

Stabilise yarn prices, say garment exporters

COIMBATORE, JANUARY 29, 2021 00:00 IST

UPDATED: JANUARY 29, 2021 04:19 IST

Tirupur Exporters' Forum, formed by garment exporters in the hosiery city, have written to the textile mill associations seeking stability in cotton yarn prices.

According to a press release from the Forum, hosiery yarn consumers are facing a hike in cotton yarn prices every month.

This has given rise to uncertainties and the garment exporters are finding it difficult to quote prices to the apparel buyers.

Garment exporters book orders three to four months before the delivery period and quote prices to the buyers based on the yarn prices at the time of finalising the order.

Competition

They cannot quote higher prices because of the competition in the international market and tariff advantages that the competing countries have.

Nearly 80 % of the garment exporters are in the MSME sector and these units are unable to buy regularly even small quantities of yarn. Hence, several exporters are facing financial crisis.

The Cotton Corporation of India (CCI), which has huge cotton stock with it, has come out with a special scheme to stabilise cotton prices.

Further, warp yarn prices have declined by Rs. 15 a kg.

Only the hosiery yarn prices are on the rise.

Hence, the textile mills should stabilise the prices at the December 2020 levels from February.

Priority

The mills should give priority to garment manufacturers who buy directly from the mills, the Forum said.

