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IBTEX No. 170 of 2017 August 19, 2017

USD 64.09 | EUR 75.37 | GBP 82.17 | JPY 0.59

Cotton Market (18-08-2017)

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

Rs./Bale	Rs./Candy	USD Cent/lb
19864	41550	**82.63**

Domestic Futures Price (Ex. Gin), October

Rs./Bale	Rs./Candy	USD Cent/lb
18350	38384	**76.33**

International Futures Price

NY ICE USD Cents/lb (Dec 2017)	66.91
ZCE Cotton: Yuan/MT (Sept 2017)	15,250
ZCE Cotton: USD Cents/lb	**87.87**
Cotlook A Index – Physical	**77.70**

Cotton & currency guide: Cotton market was mostly stable on Thursday's trading session. The December future at ICE managed to close marginally higher at 66.91 cents up 9 points from the previous close. Other contracts were also steady.

However Thursdays trade was much within inside range of previous day's movement indicating market is either waiting for fresh cues to move either side or taking strong support near 66.15 as low made in 15th June.

We believe the unexpected rise in the weekly export sales figure may have supported price to hold strong instead of making another decline.

The USDA US Weekly Export Report was better than expected. Total sales for the week ended August 10th were 257,500 bales (upland 252,700/pima 4,800).

Shipments were 204,300 bales (upland 200,300/pima 4,000).Both sales and shipments are a good jump ahead of last years' stellar performance.

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

NEWS CLIPPINGS

INTERNATIONAL NEWS

Pakistan: Turkey urged to reciprocate market access

Pakistan has reiterated its commitment to offer market access to Turkish manufacturers under the proposed Free Trade Agreement (FTA), but linked it with reciprocal access for Pakistani goods.

Commerce Minister Pervaiz Malik made this offer during a meeting with the Turkish Ambassador to Pakistan Sadik Babur Girgin on Thursday. Commerce Secretary Younus Dagha and Textile Secretary Hassan Iqbal were also present in the meeting.

Pakistan and Turkey entered into the final round of negotiations on the proposed FTA. For Pakistan, the important sectors to seek duty concessions were textile and clothing, while for Turkey auto and chemicals are the important sectors.

Mr Malik highlighted the decreasing trend in bilateral trade between the two countries and said that good relations in emotional and historical ties along with political and economic sphere should also be translated into equally durable and strong trade relations.

Mr Dagha pointed out that Pakistani products could not retain their competitiveness in the Turkish market after the imposition of additional duties on textiles sector and mass housing fund duties on agricultural products.

He informed the Turkish ambassador about Pakistan's repeated requests for a level playing field vis-a-vis other foreign competitors in Turkish market in the form of preferential trade agreement; Generalised System of Preferences (GSP+) and FTA have not been accepted favourably by the Turkish side.

Mr Dagha also told the ambassador that Pakistan has been willing to extend best offers in trade concessions to Turkey that have not been granted to any FTA partner and now expect the Turkish side to reciprocate.

"The political leadership of the two countries has jointly expressed its desire to conclude FTA talks at the earliest," added the secretary of commerce.The Turkish ambassador to Pakistan, Mr Girgin, said that all the reservations from the Pakistani side will be conveyed to the concerned authorities. He also agreed that the strong relations between the two brotherly countries must be reflected in bilateral trade between them.

APP ADDS: Meanwhile, the commerce minster talking to APP said that new potential markets in different regions are being explored for increasing the country's exports.

The minister said that it was the top priority of the government to boost exports and achieve its trade targets set for this fiscal year

and he would evolve a short-, medium- and long-term strategy for enhancing the multilateral trade with different potential markets of the world.

"After signing the GSP+, Pakistan had increased its exports in the EU in different sectors," he said. "Pakistan has one of the most attractive investment regimes in the world with a priority to facilitate the foreign investors and we are committed to finalise the FTA with Turkey and Thailand for promoting trade ties," he said.

Source: dawn.com - Aug 18, 2017

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UK trade deal with EU after leaving the bloc "not essential" says IEA

According to a new report, securing a trade deal with the EU after Britain leaves the bloc is "desirable but not essential".

The Institute of Economic Affairs (IEA) published a comprehensive review of trade policy for a Brexited Britain.

Defaulting to World Trade Organisation rules would not be a "disaster", the report said, despite warnings from businesses and politicians saying otherwise.

“Many people believe that disaster will befall us if we do not forge a deal with the EU,” says the IEA’s research director, Jamie Whyte.

“In fact, we could unilaterally eliminate all import tariffs, which would give us most of the benefits of trade, and export to the EU under the umbrella of the WTO rules.

“Then we can seek free-trade deals with all major trading partners, including the EU.”

The report states that the main concern for Britain going forward should be to promote the interests of UK consumers, not producers.

“It is in the interests of UK consumers and UK importers generally to buy as cheaply as possible, which implies that tariffs are a form of self-harm.

The UK should therefore commit to a policy of unilateral free trade with the rest of the world, thereby eliminating all barriers to imports, and it should do so regardless of whether other countries impose tariffs on their imports from the UK or not,” the report said.

“The UK’s best post- Brexit trade policy should therefore be to trade as freely as possible with the rest of the world,” it added.

If a bad deal is offered by the EU then the UK should default to WTO rules for its relationship with Europe and secure free trade agreements with other major trading partners such as the US, Canada and Australia.

“The UK bargaining position with the EU on trade issues is then simple.

The UK should be willing to seek a trade deal with EU provided that such a deal leads to greater free trade, but it should make it clear that it regards no trade deal as better than a bad one.”

Source: marketbusinessnews.com- Aug 18, 2017

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Tough tax policy, lack of capital access for Myanmar SMEs

Small and medium enterprises (SMEs) in Myanmar suffer from arduous tax and monetary policies and lack of access to capital and intellectual property protection. SME owners feel the government needs to address these issues as there are no business category for entrepreneurship and opportunities in emerging fields, such as digital applications and software.

Taxes are imposed on SMEs even before operations start and even if losses are incurred in the first few years of business.

As SMEs form the foundation of the country's economic development, the government needs to support them with a strong Intellectual property rights base, a report in an English-language daily in Myanmar quoted U Khin Maung Cho of the ministry of industry as saying.

Citing the lack of access to loans and high interest rates — up to 13 per cent — as the biggest barriers to SME business in the country, Yangon chief minister U Phyo Min Thein said banks just wait for loan applications instead of approaching SMEs. In Myanmar, SMEs and banks lack a close working relationship, he noted.

The Central Bank of Myanmar needs to reduce interest rates, according to Zayar Nyunt, CEO of the SME Development Bank.

U Aye Han, member of the board of directors of the Union of Myanmar Federation of Chambers of Commerce and Industry, said products from Myanmar are at a disadvantage regardless of their quality because the country has no organisation for formulating standards.

Meanwhile, vice president U Myint Swe is leading an effort by the private sector development committee to chalk out an SME development strategy.

Source: fibre2fashion.com- Aug 18, 2017

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Australian wool prices see sharp rise this week

In perhaps one of the more stunning weeks of selling, prices of all wool types and descriptions, apart from cardings, rose at Australian wool auctions this week. The prices increased by margins ranging from around 4 per cent for the higher priced wools to a staggering 17 per cent on the broadest wools of the long suffering crossbred sector.

In what can be termed as astonishing results, the demand came solely from China, with a few of the larger users looking to fill their wool production pipelines.

Following last week's impressive commencement to the new selling season, the AWEX eastern market indicator (EMI) forged into record territory, with consecutive days of breaking the highest levels ever seen. At the end of the week, the EMI settled at 1614ac clean kg which is 316ac or almost 25 per cent higher than at the same period of last season.

The week produced a gain of 64ac clean/kg or a 4.1 per cent addition to local wool values within just seven days. When quoting the EMI in US dollar, the figures are even more startling, with a 28 per cent or 280usc clean/kg advance in prices in 12 months. The EMI in US dollar finished the action this week 5 per cent higher at 1281usc clean/kg or an increase of 61usc.

"Following some very large forward orders being required by some larger Chinese mills, all exporters were ready to pay more from the outset. The extent and swiftness of the price gains caught the majority by surprise," Australian Wool Innovation said in its Wool Market report for the sale week 7 of 2017-18 season.

The Merino fleece and skirting segments of the market sold consistently dearer across all three centres—Sydney, Melbourne and Fremantle. All wools traded in the 60 to 90ac dearer range and generally shadowed moves of each micron and type category. One exception, and the standout of selling this week, were those few bales of Merino types finer than 16.5 micron which were upwards of 150 to 180ac dearer. Similarly the small offering of super fine (16.6 to 18.5mic) spinners and best top making sale lots exhibiting strength readings of over 35nkt sold up to 140ac dearer, making these wools around 250ac dearer in just 2 weeks.

Perhaps the most stunning gains, particularly in percentage terms, was the entire crossbred (26 to 32 micron) market. All types rose by up to 70ac clean kg and at the broadest end, this gain represented an increase of around 17 per cent in just a week. However, carding types continue to chart in their own territory and were the only disappointment of the week by trading generally at firm unchanged levels of price.

Around 37,000 bales would be on offer at auction sales next week.

Source: fibre2fashion.com- Aug 18, 2017

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USA: On sidelines of trade talks, businesses tout NAFTA's benefits

Representatives from the United States, Canada and Mexico convened behind closed doors at a Washington, D.C. hotel in an effort to strike a new North American Free Trade Agreement. And not far away, industry representatives from all three nations sat waiting and hoping to influence the talks.

After two days of meetings, lobbyists admitted privately that they remained mostly in the dark, swapping rumors about dates and times of future meetings but unsure what progress was being made in the first round of discussions. The meetings were largely expected to be procedural, with little discussion on substance in the early days.

The decision to renegotiate NAFTA has largely been driven by politics, chiefly U.S. President Donald Trump, who earlier this year threatened to withdraw entirely.

Business, on the other hand, has largely praised the agreement and hopes to convince all three governments to make minimal changes to the pact. U.S.-Canada-Mexico trade has quadrupled since NAFTA took effect in 1994, surpassing $1 trillion in 2015.

"We're all in the same boat," said Flavio Volpe, president of the Canada's Automotive Parts Manufacturers' Association. "In the end we all serve primarily the U.S. consumer. So if you're going to raise the cost structure, or if you're going to change the dynamic flow of good or people in those three countries, you're really hurting the cost to market for the U.S. customer."

The U.S. had an autos and auto parts trade deficit of $74 billion with Mexico last year – without which, there would have been a U.S. trade surplus, not a $64-billion deficit. The United States had a much smaller $5.6-billion automotive trade deficit with Canada last year, but autos was the still a major component of an $11.8 billion overall U.S. goods trade deficit with Canada last year. But including services trade, the United States ran an overall surplus with Canada.

Volpe's counterparts from the United States and Mexico were also on hand - with hopes of presenting a united front not to see a disruption to the auto industry.

Matt Blunt, president of the American Automotive Policy Council, which represents General Motors Co, Ford Motor Co and Fiat Chrysler Automobiles, stopped by the talks hotel to chat with negotiators, answer questions and “glean information” about U.S. negotiating objectives.

However, he said insights into the talks were hard to come by, as negotiating teams had not yet revealed details of their proposals to each other. “There are a lot of poker-faces around here,” he said.

He wasn't the only American lobbyist floating in and out of the hotel. Some held lunch meetings in the hotel restaurants and then returned to their downtown offices. From mining, to textiles to dairy farmers, various groups held sideline meetings.

About 100 business representatives from Mexican companies waited in a meeting room to see if there were any questions negotiators might have for them. And Canadian industry groups mostly worked on their own.

For the most part, the business groups presented a united front.

Juan Pablo Castanon, president of the Mexican business group Consejo Coordinador Empresarial, said his group has been working with the U.S. Chamber of Commerce for three years. After the November U.S. elections, they began working to tout the benefits of NAFTA.

"The level of contact and communication is intense and one of collaboration," Castanon said.

The U.S. Chamber of Commerce, the largest business lobby in Washington that represents companies big and small across the country, confirmed they plan to attend all the sessions - where they expect to hold sideline meetings with other business groups and government officials. The Chamber may also hold sideline events or briefings during future discussions.

Even industry groups who weren't in agreement with their North American counterparts found other stakeholders to discuss common ground.

The Canadian Dairy Farmers are at odds with their American counterparts, but still found a chance to talk, said the Canadian group's spokeswoman Isabelle Bouchard.

"To have discussions with counterparts within our own industry and even different industries who are in similar situations than us, it's important and we have seen though past trade negotiations how important it is," said Bouchard.

Source: e.vnexpress.net- Aug 18, 2017

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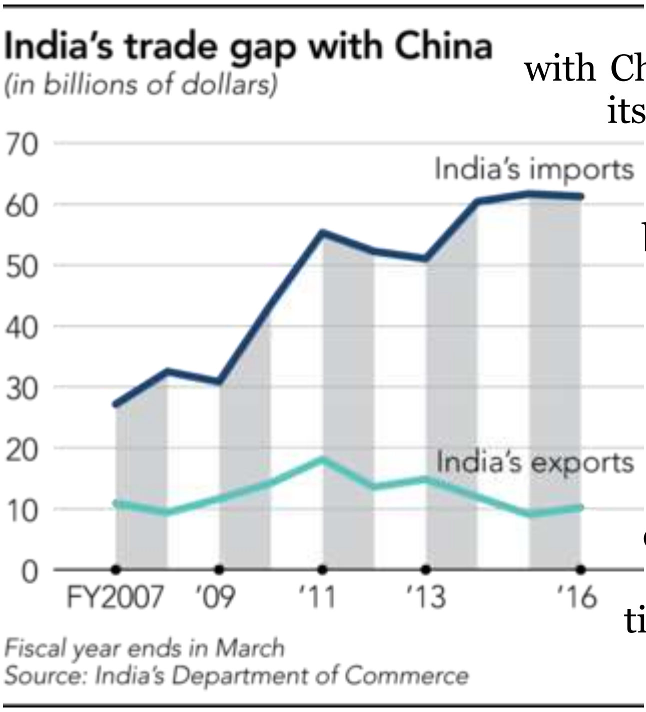
Is India-China trade war looming?

India and China, Asia's two nuclear-armed giants, have been engaged in a tense border standoff for the past two months, raising concerns that the repercussions will spread to their economic and trade ties.

The two countries, which have long been fractious neighbors, share a 3,500km border and in 1962 fought a war over it.

The latest dispute started on June 16 when, New Delhi says, a People's Liberation Army construction party entered Doklam plateau at a strategic junction -- where the boundaries of India, China and their tiny neighbor Bhutan meet -- to build a road, a move with "serious security implications" for India.



Bhutan, in a territorial dispute with China over Doklam, sought help from its close ally India, which sent its troops to the region asking the Chinese to withdraw. Soldiers from both sides remain stationed at the disputed area, telling each other to pull back, and China accusing Indian troops of crossing into its territory.

With the tensions escalating with each passing day, analysts fear a spillover into economic and trade ties.

China is India's biggest trading partner. Total bilateral trade between the two stood at $71.5 billion in the fiscal year that ended in March. However, the trade is heavily tilted in Beijing's favor, with its exports to India coming to about $61.3 billion.

India's principal imports from China include telecom instruments, electronic components, computer hardware, bulk drugs and drug intermediates, and iron and steel, while its exports to the Communist nation include iron ore, cotton yarn, petroleum products and plastic raw materials.

New Delhi's trade deficit with China shrank slightly to about $51.1 billion in the last financial year, from $52.7 billion the year previous, with the Indian government remaining concerned about the huge gap and seeking greater access to the Chinese market.

Anti-dumping

On Aug. 9, Indian Commerce and Industry Minister Nirmala Sitharaman informed parliament that anti-dumping duties are in force on 93 products imported from China. These include chemicals and petrochemicals, steel and other metal products, fibers and yarn, machinery items, rubber and plastic products, electric and electronic items, and consumer goods.

"In addition 40 cases concerning imports from China ... have been initiated by the Directorate General of Anti-Dumping and Allied Duties," Sitharaman said.

Source: asia.nikkei.com - Aug 18, 2017

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Cotton in Africa is Getting More and More Sustainable

Cotton made in Africa made strides in 2016 in its mission to make cotton growing in sub-Saharan Africa more sustainable year after year, while improving the lives of smallholder farmers and their families.

As the largest program for sustainable cotton from Africa, the organization certified 30 percent of cotton production in sub-Saharan Africa last year. Growing demand for Cotton made in Africa cotton in the textile industry meant that roughly 50 million units of CmiA textile products were put into the market in 2016.

This allowed the sustainable cotton initiative to increase its license revenues by 47 percent in comparison to 2015, reaching 1.48 million euros ($1.74 million). In addition, revenues of 342,000 euros ($402,000) were generated through the sale of CmiA-certified cotton in the Better Cotton Initiative channels.

In addition, revenues from the sale of CmiA cotton accounted for almost 50 percent of total revenue in 2016, which rose to 3.76 million euros ($4.42 million) from 2.56 million euros ($3.01 million) in the financial year.

About 30 textile companies, including Bonprix, Otto, the Rewe Group and Tchibo now use CmiA cotton. Since 2016, Jack & Jones from Denmark, Asos from Great Britain, Kid Interior from Norway and Aldi Süd have joined the initiative. Fifty million textiles were marked with the CmiA label in 2016.

Michael Otto, the founder of Cotton made in Africa, said, “Every T-shirt and every pair of jeans with the CMiA seal contributes towards combating poverty and thereby counteracting the causes of migration.”

The group noted in its annual report that the share of public financial aid in 2016 reached its lowest level ever of just 1 percent. The result substantiates the motto of the sponsoring organization Aid by Trade. Based on its goals, the foundation was able to increase the effectiveness of its contributed funds by a further percentage point in comparison to the previous year, reaching 72 percent.

A total of 20 verification operations in 2016 ensured compliance with the CmiA standards and offered helpful guidelines for improvements, alongside continual training. The report said that the aggregated data from verification operations in 2016 proves that the implementation of CmiA standards was significantly improved in subsequent verifications. The reviews were carried out by the three independent audit companies, EcoCert, AfriCert and Control Union.

As part of the AbTF family of standards, roughly 780,000 smallholder farmers, of which 18 percent are female smallholder farmers, took part in 2016 and produced 320,000 tons of fiber cotton, meaning that CmiA certifies 30 percent of cotton production in sub-Saharan Africa. In 2016, CmiA covered a cultivation area of more than 1.1 million hectares and has become the largest standard for sustainable cotton from Africa.

“CmiA has now achieved immense importance in the producing countries. Including family members, CmiA reached more than 6.7 million people,” Bob Akede, lead auditor from AfriCert in Kenya, said.

Above its standard implementation, Cotton made in Africa supports projects by village communities and provides financing. Among the projects are solar power projects for farmer training centers, water or women’s projects.

The total volume invested in cooperation projects in 2016 came to 950,000 euros ($1.11 million).

The projects are implemented in close alliance with local cotton companies, partners such as CARE, Welthungerhilfe, Otto, C&A, Otto Austria and the German Investment and Development Corporation, with funds by the Federal Ministry of Economic Cooperation and Development.

Also during the year, the Aid by Trade Foundation launched a "Wear a Smile" campaign for CmiA with business philosopher Dominic Veken. The aim is to help the brand achieve maximum attention among consumers without a large budget for communication measures.

The tonality in the communication of CmiA was intended to be more easily accessible, with a change from "compassion" to "passion" as the goal. CmiA launched a roadshow in 2016 to introduce the movement to the various retailer and NGO partners and at the same time to get them actively involved. The main time frame for the promotions will take place in 2017.

Source: sourcingjournalonline.com- Aug 18, 2017

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New Zealand Says TPP Without the US Could Move Forward as Soon as November

New Zealand wants to go ahead with a TPP 11 and the deal could be reached before the end of the year.

Despite the United States' withdrawal from the regional Trans-Pacific Partnership trade agreement under President Trump's leadership, the remaining 11 Pacific nations that spent seven years negotiating the trade deal don't want to see it just fall by the wayside.

On Thursday, New Zealand trade minister Todd McClay said there's a good chance the TPP group minus the U.S. will still sign a free trade deal quickly and with only slight changes.

"We think it's important to economic growth, and we are signaling how committed we are as a government to it," the Associated Press reported McClay as saying. "We now expect a decision to be put before TPP leaders in November of this year."

Japan has also been keen to keep TPP going and has itself been pushing to advance the trade agreement with 11 participating nations. Leaders from the TPP 11 met last month in Japan to continue talks.

Though McClay has high hopes for the agreement's quick advancement, there are still many rivers to cross. For one, New Zealand has elections coming up in September and, according to AP, if the opposition Labour Party wins, its leaders intend to renegotiate some of the provisions. An article in the New Zealand Herald said if the Labour Party wins, New Zealand may even withdraw from the TPP and not take an active role in carrying the deal forward.

Either way, the remaining nations will have to restructure the deal as certain existing provisions require U.S. participation, but McClay is still hopeful about TPP's future.

"It's my expectation that the deal is now more likely to happen than not," McClay told AP.

Source: sourcingjournalonline.com- Aug 18, 2017

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Turkey imposes temporary duty on POY from 7 countries

Turkish ministry of economy has announced imposition of provisional anti-dumping duty on partially oriented yarn (POY) with HS code 5402.46 imported from seven countries—China, India, Malaysia, Indonesia, Taiwan, Thailand and Vietnam.

The ministry said that the volume of imported POY increased considerably during January 1, 2010 to December 31, 2016.

The ministry had launched a preliminary investigation in February this year following a petition from Korteks Mensucat ve Sanayi Anonim Sirketi company. According to the data obtained from Turkish Statistical Institute, it was determined that POY imports had increased considerably, especially after 2010, the ministry said in an official communiqué.

The share of Turkish POY imports from the above mentioned seven countries was 99.1 per cent in 2014 and 2015, and it was 99.2 per cent in 2016. In terms of volume, it has increased from 159,960,807 kg in 2010 to 295,789,479 kg in 2016.

The anti-dumping duty on POY from India, Taiwan, Thailand and Vietnam will be 10.15 per cent, 14.3 per cent, 18.85 per cent and 36.28 per cent respectively. The duty on import of POY from China, Indonesia and Malaysia would be levied at $263 per ton, $120 per ton and $138 per ton respectively, the communiqué said.

These duties will remain in effect until the final decision on the investigation is announced.

Source: fibre2fashion.com- Aug 18, 2017

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Brazilian cotton prices drop in first fortnight of August

Cotton prices dropped in the Brazilian market in the first fortnight of August. The average price during the first 15 days was 2.4379 BRL per pound, which was the lowest since January 2016 when price touched 2.5096 BRL per pound, Center for Advanced Studies on Applied Economics (Cepea) said in its fortnightly report for August 1-15, 2017.

In view of sharp price drops in international markets (ICE Futures and CotLookA) in the first fifteen days of the month, some sellers focused on the domestic market, increasing supply and speeding up the pace of trades in the Brazilian market on some days.

Most processors, on the other hand, preferred to work with the cotton previously purchased, searching only for small batches in the spot market and, thus, pressing down quotes, the report said.

The CEPEA/ESALQ Index, 8-day payment terms, for cotton type 41-4, delivered in São Paulo, dropped 1.01 per cent between July 31 and August 15, closing at 2.4416 BRL ($0.7687) per pound on August 15.

Meanwhile cotton exports from Brazil totaled 19.3 thousand tons in July, registering an increase of 37.9 per cent over the previous month, according to Secex. During the same month, Brazil imported only 920.5 tons of cotton, showing a drop of 67.1 per cent compared to previous month's imports of 2.8 thousand tons.

The National Company for Food Supply (Conab) has upwardly revised the 2016-17 Brazilian crop estimate to 1.523 million tons, up 18.2 per cent compared to previous season's production. The volume of cotton is expected to be higher despite the 1.7 per cent decrease in the area sown. This is due to increase in productivity, which may be 1,622 kilos per hectare, up 20.1 per cent compared to the 2015-16 crop.

According to Conab, Mato Grosso, the main cotton producing state in Brazil, is expected to increase its cotton output by 15 per cent in 2016-17, totaling 1.013 million tons. Productivity may also increase by 10.1 per cent compared to the previous season, at 1,614 kilos per hectare. According to Conab, drier weather has favoured harvesting and, until late July, 20 per cent of the area is supposed to have been harvested. Around 60 per cent of the volume produced in the state has already been traded.

Source: fibre2fashion.com- Aug 18, 2017

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North Korea's textile business flourishes with a little help from China

North Korean apparel factories have been attracting Chinese textile firms owing to low labour cost. Interestingly, the tag says, 'Made in China' for the clothes produced in North Korea. Chinese suppliers send fabrics and other raw materials required for manufacturing clothing to North Korean factories across the border where garments are assembled and exported.

Manufacturers can save up to 75 per cent by making clothes in North Korea. While they receive orders from all over the world but owing to the sensitivity of UN Sanctions, they need to route through clothing agents to hide their identity. Dozens of clothing agents operate in Dandong, acting as go-betweens for Chinese clothing suppliers and buyers from the United States, Europe, Japan, South Korea, Canada and Russia.

Statistics from Korea Trade-Investment Promotion Agency (KOTRA) show, textiles have been North Korea's second-biggest export after coal and other minerals in 2016, totaling $752 million.

Total exports from North Korea in 2016 rose 4.6 percent to $2.82 billion. Chinese exports to North Korea grew almost 30 per cent to $1.67 billion in the first half of the year, largely driven by textile materials and other traditional labor-intensive goods not included on the United Nations embargo list.

A growing business proposition

North Korea has about 15 large garment exporting enterprises, each operating several factories spread around the country, and dozens of medium sized companies, according to Netherlands' GPI Consultancy, which helps foreign companies do business in North Korea. Some North Korean factories are located in Siniuju city just across the border from Dandong. Other factories are located outside Pyongyang.

Finished clothing is often directly shipped from North Korea to Chinese ports before being sent onto the rest of the world, as informed by some of the Chinese traders.

All factories in North Korea are state-owned and textile units are overbooked with work. North Korean workers can produce 30 per cent more clothes each day than a Chinese worker, say Korean-Chinese businessman. North Koreans don't work for money; they believe they are working for their country, for their leader. Their daily wages are significantly lower than many other Asian countries.

North Korean workers at the now closed Kaesong industrial zone just across the border from South Korea received wages ranging from a minimum of around $75 a month to an average of around $160, compared to average factory wages of $450-$750 a month in China.

UN Sanctions

The new UN sanctions imposed on North Korea recently ban countries from increasing the current numbers of North Korean laborers working abroad.

China does not disclose official figures for the number of North Koreans working in factories and restaurants in China, although numbers are down from peak period two to three years ago, according to Cheng Xiaohe, a North Korea specialist at Beijing's Renmin University.

North Korean factory workers in China earn about 2,000 yuan ($300.25), about half of the average for Chinese workers. They are allowed to keep around a third of their wages, with the rest going to their North Korean government handlers, according to a factory owner in China.

Source: fashionatingworld.com- Aug 18, 2017

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Iran plans huge garment exports

About 1,500 industrial units and 30,000 employees are involved in Iran's clothing sector which has a capacity for producing 3,40,000 tons of garments per year.

The country has taken measures aimed at renewing the country's garment manufacturing industry, in a bid to enter international markets. Exporting apparel products to neighboring countries, including the CIS and, in particular, Azerbaijan, is on the agenda.

Iranian manufacturers have developed plans to export about 30 per cent of their total output. Public interest in domestic products has dramatically surged over recent months.

Currently, 9,818 industrial units are active in Iran's textile and apparel industries, constituting 11 per cent of all industrial entities in the country. These units have created more than 2,90,000 direct jobs, accounting for 13 per cent of all industrial jobs in Iran.

With the aim of limiting imports, boosting domestic production and making the price of Iranian clothing more competitive, the country is now planning to set up a new apparel industrial town. Some 45 hectares of land have been bought for the new apparel industrial park. The hope is that such an apparel industrial park will be highly beneficial as it will lead to transfer of know-how, increase in quality and lowered production costs.

Source: fashionatingworld.com- Aug 18, 2017

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NATIONAL NEWS

State govt. unveils incentives for textiles and apparel sector

Urges industry to provide fair, decent wage to workforce

Seeking to boost the growth of textiles and apparel sector, the Telangana government on Friday unveiled a bouquet of incentives, for new as well as existing enterprises. .

The announcement, by the State government whose TS-iPASS industry facilitation policy measures has caught the imagination of investors globally, comprises incentives under the heads of capital assistance; operational assistance; infrastructure support; capacity building and skill development support; and fibre-to-fabric incentive.

A segmented approach is to be adopted for extending the benefits, depending on the size of investment and/or the number of jobs to be created, a GO issued by the Industries and Commerce (Textiles) Department said.

In doing so, the focus would also be on ensuring against exploitation of the workforce by the enterprises.

Noting that while emphasis is on encouraging industry, to attract investments and generating employment opportunities for local population, the GO said the government expected the industry to provide a “fair and decent wage” to the workforce.

“If found that the workers are not being adequately compensated or are being exploited, then the government shall have the right to terminate the approvals granted and recover the monetary value of the incentives accorded till then,” the GO said.

The proposed incentives aim to create an enabling environment to encourage investments in downstream processing activities, mainly focusing on spinning, weaving, knitting, processing and garment manufacturing, including made-ups within the State.

Besides encouraging new units across the value chain, the incentives are to also to support existing units to modernise and expand and towards marketing and promotion activities.

As under existing industrial policy, units having investment over ₹ 200 crore and/or providing employment to more than 1,000 people would be treated as mega projects and considered for special tailor-made incentives, if need be.

The same benefit will also be extended to any other investment of a strategically important nature for the State, which is known for production of quality long staple cotton.

Though the State produces about 60 lakh bales, processing and value addition is largely limited to ginning and pressing. Roughly 10 lakh bales are utilised by the 35 spinning mills in the State that have a capacity of 9.3 lakh spindles.

Source: thehindu.com- Aug 18, 2017

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Desi cotton replaces BT seeds this kharif season

In a major benefit for famers, the desi variety of Indian cotton seed is rapidly replacing Bt cotton seed which farmers adopted in a big way this kharif season.

Developed by the Central Institute for Cotton Research (CICR), Nagpur, the desi cotton variety has the potential for much higher yield than Bt cotton and also the benefit of weeds and pests resistance. Introduced early this century, Bt cotton crop has witnessed an intermitted pest attacks which according to Kavita Gupta, Textiles Commissioner, Ministry of Textiles, damaged cotton crops in a significant way in Punjab and Haryana in 2015-16.

“India has commercialized desi cotton variety which has potential for much higher yield than Bt cotton and also benefits of pests and weeds resistance capability.

Also, the desi variety is longer staple in nature which might replace some quantity of long staple cotton. Thus, the desi variety offers better realization than Bt and other conventional varieties of cotton. Consequently, farmers are aggressively adopting desi variety of cotton seeds," said Gupta on the sidelines of the second Cotton Advisory Board (CAB) meeting here on Friday.

Gupta, however, did not give any specific figure of the potential for increase in yield of desi variety and also area shifted this year under this newly launched local variety of hybrid cotton seed.

She, however, confirmed that the desi variety of cotton would get greater traction from farmers in coming years with proportionate decline in the significance of Bt cotton area.

The development assumes significance as cotton crop has witnessed intermittent attacks of whitefly and pink ballworm attacks. Two of the last three years i.e. in 2015-16 and 2017-18 (current season), whitefly attacks have been reported in Punjab and Haryana in addition to pink ballworm attacks in Gujarat, Maharashtra, Madhya Pradesh. Andhra Pradesh and Telangana.

But, cotton output for the crop year 2017-18 (October–September) is estimated to increase in double digit due to a sharp increase in acreage. Data compiled by the Ministry of Agriculture showed 18 per cent increase in India's cotton acreage until mid-August.

The CAB in its second Advanced Estimates projected India's cotton output at 34.5 million bales (1 bale = 170 kgs) for the crop year 2016-17 despite 11 per cent decline in acreage to 10.84 million ha. For 2017-18, however, Gupta estimates acreage to remain at 11.9 million ha.

"There are reports of pink ballworm attacks in cotton crop in Gujarat, Maharashtra, Madhya Pradesh and whitefly attack in Punjab and Haryana. But, better crop management and efficient protection mechanism would reduce its impact on the productivity this year," said Gupta.

Meanwhile, Bangladesh has replaced Pakistan in terms of cotton import from India with over 40 per cent of market share so far this year. China is likely to remain India's second largest cotton destination in 2016-17.

With apprehensions over cotton availability in 2016-17, India's cotton exports are likely to decline this year (2016-17) to 6 million bales compared to 6.9 million bales for 2015-16.

Source: business-standard.com- Aug 18, 2017

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Cotton output may grow 3.76% to 345 lakh bales in 2016-17

The cotton production is likely to increase by 3.76 per cent to 345 lakh bales in 2016-17 as compared to the last year, mainly due to better yield, a top central government official on Friday said.

One cotton bale weighs 170 kg.

"This year we are expecting a better crop compared to the last year due to better yield even though the area (under cultivation) has dropped significantly."

"We have estimated 345 lakh bale cotton output during 2016-17," Textile Commissioner Kavita Gupta told reporters here after the second meeting of the Cotton Advisory Board.

The total production in 2015-16 stood at 332 lakh bales.

The cotton marketing year runs from October to September.

The production is also expected to increase as there were less pest attacks, including white fly in Punjab, Haryana and pink ball worms in Gujarat, Gupta said, adding in 2017-18 the total output is likely to grow in double digit.

The area under cotton plantation is estimated to decline to 108.45 lakh hectares from 122.92 lakh hectares in the previous year, the textile commissioner said.

However, she said the area under cotton is expected to increase to 119 lakh hectares, or even more, in 2017-18 due to effective government intervention.

"We are expecting the area to increase under cotton as the monsoon was on time and farmers got a better price for their crop. So some area under pulses was diverted to the cotton crop. There was a lot of efforts by the government," she added.

The area under indigenous variety has increased and acreage under Bt Cotton has slightly declined, she said.

"The Indian Council of Agricultural Research has also come up with more native varieties, which are equally good in yield. Once they are commercialised in 2017-18, the area under the indigenous variety will grow even more," she added.

Total yield is estimated to grow by almost 20 per cent to 540.80 kg per hectares in 2016-17 from 459.16 kg per hectares in 2015-16.

"The yield is estimated to be better in almost all cotton producing region except Tamil Nadu, where it declined significantly due to moisture stress," Gupta said.

The total exports is estimated to have declined to 60 lakh bales during 2016-17 from 69.07 lakh bales in 2015-16.

She said till May the shipments to Bangladesh constituted 40 per cent of the total exports, while it has shrunk drastically to Pakistan, which witnessed a bumper crop.

Source: moneycontrol.com- Aug 18, 2017

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Punjab to adopt whitefly-hit cotton plots as demo farms

Punjab Chief Minister Amarinder Singh today directed the agriculture department to adopt select cotton plots affected by whitefly pest and use them as demonstration farms to educate farmers.

For now, this is limited to every village of four districts of Mansa, Bathinda, Muktsar and Fazilka.

The idea is to make farmers aware of integrated pest management (IPM), an official spokesperson said after a high-level meeting presided by the chief minister to take stock of the situation following the whitefly attack.

Singh is keen that the demonstration farms can be used to impart the latest technology to cotton growers for protection of their crop from pests and insects, particularly whitefly.

A total of 1,000 such demonstration farms will be adopted, said the spokesperson, adding that scouts and field staff, in consultation with other officers, will provide basic training on use of recommended pesticides and insecticides, besides proper application of chemical fertilisers and manures.

These centres will go a long way in restoring confidence of farmers affected by whitefly, he said. A mere 18.1 hectares of a total 3.82 lakh hectares under cotton cultivation had been damaged by whitefly, the spokesperson said.

No loss due to whitefly infestation was reported in Sangrur, Faridkot and Moga districts, he added. The chief minister warned that there will be zero tolerance on any laxity over sale of spurious or sub-standard pesticides to farmers. He also directed officials to crack down on suppliers of such pesticides and ensure exemplary punishment.

Cotton is the second major kharif crop of the state after paddy. For kharif 2017, an action plan for cotton production was prepared under which 4 lakh hectares were targeted. The estimated area under cotton during this season is about 3.82 lakh hectares, the spokesperson added.

Source: indiatoday.in- Aug 18, 2017

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India tops Global Retail Development Index, overtaking China

India has topped the Global Retail Development Index in 2017, overtaking China.

The retail real estate segment across key cities in India is growing exponentially. While global brands continue to evaluate and consider quality retail developments in the top cities, with growing globalization, smaller cities are also gaining prominence and witnessing traction. The overall market sentiment is positive.

Several hypermarkets too were in expansionary mode, including Big Bazaar, which opened new stores in Mumbai, Bangalore and Chennai. Clothing retailers such as Max and Pantaloons were also active during the period.

Demand for quality retail space will remain strong especially from fast fashion, department stores and sports and leisure. Rentals continue to vary across key high streets in major cities.

During the first six months of the year, 70 new homegrown brands appeared in India. They marked their presence in Mumbai, Delhi-NCR and Bangalore.

Seven new global brands entered the country and investments in the segment by private segment firms or wealth funds touched 200 million dollars. Additionally, several retail developments were completed across select cities resulting in about 1.5 million sq ft of fresh supply entering the market.

During the first half of the year, demand for quality retail space remained robust with a majority of this supply concentrated in Mumbai, Bangalore and Delhi-NCR.

Source: fashionatingworld.com- Aug 18, 2017

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GST return filing deadline for transitional credit

For businesses who want to avail the transitional input tax credit under the Goods and Services Tax (GST), the government has extended the deadline for submitting Form TRANS I and Form 3B by one week to August 28. However, taxpayers who do not want to claim any transitional input tax credit have to necessarily file return in Form 3B before August 20.

The decision has been taken in view of concerns being raised about the form for claiming transitional input tax credit not being available on the GSTN website, an official statement said. The form will be available on the GSTN website from August 21.

The taxpayers who want to avail the transitional input tax credit should calculate their tax liability after estimating the amount of transitional credit as per Form TRANS I.

As per the rules, the GST for the month of July 2017 has to be paid by August 20, and only after the payment of full GST, return in summary Form 3B can be filed. Accordingly, tax payers have to make full settlement of the liability after adjusting the transitional input tax credit before August 20.

In case of shortfall in the amount already paid vis-à-vis the amount payable on submission of Form 3B, the same will have to be paid with interest at the rate of 18 per cent for the period from August 21, 2017 till the payment of such differential amount.

Source: fibre2fashion.com- Aug 18, 2017

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RCEP meeting in September likely to discuss India's proposal on services pact

Under pressure to substantially increase its tariff offer under the proposed Regional Comprehensive Economic Partnership (RCEP) trade negotiations, India has made a counter-proposal to make the bilateral services agreement between Australia and New Zealand free trade agreement (FTA) the basis of the services agreement under RCEP.

The proposal made during the Hyderabad round of negotiations last month is likely to be taken up for discussion in next month's RCEP ministerial in the Philippines, according to a commerce ministry official, who spoke under condition of anonymity.

RCEP is a grouping of 10 members from the Asean grouping, India, China, Japan, South Korea, Australia and New Zealand, which has been negotiating a trade deal since May 2013. Asean stands for the Association of South East Asian Nations.

The grouping envisages regional economic integration, leading to the creation of the largest regional trading bloc in the world, accounting for nearly 45% of the world's population with a combined gross domestic product of $21.3 trillion.

The Australia-New Zealand Closer Economic Relations (CER) trade agreement specifies liberalization of various service sectors under the four different modes. "We believe it could be an ideal template to negotiate the services agreement under RCEP," the official cited earlier said.

Earlier, at the third RCEP ministerial meeting in Hanoi in May, India had asked RCEP members to at least abide by their multilateral commitments on the movement of professionals, in an effort to guard against growing protectionism across the developed world that could hurt India's information technology sector.

India's changed position from its earlier stand of seeking significant market access under RCEP services negotiation was considered a climbdown by some observers.

However, commerce minister Nirmala Sitharaman pointed out at the ministerial that a "selective approach to the detriment of services would not be in the best interest of RCEP negotiations, and would be failing to acknowledge, promote and protect the strength and mutually beneficial nature of the current relationship, where Indian companies with limited expatriate presence had created over 100,000 local jobs in the RCEP countries, apart from cost saving and enhanced competitiveness."

"It is very difficult to get anything in services under RCEP because it is a diverse group. With little to gain on goods front, India should get out of the trade deal even if we have a loss of face," said Rupa Chanda, professor at the Indian Institute of Management-Bangalore.

While India has so far offered to eliminate tariffs on 80% of traded goods, seeking flexibility to increase or decrease this common concession by 8 percentage points, other countries are seeking to increase the tariff elimination in 92% goods, which India finds unfeasible, given that China is part of the negotiations with whom India has a $50 billion trade deficit.

Indian industry is worried that a higher level of tariff elimination for China may lead to loss of business and competitiveness for them. India is currently proposing to offer around 72% tariff elimination for China over a 20-year period.

Source: livemint.com- Aug 18, 2017

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