in the second tier. The third tier of beneficiaries will include those who either by themselves or jointly with their employers can make adequate contribution to the schemes so as to be self-sufficient while the fourth tier will comprise of comparatively affluent people who can make their own provisions for meeting the contingencies or risks as they rise.

<https://economictimes.indiatimes.com/news/economy/policy/labour-ministry-to-call-stakeholder-consultation-on-revised-draft-of-social-security-code/articleshow/71167482.cms?from=mdr>

Export of cotton yarn down by 35 %

The Hindu

Export of cotton yarn from India has dropped by 35 %, said K.V. Srinivasan, Chairman of Cotton Textiles Export Promotion Council (TEXPROCIL). He said this in a joint press meet of national and regional textile industry bodies – TEXPROCIL, Confederation of Indian Textile Industry (CITI) and the Southern India Mills’ Association (SIMA). Commending the Remission of Taxes, Duties on Export Products (RoTDEP) recently announced by the Central government as a scheme compatible with World Trade Organisation (WTO) norms, Mr. Srinivasan said that the government policies must “apply to all sectors.” “Textile sector is not an exception to slowdown,” said T. Rajkumar, Chairman of CITI. Mr. Rajkumar said that the demands he placed to the Central government included extension of debt restructuring to the textile and clothing sector as given to the Micro, Small and Medium Enterprises (MSMEs) and inclusion of cotton yarn under Rebate of State Levies (RoSL) and Merchandise Exports from India Scheme (MEIS).

Ashwin Chandran, Chairman of SIMA, appealed to the Tamil Nadu government that the State's existing energy policies must continue and that Tangedco must not curtail any benefits to textile industries such as proposal to remove old windmills, restricting the open access to power for units utilising less than 1 MW. He added that the State government must also heed to the long-standing demand of cotton textile mills regarding removal of 1 % Agricultural

Market Committee Fee on cotton waste. Mr. Chandran noted that in Tamil Nadu, nearly 30 percent of textile capacities are closed for the past six months, leading to the loss of nearly 12 lakh jobs in the State.

<https://www.thehindu.com/news/cities/Coimbatore/export-of-cotton-yarn-down-by-35/article29493442.ece>

Reduced ESI Contribution ensures Financial Relief

The Hindu

The reduction in the contribution of ESI from 6.5% to 4% would ensure financial relief for employees and employers. The reduced rate of contribution will bring about an increase in take home salary to workers and it would also facilitate further enrolment of workers under ESI Scheme. As the current ESI Scheme has been implemented in Tiruppur and Coimbatore districts from September 1, he urged employees receiving wages up to 21,000 per month and Differently abled employees receiving 25,000 per month to register under ESIC. Further details are available in www.esic.in

TIRUPUR UPDATE ON ENVIRONMENT

Villagers want pond free of encroachments

Express News Service

Villagers and residents of Andipalayam village sought the removal of encroachment from a pond near the Tirupur city. According to the petition filed to collector during the grievance meeting. “There are two ponds Periyakulam and Chinnakulam in Andipalayam. During rains and flooding, water from Periyakulam overflows to Chinnakulam. However, for the past several months, there has been no water in Chinnakulam. When we inspected the site, we were shocked to find debris inside the pond. Spread over 7 acres. After Enquiries, we found that the Municipal Corporation has encroached the place. It is claimed that the civic body is planning to build two centres – a micro compost centre and recycling centre at one section and an underground drainage centre at the remaining part. When the district administrations across the state are carrying out the desilting works at ponds and lakes.