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IBTEX No. 116 of 2017 June 08, 2017

USD 64.39 | EUR 72.48 | GBP 83.40 | JPY 0.59

Cotton Market

Spot Price (Ex. Gin), 28.50-29 mm

Rs./Bale	Rs./Candy	USD Cent/lb
19935	41700	**82.59**

Domestic Futures Price (Ex. Gin), May

Rs./Bale	Rs./Candy	USD Cent/lb
20630	43153	**85.47**

International Futures Price

NY ICE USD Cents/lb (July2017)	77.22
ZCE Cotton: Yuan/MT (Sept 2017)	15,625
ZCE Cotton: USD Cents/lb	**6.94**
Cotlook A Index – Physical	**87.20**

Cotton guide:

Quite interesting trading session for cotton on Wednesday. Most of the ICE contracts traded positive except the near month July contract which settled lower at 75.79 cents/lb.

Broad based sell off amid position rolls from July to December and unusual square off early by the speculative funds have pulled the near month contract lower.

The December contract which holds the highest open interest of more than 133+K contracts has closed slightly positive at 72.88 cents up by 16 points from the previous close.

Currency Guide:

Indian rupee trades marginally lower near 64.37 levels against the US dollar. Rupee is range bound post RBI's decision.

RBI kept repo rate unchanged at 6.25% in line with expectations. However, weighing on rupee is uncertainty about outcome of major global events and geopolitical tensions in Gulf region.

Rupee may trade in a range of 64.25-64.45 and bias may remain weak on uncertainty in global markets.

Compiled By Kotak Commodities Research Desk , contact us : mailto:research@kotakcommodities.com, Source: Reuters, MCX, Market source

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INTERNATIONAL NEWS

UK: Clothing prices set to rise as a result of May's Brexit says Nick Clegg

Clothing prices are set to rise as a result of Theresa May's choice to pursue an extreme Brexit, the Liberal Democrats warned today.

The UK fashion and textiles industry employs over 556,000 people in the UK, including manufacturers, wholesales and retailers. British manufacturers create products worth £9 billion a year, from Savile Row suits to highly technical fabrics used in sectors such as aerospace, the medical and the military.

The slump in the value of sterling has pushed up import prices of yarn and thread by 12% since the EU referendum, while finished clothes are around 15% more expensive to import than they were last summer. This is putting a squeeze on the UK fashion industry and on clothing retailers, with costs expected to be passed on to consumers in the coming months.

Failure to agree a deal on Brexit will see the automatic imposition of tariffs on UK clothing exports to the continent: fibre 2%, yarn up to 4%, fabric 8% and clothing as high as 12%. This will make British brands significantly less competitive.

Commenting, Liberal Democrat Europe Spokesman Nick Clegg said:

"*Theresa May's extreme Brexit will burn a hole in your pocket.*

"The fashion and textiles industry, like so many parts of our economy, finds itself unable to plan for the future as a result of Theresa May's self-destructive decision to leave the single market.

"Clothing manufacturers up and down the country are already struggling to absorb cost increases due to the weaker pound – a direct consequence of the EU referendum.

"It is only a matter of time before these increased costs are passed on to consumers. The Brexit squeeze on this sector of our economy is going to felt on everything from suits to duvets.

"The Conservatives have done nothing to address the fears of many exporters that they are about to be hit by customs tariffs thanks to Theresa May's choice to pull us out of the customs union.

"Nor have they offered any assurances to thousands of EU workers, whose talent and creativity underpins the thriving fashion industry.

"The Liberal Democrats will fight to stay in the single market and give people the final say, with a chance to reject a disastrous Brexit deal and stay in the EU."

Source: economicvoice.com- June 07, 2017

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Pakistan: Govt once again lost opportunity to revive economy: Aptma

Zahid Mazhar, Vice Chairman All Pakistan Textile Mills Association (APTMA), on Wednesday said that the government has once again lost the opportunity to revive the national economy through federal budget 2017-18.

In a statement, he said, "The current budget has failed to support the export oriented industries including textiles."

He said, "The government has failed to bring in fundamental reforms to encourage exports, industry and employment. The government has not announced any measures to generate employment, promote exports and encourage import substitution."

He said, "The industry had requested reduction in turnover tax. On the contrary the government has increased turnover tax from 1 percent to 1.25 percent." He pleaded for reduction in the minimum turnover tax to 0.25 percent.

He said, “The government has imposed 2 percent further tax on supplies to unregistered persons, it should also do away with the imposition of 2 percent further tax on the textile industry since the industry gets burdened with 2 percent additional cost as the end users do not pay this tax.”

He said, “Presently the system of zero rating is distorted and is actually not zero rating in true spirit. It needs some changes because there is no zero rating on some of the inputs.” He requested the government that before passing the federal budget from the National Assembly it should ensure zero rating of all inputs including packaging materials, spare parts and fuel and energy in true spirit.

Mazhar also stated, “The government has again extended delay in arranging timely refunds of sales tax which is crippling the liquidity of the industry, which will further lead to disastrous consequences. Presently an amount of more than Rs. 200 billion is stuck up in delayed refunds of sales tax resulting in creation of severe liquidity problem of the industry. This should be addressed on immediate basis.”

He demanded immediate payment of all refunds for which RPOs have been issued. He said, “All unprocessed refund claims should also be processed and paid by August 14, 2017 to improve liquidity of the textile industry.”

He further said, “Unfortunately the government’s priorities do not include the textile industry which is earning about 60 percent of the foreign exchange through exports for the country and providing more than 38 percent employment in the manufacturing sector has been hit hard because of shortage, high price and duty on the import of raw materials including cotton and synthetic fiber.”

He said, “The situation is further aggravated due to high cost of energy both gas and electricity as compared to the regional competitors. The government should remove the levy of Gas Infrastructure Development Cess (GIDC) on the system gas.”

He further demanded, “The government provides gas at the regionally competitive rate of Rs. 400/MMBTU as was earlier announced by ECC in November 2016 but was not implemented. The rate of re-gasified liquefied natural gas (RLNG) should also be reduced. The electricity tariff for independent feeders should be Rs. 7 kwh without levy of surcharges.”

Mazhar said, “The textile industry demands practical measures and not mere announcements. The export-led growth package announced by Prime Minister Nawaz Sharif in January this year for textile industry was merely an eyewash, as only an amount of Rs 1 billion has been released by State Bank of Pakistan (SBP) so far and government has budgeted a meager amount of Rs. 4 billion only for the next financial year against the total package of Rs. 180 billion for a period of 18 months based on the requirement of Rs 10 billion per month.”

In order to arrest the continuous decline in exports of textiles and clothing, he demanded implementation of the Rs. 180 billion export-led growth package announced by the prime minister of Pakistan in letter and spirit. He requested the government that, “All incentives announced in the Prime Minister scheme should be implemented without any delay.”

“Since the country has already suffered huge losses due to failure of cotton crop for the last two consecutive years, the Vice Chairman APTMA further demanded the government to ensure availability of raw materials to the industry by continuing the policy of import of cotton without duty and sales tax and review its decision to re-impose custom duty and sales tax on import of cotton as it will be suicidal for the textile industry.

He demanded the government to properly address the problem of shortage of cotton by putting emphasis on the research of cotton and getting better production and yield to meet the consumption requirement of the country.

He said, “Our annual requirement of cotton is 15 million bales whereas we have produced around 10 million bales each in the last two seasons. If proper attention is given then the crop size can even reach 20 million bales which can give a boost to the textile industry and the economy of the country.”

Mazhar said, “The trade deficit this year is expected to reach $31 billion as imports are projected to close at $51 billion as against estimated exports of $20 billion. However the textile industry of Pakistan is capable enough to reverse this negative trend.”

“It can generate employment and at the same time achieve export target of 12 percent of the GDP ($36 billion) provided the decisions and policies are made to support it instead of discourage it.

The country has a potential to reach annual GDP growth of 8 percent provided the government immediately starts giving attention to the export sectors especially the textile industry," he said.

"Otherwise our dream of economic growth might turn into a nightmare and then even the China Pakistan Economic Corridor (CPEC) would not help us to survive in the international market and we will be reduced to a trading based country," he said.

Source: nation.com.pk - June 08, 2017

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East Africa: Import Duty and Vat Waiver for Textile Makers

East African Community partner states have agreed to grant garments and textiles manufacturers a three-year waiver of duties and value added tax (VAT) on inputs, fabrics and accessories not available in the region to boost local production and reduce the cost of production. This is one of the strategies to promote textiles and leather industries while slowing down the importation of used clothes, shoes and other leather products from outside the region.

The EAC partners will now adopt a three-year strategy (2017-2019) for the phase-out of importation of used clothes and shoes, through increased levy on these products, compliance with EAC Standards licensing of importers, and categorisation of products per bale of imports.

A policy on the recommendations on the modalities for promotion of textile and leather industries states that "The EAC shall grant all EPZ companies an increase of domestic quota supply from the current 20 per cent for a period of three years.

The off-loaded portion shall be subjected to payment of requisite common external tariffs (CET) rates and must strictly comply with EAC rules of origin," adding, "Partner states to establish Cotton Lint Banks modelled around Uganda cotton buffer stock model to ensure availability of cotton lint for spinning mills and downstream value addition.

All partner states producing cotton lint to set a target of at least 30 per cent local value addition to domestic cotton lint. The threshold should be increased to 50 per cent within five years."

The EAC has set a four-band tariff structure for cotton, textiles and apparels to promote cotton yarn and fabric production. These include 0 per cent tax on imported raw materials not available in the region, 10 per cent for intermediate inputs, 25 per cent for fabrics and 40 per cent for ready made garments or $5 per kg.

"The current CET should be reviewed and the following new rates adopted," says the paper.

EAC directive

The recommendations follow a directive by the EAC Heads of State last year for a study to be conducted on the modalities for the promotion of textiles and leather industries in the region as well as mechanisms for stopping the importation of used clothes, shoes and other leather products from outside the region.

To implement the two directives, the Secretariat conducted two separate studies on cotton, textile and apparels value chains; and on leather and footwear value chain.

The study found that the potential for trade in cotton is enormous but remains untapped.

"EAC region has the potential to become a major player in the regional production and trade in cotton, textiles and apparels products. The regional textile industry will have a potential trade valued at $3 billion by 2025, compared with a total of $0.34 billion in apparel exports from the region in 2013," said the study findings.

Growing imports

Further, the study notes, the growth of used clothes imports hampers the development potential in the sector. Overall, the importation of used clothes and shoes has been growing in all the EAC partner states with the trade value in 2015 amounting to $151 million, accounting for 8 per cent of global imports.

The used clothes and shoes are mainly imported from the US, UK and Canada as donations. The importation of used clothes and shoes in Africa in general, accounts for roughly 40 per cent of the decline in production and 50 per cent of the decline in employment.

Source: allafrica.com - June 07, 2017

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Pakistan: Cotton price remains stable during trading session

The cotton price stayed stable during the trading session at cotton market. Around 690 bales changed hands.

The Karachi Cotton Association (KCA) spot rate remained intact at Rs 6,800 per maund, the fibre dealers said.

Traders said the leading buyers made deals for all qualities of lint offered by the ginners during the trading session.

They said the spinners remained eager for quality cotton on slightly higher prices during the session while the leading ginners sensing future demand of quality lint offered few stocks on higher prices to the buyers.

Ghulam Rabbani, a senior trader said the domestic buyers started accepting a bit higher prices as the leading users bought around 360 bales at Rs 6,825 per maund to Rs 6,850 per maund during the session.

He said the leading buyers would remain eager to purchase quality lint on slightly higher prices on the back of growing demand of yarn and cloth.

The leading spinners would likely to import quality cotton in near future for meeting demands.

A senior broker said the ginners of Sindh and Punjab offered quality cotton to the buyers at around Rs 6,675 per maund while ginners of Sindh offered raw lint to the buyers around Rs 5,975 per maund, depending on trash level.

He said market remained steadier tones as the buyers were looking for better grades of lint for Rs 6,750 to 6,800 per maund.

Around 200 bales of Sanghar changed hands at Rs 6,700 per maund, 200 bales of Rahimyar Khan at Rs 6,675 per maund, 200 bales of upper Sindh at Rs 6,575 per maund and 200 bales of southern Punjab were sold at Rs 6,600 per maund.

New York Cotton July Futures 2017 contract closed at 75.73 cents per pound and October Futures 2017 contract closed at 75 cents per pound. Cotlook A Index closed at 86 cents per pound.

Source: dailytimes.com.pk - June 07, 2017

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Bangladesh: Over 1000 participate in Sustainable Apparel Forum

More than 1000 participated in the Sustainable Apparel Forum (SAF) that ended recently in Dhaka. It was the first ever symposium devoted to transfer of knowledge and networking around the topic of more sustainability in the textile industry. The programme hosted by Bangladesh Apparel Exchange focused on the theme 'Making sustainability easier'.

"The industry has already made commendable strides in the area of sustainability. Presence of already 67 LEED certified green garment factories in the country while 222 more are in the offing is the telltale evidence the sector's steady move towards sustainability.

The SAF wanted to accelerate the momentum within the industry through education, awareness and reducing knowledge gap," said founder chairman and CEO of SAF, Mostafiz Uddin.

Over 30 national and international speakers discussed about various issues such as Saving water, resources and cost-The must knows for our factories, Energy efficiency-How to optimise energy consumption and reduce costs, Green factories and Sustainable financing.

The objective of the sessions was facilitating a meaningful exchange of knowledge to make sustainability easier to be exercised by factories and individuals.

"The sessions were devised to discuss practical aspects of the daily operation at factories, rather than general discussions, to take Bangladesh a step forward as a responsible sourcing destination in the global map," Mohiuddin Rubel, managing director of Bangladesh Apparel Exchange said.

Source: fibre2fashion.com- June 07, 2017

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Sri Lanka-Thailand reach consensus on FTA

Sri Lanka and Thailand have come to a consensus on a free trade agreement (FTA) to trade goods as the first step towards a comprehensive FTA that will follow in the future, Sri Lanka's Industry and Commerce Ministry in a statement said.

This transpired during the 'Second Subcommittee Meeting on Trade-Related Matters' between the high-level trade officials of both countries, in Bangkok. Thailand has proposed a memorandum of understanding (MoU) on Strategic Economic Partnership (SEP) with Sri Lanka as a stepping stone towards a fully-fledged FTA.

The MoU is expected to be concluded with an action plan in order to be signed during Thai Deputy Prime Minister Somkid Jatusripitak's visit to Sri Lanka in August 2017. The bilateral meeting was held at Eastin Grand Hotel, Sathorn, Bangkok.

The Thai delegation was led by Thailand's Trade Negotiations Department Director General Boonyarit Kalayanamit, while the Sri Lanka side was led by Commerce Department Director General Sonali Wijeratne.

While exchanging the views on trade and economic situations of both countries, the two parties expressed their interest to further enhance their trade and achieve the targets set by the leaders of the two countries to reach total trade to US $ 1.5 billion by 2020.

The current annual trade levels between Thailand and Sri Lanka is in the range of US $ 550 million.

To achieve the US $ 1.5 billion trade objective, it was agreed to explore the possibilities of establishing the bilateral FTA and developing the SEP between Thailand and Sri Lanka in identified sectors of mutual interest.

Source: dailymirror.lk- June 08, 2017

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Vietnam 'considering' options for TPP renegotiation, PM says

Vietnam is mulling which sections of the Trans-Pacific Partnership agreement can be renegotiated after the withdrawal of the U.S., Vietnamese Prime Minister Nguyen Xuan Phuc said in an interview with the Nikkei Asian Review on Monday.

"Vietnam has assigned the minister in charge of trade to discuss with other members [of the TPP] on the options for the way forward," he said on the sidelines of the annual Future of Asia conference in Tokyo. The goal, he added, is to find "a way to balance and harmonize the interests of the signatories."

One reason Vietnam joined the trade pact was that it expected a boost for textile and other exports to the U.S. Yet U.S. President Donald Trump kicked off his administration by withdrawing from the deal in January.

In the interview, the prime minister did not explicitly say the 11 remaining members ought to renegotiate the TPP. But when asked what elements Vietnam might want to change, Phuc said, "That matter is still under consideration."

He said his trade minister will "discuss with the TPP peers on the best options for mutual benefits." Phuc said the minister will report back to him about the discussions, suggesting the talks will influence Vietnam's decision on whether to push for renegotiation.

Among the remaining members, countries such as Japan and New Zealand are keen to proceed with the so-called "TPP 11" as it is. Prior to his visit to Tokyo, Phuc told The Nikkei and other Japanese media outlets in Hanoi that Vietnam will work with Japan and other governments to put the TPP into effect.

During Monday's interview, Phuc also touched on territorial disputes in the South China Sea. He stressed "the shared responsibility of every country to maintain the peace in this region." Putting it another way, he called on regional players to pursue "peace and friendship," "freedom of navigation" and the "rule of law."

Source: asia.nikkei.com- June 06, 2017

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EU demands Bangladesh screen export goods for explosives

The European Union has slapped a new security screening requirement on imports from Bangladesh, a move that is likely to make it costlier for businesses in the South Asian country to sell products to EU nations.

Just over half of Bangladeshi exports go to the European bloc, accounting for $18.68 billion in revenues during the last fiscal year. Those shipments, by air or sea, will now have to be screened by bomb-detecting dogs and devices.

Bangladesh has none of these facilities, so cargo will have to be routed through a third country where security screening is possible.

The move makes Bangladesh the 13th country designated as "high risk" for EU commerce. It was unexpected, according to Bangladeshi government officials, who said they were given no explanation when informed Monday of the change. The EU ambassador's office in Dhaka did not immediately respond to a request for comment.

Last year, Britain, Germany and Australia banned direct cargo shipments from Dhaka's international airport, citing its poor security system.

The country has suffered a string of deadly attacks in recent years claimed by extremists targeting perceived enemies of Islam, including bloggers, rights activists, atheists, religious minorities and foreigners. The government has blamed the attacks on home-grown extremists bent on re-establishing Islamic rule in the secular nation.

The government offered little comment about the EU move. But Civil Aviation and Tourism Minister Rashed Khan Menon criticized Brussels for delivering the news as a surprise, and said the government would work quickly to establish an adequate screening mechanism in the country. But getting everything in place could take months.

Business leaders are worried about the possible delays in screening, when they are already scrambling to fulfil large orders on short notice despite frequent power outages that shut operations down.

Some air shipments from Bangladesh are already being routed through Dubai, Istanbul or Doha for screening, and some sea shipments are going through Colombo or Singapore.

"Fresh screening will take at least 10 days, at a time when we struggle to ship goods timely for many reasons," said Mir Mobasher Ali, who exports about $50 million in garments to Europe and Canada every year. "We need to count an extra amount for the screening in a third country. That's disastrous for us."

Siddiqur Rahman, president of the Bangladesh Garments Manufacturers and Exporters' Association, representing 70 per cent of the textiles industry, also described the move as "disastrous." During fiscal 2015-16, the garment industry exported $17.15 billion in goods to the EU — 60 per cent of the industry's exports.

Source: timescolonist.com- June 07, 2017

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NATIONAL NEWS

Textiles India 2017 to be global trade event

Textiles India 2017, to be held in Gandhinagar, Gujarat from June 30-July 2, 2017, would be a global trade event. It is already being termed as the biggest textile event in the history of India.

The exhibition, to be inaugurated by Prime Minister Narendra Modi, will showcase India's strength in textiles and apparel value chain from fibre to fashion.

At the exhibition, manufacturers, exporters and other stakeholders from the textile industry will showcase their products to international buyers, expected from at least 60 countries, Puneet Agarwal, joint secretary, ministry of textiles, told media persons in Bengaluru.

Around 30 countries are likely to display their products at the fair, making it a global trade event. "Seven international conferences, 24 round-table conferences, country and state sessions, business to business, business to government and government to government meetings will be held during the three-day exhibition," Agarwal said.

"There will be round-table conferences, fashion show, and theme pavilions of partner states Assam, Andhra Pradesh, Jharkhand and Maharashtra with focus on Gujarat," he added.

The three day event will include global conference on the last day with six themes, to be chaired by concerned Union ministers and the valedictory session presided over by the Union finance minister.

Over 33 round-tables will be held on issues of concern for the various segments of textiles and handicrafts on the second day i.e., July 1, with prominent international speakers and industry leaders.

Source: fibre2fashion.com- June 07, 2017

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Textile industry "positive" about GST rate: Official

The GST rate of five per cent on the textile sector has seen a lot of "positive response" from the industry, a top Central government official said today.

Whether cotton, jute or silk, "we said that the textile sector should have a five per cent GST," A Madhukumar Reddy, Joint Secretary, Ministry of Textiles, told reporters here.

The same rate applied to sale of garments with a value of less than Rs. 1,000, he added.

"In terms of items of mass consumption, the GST rate has been limited to 5 per cent and becasue of this the entire industry has welcomed it," he said.

Briefing reporters here about Textiles India 2017, an international exhibition scheduled later this month, Reddy said the rate was 18 per cent for Man Made Fibre (MMF) and even in this segment "there has been no increase".

"On the whole, in the broad sense, there has been lot of positive response from the industry," on the GST rate, he added.

K Selvaraju, secretary-general, South India Mills Association, also welcomed the GST rate for the textile sector, calling it an "excellent tax structure."

"It would definitely strengthen our industry since we are predominantly cotton-based. Sustainability and competitiveness will sustain," he said.

The net increase on the common man will be "very negligible," he added.

He said a "lot of disparities" have been sorted out by the government ahead of the GST rollout. "In my opinion, for the first time we are having an excellent tax structure," he added.

Earlier, briefing about the Textiles India 2017 event, Reddy said it will be held from June 30-July 2 in Gandhi Nagar, Gujarat, with Prime Minister Narendra Modi slated to inaugurate the international exhibition.

The exhibition will showcase India's strength in the entire textile and apparel value chain from fibre to fashion, he said.

Various countries inclding China, the US, Bangladesh and Vietnam among others would participate in the event, he said adding, about 2,500 international and 15,000 domestic buyers were likely to attend the three-day expo.

Source: business-standard.com - June 07, 2017

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RBI keeps repo-rate unchanged at 6.25%

On the basis of an assessment of the current and evolving macroeconomic situation at its meeting today, the Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI) has decided to keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 6.25 per cent.

Consequently, reverse repo rate under the LAF remains at 6 per cent.

The marginal standing facility (MSF) rate and the Bank Rate also remain unchanged at 6.50 per cent, RBI said in its Second Bi-monthly Monetary Policy Statement, 2017-18.

"The decision of the MPC is consistent with a neutral stance of monetary policy in consonance with the objective of achieving the medium-term target for consumer price index (CPI) inflation of 4 per cent within a band of +/- 2 per cent, while supporting growth," the statement said.

According to the MPC, the current account deficit (CAD) for the year 2016-17 is likely to remain within 1 per cent of GDP. Unlike in the immediately preceding quarter, capital flows in April-May 2017 were dominated by foreign portfolio investment (FPI), pushed out by risk-on investor sentiment as global growth prospects improved.

Also, clarity emerged on taxation issues in the Union Budget and the expectations of faster 5 structural reforms were fuelled by the decisive outcome of State elections. The level of foreign exchange reserves as on June 2, 2017 was $381.2 billion.

Noting that inflation has fallen below 4 per cent only since November 2016, the MPC said it remains focused on its commitment to keeping headline inflation close to 4 per cent on a durable basis keeping in mind the output gap.

“The current state of the economy underscores the need to revive private investment, restore banking sector health and remove infrastructural bottlenecks.”

The next meeting of the MPC is scheduled on August 1 and 2, 2017.

Source: fibre2fashion.com- June 07, 2017

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Messe Frankfurt India set to make world's largest cushion

Messe Frankfurt Trade Fairs India is all set to create world’s largest cushion and display it at Heimtextil India and Ambiente India from June 20, 2017. At 20 feet tall, this textile masterpiece, representing the ‘Fabrics and Embroideries of India’ is expected to create a world record. The three-day home fashion fair will be held in New Delhi.

The organiser has partnered with India’s Limca record holder Kanika Bawa to create this gigantic installation titled 'CushionKari' which will be curated with fabrics from India’s largest and the most renowned home furnishing brand D’decor. 'CushionKari' is based on a unique design concept of harmony in nature and the congruence of man and the woman inspired by DaVinci’s famous portrait.

The materials used in the making of the CushionKari represent fabrics of the nation such as - khadi, brocade, morr, mixed embroideries, blend of sustainable textiles such as yarn and fabric waste among others.

"India is recognised for its exquisite home textiles and furnishing fabrics globally and Heimtextil India – with its mix of brands, design trends and home fashion innovations, best represent this on a single platform.

With this unique art installation, our aim is to draw attention to the 'Fabrics of India' and its strength in furnishings which is one of the largest export product segments in the country," Raj Manek, executive director and board member of Messe Frankfurt Asia Holding Ltd said.

"Heimtextil India is an important effort by Messe Frankfurt to create a trade show which can showcase India's capabilities in home textiles and we are proud to partner with this trade fair brand again.

When Heimtextil India floated the idea of the world's largest cushion, the first such installation of its kind in the home décor space, D'Decor's association with the endeavour was almost a foregone conclusion.

The installation, a tribute to Indian capability, is meant to epitomise prowess, excellence, quality, vision and a capacity to overcome any challenge – all of which are an integral part of D'Decor's ethos and DNA," said Ajay Arora, managing director, D'decor.

Over 180 companies from India, Bangladesh, China, Korea, Nepal and Thailand will be exhibiting at the fair.

Source: fibre2fashion.com- June 07, 2017

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IntelloBuy launched for Tirupur Textile hub

ThreadSol, a pioneer in enterprise material management for sewn products sector, today announced the launch of its 'cost-cutting' garment solution IntelloBuy for the Tirupur knitwear hub.

The solution will help manufacturers save fabric cost by 10 per cent and boost their bottomline by 50 per cent, Threadsol Sales Head, India, Anuj George said.

IntelloBuy is a material estimation solution that gives accurate buying consumption for a particular style, saving on costs at the buying stage for manufacturers worldwide.

"The product has been successfully adopted by Vietnamese, Chinese and Indonesian markets and now we plan to customise this software for the Tirupur garment cluster," he said in a release.

This will help both medium and large enterprises of Tirupur, bring down operational costs and compete effectively with international competitors like China and Bangladesh, he said.

Tirupur was a major textile and knitwear hub contributing to 90 per cent of total cotton knitwear exports from the country worth USD 3.1 billion, he said.

Source: business-standard.com- June 07, 2017

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The influence of GST adjustment on Indian textile market

It was reported that the Indian government has fixed a 5% GST rate on cotton fiber, yarn and fabric against the current prevailing rate of "nil". This means, cotton yarn and fabric would now attract 5 per cent duty, which would make all products proportionately costlier. Some states, however, had levied value added tax on cotton yarn and fabric at 2-4%.

GST levy on textiles	
Silk and jute	0%
Cotton and natural fiber	5%
Manmade fiber	18%
All categories of yarn	5%
Manmade yarn	18%
Fabric	5%
Apparels priced above Rs 1,000	12%
Apparels priced below Rs 1,000	5%

Overall, 5% GST levy is higher than the existing levies on cotton yarn and fabric. Silk and jute have been kept under "nil" category under the GST. Man-made or synthetic fiber yarn will attract 18% GST.

Many textile associations in India like Texprocil and South India Spinners Association welcomed this tax issue.

The new GST will be implemented from Jul 1, 2017.

What influence will it exert on the textile market?

As for cotton textile mills, GST adjustment may impact market in short run. The GST at 5% for the natural fiber including cotton and wool means rising cost as there was only value-added tax earlier. Export tax rebate for cotton yarn was 3%, and current rebate rate for cotton and cotton yarn is unclear. Rebate for polyester yarn was at 8.2% earlier, but the GST for synthetic fiber and synthetic fiber yarn is at 18% now. Without clear export rebate now, polyester yarn plants may face big pressure.

It is known that some Indian spinners are waiting for export policies and have suspended offtaking new orders, focusing on working on orders taken earlier. Some spinners expressed that if there is no rebate or the rebate is slashed by 1%, yarn cost will be added, which may further push up yarn price. The GST adjustment may impact cotton price in India in short run, and traders may hoard up large amount of cotton before Jul 1, which is likely to drive up cotton price.

As for apparel companies, the GST was revised to 12% for those with price above 1,000 rupee, which changed little compared with earlier rate; thus, the influence of GST adjustment to apparel sector may be limited.

All in all, textile industry may be affected in India in short run with greatly changing GST issue but unclear export rebate policy. Market players may hold cautious mindset in short run, and price of Indian cotton and cotton yarn is expected to be stable to firm temporarily.

In long run, this GST adjustment may be bullish for cotton textile industry in India. Firstly, capital market may be activated after tax reform when input tax deduction policy starts being implemented. Secondly, many GST is unified this time and some other tax expenditures are slashed, favoring the lower of cost in long term.

Additionally, the implementation of new GST may lower customers' tax burden, and customers have chance to buy cheaper garment and consumption will be promoted, which will further drive production. Finally, although export rebate policy does not come out temporarily, Indian government shows signals to work on it. Once the rebate policy is bullish, Indian textile competitiveness will be enhanced on global market.

Source: ccfgroup.com- June 07, 2017

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Farmers urged to take up joint cultivation

District Collector P. Venkataram Reddy called upon the farmers to go for joint cultivation so that it became viable.

Mr. Venkataram Reddy along with Vice-Chancellor Prof. Jayashankar Telangana State Agricultural University Praveen Rao interacted with farmers at Erravalli on Tuesday on issues facing the agricultural sector and the problems of choice of crop in the coming season. The meeting was organised in view of the recent crises in the farm sector due to bountiful harvest resulting in falling in purchase price of the crop.

"We have to change according to times and upgrade ourselves, even in farming. Erravalli and Narsannapet should be an example for the entire nation. Retired agriculture officer Ramchandram was appointed as special officer who will advise you on cropping system," Mr. Reddy told the farmers.

Precaution suggested

Professor Praveen Rao advised farmers to take precautions while opting for soyabean cultivation. He said that farmers should wait till 60 m.m. to 70 m.m. rainfall was registered before taking up sowing. He said that farmers should get the soil tested before going for sowing seeds.

"The Indian Metereological Department has forecast normal rain during the current year. If the farmers go for cotton it would be taking a risk as they would incur heavy loss if there was any shortfall of rain after sowing," the Vice Chancellor said. Professor Rao suggested that the farmers do not go for cotton and instead go for cultivation of red gram, maize and soya.

Source: thehindu.com- June 06, 2017

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Woodland to enter Canada and South Africa

Woodland is all set to expand its overseas presence and enter Canada and South Africa by partnering locals. It has also tied up with a Chinese brand for selling its products at over 5,000 stores in China. The company has offices in Hong Kong, Dubai and Moscow and retail presence in over 50 countries. Woodland is also rolling out a new inner-wear collection.

"We have plans to enter Canada and South Africa which are very attractive markets and we are looking for right partners for the same," Aero Club MD Harkirat Singh told a news agency. Aero Club owns Woodland brand.

The company had recently tied up with a Chinese brand for selling Woodland range of products at over 5,000 stores in China, he said, according to the report.

The footwear and apparel brand would roll out inner-wear and leisure wear collection as part of its expansion plans. The company aimed to achieve a turnover of over Rs 1,500 crore by the end of the current fiscal with 15-20 per cent growth.

"Last fiscal, we clocked turnover of Rs 1,300 crore and this fiscal we expect to cross Rs 1,500 crore on the back of expansion and new product lines," Singh was quoted as saying.

"We will launch inner-wear and leisure wear collections. This is part of our expansion plans as this was the category which we thought we were missing," Singh said. The collection would comprise products like vests, briefs, trunks, inner T-shirts and shorts. "The new range of our product line will be available at company run 600 stores and about 4,000 multi-brand outlets," he said.

Singh said Woodland was also planning to open 40 to 50 company-owned exclusive stores in the current fiscal in the country.

woodland offers an extensive line of footwear, performance apparel and outdoor gear. The company also sells its products through e-commerce portals like Amazon, Flipkart, etc. "As much as 14 per cent of the total revenue comes from e-commerce web sites," he said, according to the report.

Source: fibre2fashion.com- June 07, 2017

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Planet Textiles attracted a wealth of local Indian delegates

Planet Textiles 2017 sustainability summit held on 24 May in Bangalore was a big splash with more than 340 delegates from 25 countries gathered where in the searing heat of Bangalore, the issues of water availability, water use and wastewater pollution were just as topical inside the venue, as they were outside on the streets of one of India's most rapidly expanding cities.

Every year since 2012, Bangalore has been hit by drought; last year Karnataka, of which the city is the capital, has received its lowest rainfall level in four decades. Once famous as a retirement home and for its hundreds of lakes, Bangalore now has only 81 left. The rest have been filled and paved over with more than half said to be contaminated with sewage.

Set against this background, the clear focus on water at Planet Textiles 2017 attracted a wealth of local Indian delegates to the event, who told they were eager to hear much more about how the textile sector could contribute to improved water conservation in the region – and in the country as a whole.

Manoj Gulati, Executive Director, India, from international NGO Water.org which works with the likes of IKEA, Gap and Inditex to equip people with the means to access water and sanitation in textile producing regions, noted that the value of the Indian textiles industry, currently at US$108 billion, is expected to reach US$223 billion by 2021.

Presently, the Indian textiles sector consumes around 830 million cubic litres of water per annum, he added. This pressure on water availability can only go one way unless they start to act now.

Water.org provides micro-loans so that individuals can improve access to water and sanitation through WaterCredit. So far it has helped to supply 5.2 million people and has a 99 per cent repayment on these loans. They address both the symptom and the cause: solve for the immediate need by creating access to safe water and sanitation now. Solve for the big picture by setting up a system that works at scale and lives long after they do.

Keynote speaker Tracy Nilsson, Senior Director of Social Environmental Affairs at Adidas emphasised to the Indian textile mills present at the event how its tier 1 and tier 2 suppliers are expected to reduce water use at a minimum of 20 percent by 2020.

Water is not only essentially for life, it is a key resource for our industry. Factors, such as the ever growing population and the impacts of climate change are tipping the scale to a point where water supply may no longer meet demand. With an increases and ever growing issue of water scarcity, we have developed an overall approach to address water efficiency, improve wastewater quality and provide better accessibility to water in communities," she said.

One way the Indian textile sector has tackled wastewater problems is through the zero liquid discharge project in Tirupur. Sajid Hussain, Chief Operating Officer of the Tamilnadu Water Investment Company Limited noted the value of wastewater use through zero discharge when he noted that according to a UNESCO report, India is the number one country when it comes to annual groundwater extraction. They remove on average 251 cu/km (cubic kilometres per year) compared to the USA and China which come a distant second and both average water extraction rates of around 112 cu/km.

Historically, Hussain notes how there has been the indiscriminate withdrawal of ground water 'free of cost' in most parts of the country, but that costs are now being applied. Water has been priced low in many parts. However, the cost of fresh water for industry is now rising due to scarcity.

The ZLD project involves a range of advanced wastewater treatment technologies to recycle, recover and re-use 'treated' wastewater and thereby ensure there is no discharge of wastewater to the environment. Typically this comprises pre-treatment, reverse osmosis and an evaporator and crystallizer – so in short a lot of capital expenditure.

ZLD is a technological challenge, and the focus now must be on Zero Waste Disposal (ZWD). Brine concentration, evaporation, crystallization and disposal are problematic but the focus must be on the recovery and reuse of salts – which can be done in practice.

In the end, water scarcity, water economics and regulatory pressure will be the main drivers of ZLD and ultimately will determine the financial viability of this technology – which has worked well in Tirupur, he noted.

Breakout sessions sponsored by Archroma, Oeko-Tex and the ZDHC Group, focused on practical, sustainable, solutions for textile wet processing, chemical management and discharge, and pollution.

Discussing current issues surrounding textile wet processing, and where implementation in the textile value chain can be accelerated, Elaine Gardiner, sustainability manager, AFIRM Group and Pentland Brands said collaboration was the right way to go: They are all over-testing when they could be sharing information.

Agata Kostecka, Senior Manager, Sourcing Strategy, Gap, added that Transparency is still playing catch-up … everyone seems to be sharing their Tier 1 suppliers, but Tier 2 suppliers are not there yet. Gap works closely with PaCT, represented at Planet Textiles by Program Manager Mohan Seneviratne, in Bangladesh, which also has similar initiatives on best practises in textile processing in Vietnam.

As part of the discussion in the session, Tracy Nilsson, Adidas, added that as well as traceability, it is about scalability. For example, if Gap is already there with its own initiative, they can focus on other suppliers.

Looking to the future of sustainable wet processing, participants called for skill set increases – and the investments to do so, greater data transparency, improved KPIs and responsibilities taken for end-to-end solutions.

Concluding the Planet Textiles event, Rick Horwitch, Vice President of Global Retail Lead and Supply Chain Strategy at Bureau Veritas, said that the only thing that touches everyone is clothing and water: have a resource that we need for life, this is a problem we need to address. Planet Textiles has focused on practicalities and solutions.

The challenge is that they need to think and do things differently. Creating an impact, that is what they need to do.

The one-day Planet Textiles summit was part of a week-long series of events on environmental and social issues in the textile sector which included the two-day SAC annual members meeting and the SAC manufacturers' forum.

Planet Textiles 2017 held 24 May at the JW Marriot in Bangalore, India was jointly organised by MCL News & Media, publisher of Ecotextile News, and the Sustainable Apparel Coalition (SAC).

Source: yarnsandfibers.com- June 07, 2017

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Tirupur export revenue goes up by Rs 2,000 crore against all odds

The Tirupur Exporters Association (TEA) has said the textile hub has recorded a rise in revenue of Rs 2,000 crore in the past year - the export revenue in 2016-17 was Rs 26,000crore against Rs 24,000crore in 2015-16.

TEA president Raja M Shanmugam said, "The target was Rs 30,000crore, but we could not achieve it because of demonetisation, Brexit and fall in the Euro."

Demonetisation did not have a direct impact on revenue from exports. "The problem was to shift from cash to wire transcations. It took more than two months for many industries in Tirupur to settle down," said Raja Shanmugam, adding that it had created chaos.

More than demonetisation, it was Brexit and the fall in the Euro that impacted the exports. "We saw a fall in the orders after these developments. After the Euro fell, clients from Europe wanted to buy our produce for a reduced price that was not feasible for us," said Raja Shanmugam. "So customers reduced the quantity of the orders. As a result, we saw many orders being stalled for delivery," he added.

Meanwhile, cotton mills in the city saw a drop in their exports in the past five months. Secretary of the Southern India Mills' Association (SIMA) K Selvaraju said the average export of yarn from Coimbatore is 140million kg, but since February it has fallen to 100million kg.

"We did well in December and January - we sold 175million kg and 145million kg respectively," he added.

Much of the yarn from Coimbatore are sold to China and Bangladesh. "The fall in the exports is due to China buying its yarn from Vietnam. China has set up a large facility in Vietnam and purchases yarn duty-free," said Selvaraju. "Since the average export is 140million kg, Coimbatore produces that much. In the past five months, an average 40million kg of yarn has been surplus," said Selvaraju.

SIMA feels that if the central government provides subsidy on the 2.5-3.5% duty while exporting yarn, they can export to Brazil and other countries in Latin America. "We can at least sell 5-10 million kg to each country," said Selvaraju.

Exporters get orders a minimum 90days before the delivery date. "But in special cases we allow 30days," said Raja Shanmugam.

Source: timesofindia.com- June 08, 2017

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GST impact, local trends may make cotton import contracts fall

Cotton imports this season have been the highest so far having crossed the 30-35 lakh bale mark. However, according to market reports, some of the contracts are now being cancelled or settled by mills in South India due to local market trends and GST.

According to Pradeep Jain, a major cotton ginner from Jalgaon, contracts worth Rs 2-2.5 lakh bales have either been settled or cancelled because of the local trends.

M M Chokalingam, chairman and MD-in-charge, Cotton Corporation of India (CCI) agreed and said that while the initial target was to import some 17-18 lakh bales, the country has crossed the 30-35 lakh bales mark. There have been reports of contracts being cancelled but these have to be verified, he said.

The last time cotton imports touched a record high was in 2001 -02 when they were 25 lakh bales. In the 2015-16 season, India had imported 20 lakh bales of cotton. Buoyed by the good prices this season, farmers are expected to plant 15-20% more cotton in the 2017-18 season.

The stocks are coming mainly from African countries, the United States, Brazil and Australia.Tightness in domestic supply is also boosting imports, as farmers hold off on deliveries in the hope of achieving higher prices later in the crop year. Usually Indian mills import cotton in the second half of the crop year as domestic supplies dwindle.But this year they began importing in January as local prices jumped due to limited supplies.

Interestingly, while traders seem to be positive about export, Chokalingam maintained that cotton exports which were brisk at the start of the season touching 30 lakh bales, has become subdued with international rates coming on par with India.

Exports have not crossed 35 lakh bales although we had estimated for 50 lakh bales at the start of the season. “This is because the domestic and international rates are on par and therefore not much has been happening in the last couple of months. Touching the 50 lakh bale mark is going to be tough,” he said.

Traders, however, anticipate the export of some 5-7 lakh bales before the start of the new season. There is good demand from Vietnam that still needs to buy some cotton for their needs, says Chirag Patel, chief executive officer at Jaydeep Cotton Fibers, a leading exporter. Some demand is also present in Indonesia and Pakistan (which all depends on the policy situation between the two nations), he said. A major portion of the export has happened to Bangladesh, Indonesia, Pakistan and Vietnam and China at the start of the season, he said.

In the coming season, the country is likely to export some 500,000 to 800,000 bales of cotton to China. Although China had surplus cotton this season and did not look towards India for its requirement. There have been some issues with the quality of local cotton which has prompted the country to look towards Australia and America for imports since the country has not been able to get parity with Indian cotton, industry people pointed out.

The state-run Cotton Advisory Board has forecast production of 351 lakh bales in the current crop year, but industry officials say production is likely to be around 340 lakh bales. Significantly, higher prices of previous year have pushed farmers to grow more cotton and now the world faced the possibility of over-supply.

The country's cotton output in 2017-18 may also rise given the forecast of a normal monsoon. India's cotton area is forecast to increase by 7% to 11.3 million hectares in 2017-18 as farmers are encouraged by better returns due to high cotton prices and improved yields last year. Assuming yield is similar to the five-year average, production could increase by 3% to about 60 lakh tonne," ICAC has said.

Source: financialexpress.com- June 08, 2017

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EXIM Bank to sign $9-b export credit pact with South Korean counterpart

The Union Cabinet has approved the proposed MoU between Export-Import Bank of India (EXIM Bank) and Export-Import Bank of Korea (KEXIM) for export credit of $9 billion for infrastructural development in India and for the supply of goods and services as part of projects in third countries.

The MoU is proposed to be signed between the two Exim Banks during the forthcoming visit of Finance Minister Arun Jaitley to Seoul on June 14-15 for the Annual Financial Bilateral Dialogue.

The decision is expected to promote the country's exports, and deepen political and financial ties between India and Korea, an official release said. The export credit will be utilised through lending by EXIM Bank for promoting projects for priority sectors, including smart cities, railways, power generation and transmission etc.

Implementation strategy

Under the implementation strategy, the parties to the MoU will hold mutual consultations to structure the financial assistance, review the existing arrangements and related procedures.

EXIM Bank will identify viable projects in India. For projects in third countries, both parties will jointly identify viable projects.

It is understood from EXIM Bank that $9 billion would be extended by KEXIM by way of investment credit (typically export credit facility to finance projects with a certain level of Korean import content and interest rates as per OECD export credit guidelines).

This amount may also be utilised by KEXIM as the financier without the participation of EXIM Bank subject to satisfaction of the purpose.

Additional avenue

The supply of goods and services from India and Korea as part of projects in third countries will be an additional avenue which this MoU will enable, the release added.

It will help in exchanging mutual experience, sharing information on financing export and import operations, project assessment and knowledge generated in respective fields of activities.

Source: thehindubusinessline.com- June 08, 2017

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