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Issue No. 710

KOLKATA



Leather firms argue over semi-finished product export

Leather garment and footwear manufacturers have asked the government not to treat semi-finished leather as finished product for export purpose as the move would impact availability of raw material, industry sources said.

The demand has come against the backdrop of semi-finished or crust leather makers approaching the Commerce Ministry to permit export of the product as finished leather with a view to increasing shipments.

“Allowing this will impact domestic manufacturing and availability of raw material for leather garment and footwear makers. It will also hit the government’s Make in India campaign,” sources said.

Investment and technology upgradation are required to make finished leather from semi-finished one. While exports of semi-finished leather attracts 60 per cent export duty, there is no duty for shipment of finished leather.

“Exporters of semi-finished goods also want to avoid the export duty. Treating semi-finished as finished for exports will severely affect domestic

as well as export of shoes and leather products,” the sources added.

(Source: Business Standard)

After iPhones, Louis Vuitton handbags run into great wall of China

After Apple Inc.’s shock profit warning, investors were quick to make the connection: if Chinese consumers are cutting back on iPhones, Louis Vuitton handbags could be next.

Apple’s sales revision cascaded through global markets, hitting suppliers and rivals, but also a raft of luxury goods companies that rely on the same clientele that likes to splurge on Apple’s latest products. Hong Kong-listed Prada SpA, Gucci-parent Kering SA, LVMH Moët Hennessy Louis Vuitton, Burberry Group Plc and Richemont, the parent of jeweller Cartier, all declined in the wake of Apple’s shortfall.

Apple cut its quarterly revenue outlook has set off warning bells throughout the luxury industry

“It’s going to become significantly more challenging to do well in China because the market is tightening up,” said David Roth, Chief Executive of WPP Plc’s ‘The Store’ global retail

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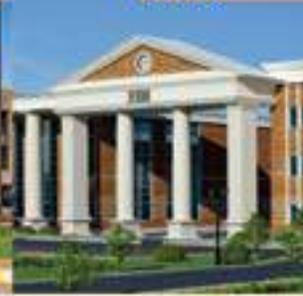
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practice. "This is a challenging signal that people need to button down and understand China better and prepare."



For years, companies like Louis Vuitton have targeted wealthy Chinese tourists looking to splurge on luxury goods

Apple cut its quarterly revenue outlook to \$84 billion from as much as \$93 billion, blaming it in part on a pullback in demand within China. That set off warning bells throughout the luxury industry, as Chinese consumers account for about 30% of the \$1 trillion in luxury-goods spending worldwide, according to Euromonitor International.

Prada dropped as much as 3.6% in Hong Kong on January 4, 2019. In Europe on January 3, 2019, Kering SA fell 5.5%, while LVMH dropped 3.8% and Burberry tumbled 5.9%.

For years, companies from LVMH to Tiffany & Co. have targeted China's wealthy tourists, who sought out pricey handbags, jewelry and other luxury items while on vacation in

Paris to Dubai. Investors are worried that sliding Yuan, China's trade war-hit economy and a government crackdown on overseas purchases could dent demand.

Richemont, which lost 2.8%, has already been feeling the heat. The Swiss watch and jewelry-goods maker signalled in November that Chinese sales growth has slowed.

Others have maintained a more bullish tone, with both LVMH and Kering citing robust China sales in October and saying they welcome a shift to domestic sales.

A key test for retailers will come with China's celebration of the Year of the Pig, which begins on 5 February. The week-long Chinese New Year holiday is traditionally a major occasion for shoppers from China to splurge. About two-thirds of those sales take place outside the country as tourists open their wallets while travelling abroad, taking advantage of better selection and cheaper prices than available at home.

(Source: Mint)

Traders' body urges DIPP not to allow sale of Pvt. labels on e-commerce sites

Traders' body CAIT on January 6, 2019 urged the Commerce and Industry Ministry not to allow private

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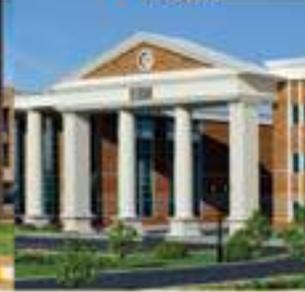
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labels to be sold on e-commerce marketplaces and desist from extending the February 1 deadline for implementation of the changes to FDI policy for the e-commerce sector.



In a letter to the Secretary in the Department of Industrial Policy and Promotion, Mr. Ramesh Abhishek, the Confederation of All India Traders (CAIT) requested him to make it explicitly clear whether private labelling or branding is allowed under the Foreign Direct Investment (FDI) policy in the e-commerce sector.

“It is submitted that if it (labelling) is allowed it will run contrary to the intention of the Government to make e-commerce free from evils and malpractice and to provide an equal level playing field with fair competition.

“Such e-commerce companies will continue their ulterior motives through such loopholes as they are doing since last many years and small

retailers will be killed,” CAIT alleged.

The Government, earlier, had clarified that private labels were not banned from being sold on e-commerce marketplaces. One of the big players, however, stated that private labels are a small component of the business and that the government needs to address the larger issues at hand.

Private labels — often sold at lower prices — allow e-commerce companies to control quality and even offers better margins than big, established brands. Over the last few years, e-commerce players have introduced private labels across a variety of categories including apparel, home furnishing and grocery.

Large e-commerce marketplaces could approach the government seeking extension of the February 1 deadline as compliance with the recent changes would require at least 4-5 months at operational level, multiple sources said earlier.

However, in the letter to the DIPP Secretary, CAIT said it will strongly oppose any such extension.

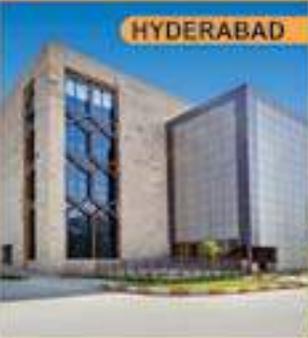
“The modus operandi of these e-commerce companies for seeking extension is to keep delaying fair execution of the policy and they may continue with their sinister designs of operating all kinds of malpractices...,” it said.

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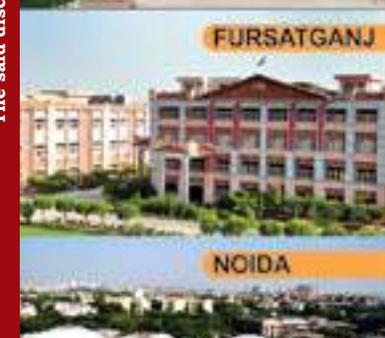
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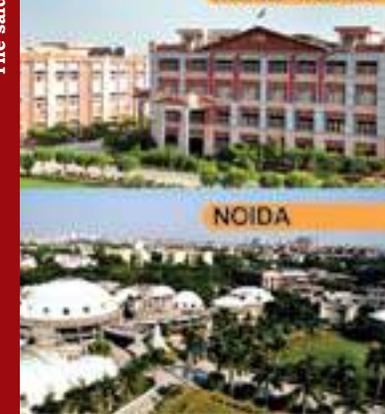


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“Therefore, it is strongly submitted not to fall prey under malicious agenda of such e-commerce companies and no extension should be allowed under any circumstances,” the traders’ body claimed.

The Government’s move to tighten norms has hit Amazon and Flipkart the hardest as the new regulations bar online marketplaces with foreign investment to sell products of companies where they hold stakes as well as ban exclusive marketing arrangements.

Another provision states that the inventory of a vendor will be seen as controlled by a marketplace, if over 25 per cent of the vendor’s purchases are from the marketplace entity, including the latter’s wholesale unit.

The move is aimed at ensuring that the marketplace entity or its related companies cannot control inventory under the FDI rules.

(Source: The Pioneer)

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S.No.	Test Description	Charges in Rs.
2.20	Light fastness	1200
2.21	Wet/Dry/Solvent rub fastness	400
2.22	Colour migration	200
2.23	Shrinkage Test	600
2.24	Fungus growth	1000
2.25	Cold crack temperature	2000
2.26	Martindale abrasion	1000
2.27	Needle abrasion	600
2.28	Maser flexing	1000
2.29	Vamp flexing for dry/wet/cold	2700
2.30	PVC Migration Test	1200
2.31	Identification of leather	1200
2.32	Leather dry-cleaning as per ISO	600
2.33	Colour fastness to perspiration	1200
2.34	Finish adhesion test	

3. PLASTIC/RUBBER/PU FOAMS/SOLING MATERIALS

3.1	Specific gravity/density	250
3.2	Tensile strength & elongation at break	600
3.3	Hardness	100
3.4	Ross/bennewart flexing index at room temp.	700
3.5	Ross/bennewart flexing index at low temp.	2000
3.6	SATRA/BATA belt flexing	700
3.7	Oil swelling	900
3.8	Compression set	600
3.9	Split tear strength	600
3.10	Die “C” tear test	600
3.11	Hear shrinkage	600
3.12	% Volatile loss	600
3.13	Abrasion	700
3.14	Bond strength (raw material)	900
3.15	Bond strength (prepared sample)	600
3.16	Light fastness	1200
3.17	Dynamic water resistance (leather)	600
3.18	Grain crack index (leather)	600
3.19	Tear strength	600
3.20	Izod Impact	1000
3.21	Ozone resistance	
a.	Upto 100hrs for 1st sample	3000
b.	Upto 100hrs for next 3 sample per sample	1000
c.	Upto 200 hrs for 1st sample	6000
d.	Upto 200 hrs for next 3 sample per sample	2000
3.22	Chemical resistance per chemical	400
3.23	Hardness of PU foams (Seats)	1000
3.24	Blooming test	2000

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To be continued...