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# IBTEX No. 48 of 2018 March 08, 2018

USD 64.96 | EUR 80.59 | GBP 90.31 | JPY 0.61

## Cotton Market

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

| **Rs./Bale** | **Rs./Candy** | **USD Cent/lb** |
|---|---|---|
| 19433 | 40650 | **79.91** |

**Domestic Futures Price (Ex. Gin), March**

| **Rs./Bale** | **Rs./Candy** | **USD Cent/lb** |
|---|---|---|
| 20850 | 43613 | **85.73** |

**International Futures Price**

| | |
|---|---|
| NY ICE USD Cents/lb ( May 2018) | 82.86 |
| ZCE Cotton: Yuan/MT ( Jan 2018) | 15,310 |
| ZCE Cotton: USD Cents/lb | **92.84** |
| **Cotlook A Index – Physical** | **91.45** |

**Cotton guide:** The Cotton market was silent ahead of the USDA monthly report to be released today. The active May contract open gap up 7 points at 82.50. Price made the intraday low of 81.78, buying at lower level was witnessed as market is trading near the technical support of 81 cents.

Price witnessed buying at lower levels and the intraday high was made of 83.77, the market settled at 82.86 up by 43 points. We believe market will remain positive till the level of 81 is not breached. The upside levels will be 84-85 for the trading session.

The rising cotton price is driven by world demand expected to spur global deficit. USDA will probably cut estimate on USA stockpiles for year ending July 31 as exports advance.

USA cotton demand has been strong, and merchants have had trouble finding cotton in domestic cash markets.

The aggregate open interest declined for the first time in the last ten trading session. The Aggregate open interest declined by 1126 contract. This indicates that profit booking was witnessed ahead of the monthly USDA report. Funds have started flowing to the cotton counter. Broadly the counter is still bullish.

Cotton prices have been a prime benefactor of growing world economies and overseas demand. Since a post-harvest low back in October, cotton prices have rallied by nearly 12%.This has helped inflate call option premiums in the cotton market nicely.

China, the leading export customer of U.S. cotton thus far this season, imported 133,747 metric tons of cotton (614,289 480-pound bales) in January, up 33.7% from the prior month and 16.4% from a year ago, according to custom figures released earlier this week.

Further we have the USDA demand and supply report scheduled on 8th of March and expect this data will have significant impact on market. We expect supply tightness in the monthly report.

For the day we expect cotton for May contract to trade in the range of 82 to 84.5 cents per pound.

On the domestic front spot declined from Rs. 40600 per candy ex-gin to 40300. Domestic cotton prices were reported slightly lower with steady arrivals in the Indian market. All India cotton arrivals stood at an average of 130,000 to 135,000 bales/day. It includes 40,000 in Maharashtra, 35,000 in Gujarat, 44,000 in Andhra Pradesh/Telangana state and 16,000 bales in other states.

Lastly on the future front the active March future made the high of 20620 during the session. Price witnessed selling at higher levels and settled at 20710 he low of 20740 down by 140 points. For the day the trading range would be Rs. 20550 to Rs. 20800 and recommend buying on lower level.

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

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# INTERNATIONAL NEWS

## Apparel and Textile Imports Rise in January Amid Trade War Threats

Though President Trump has threatened to impose tariffs on steel and aluminum and trading partners have alluded to retaliation on items like Levi's jeans, textile and apparel imports to the U.S. are on the upswing for, increasing 2.6% to 5.61 billion square meter equivalents (SME) in January over a year earlier.

Textile imports rose 4.5% to 3.19 billion SME, while apparel shipments increased 0.2% to 2.42 billion SME, according to a monthly report released Wednesday by the Commerce Department's Office of Textiles and Apparel.

Among the top 10 U.S. suppliers, China—still No. 1 by a very long shot—saw its imports increase 0.9% in January to 2.76 billion SME year-over-year. Meanwhile India, the No. 2 supplier of textiles and apparel to the U.S., notched an 11.4% gain to 455 million SME, and Vietnam, the third largest supplier, posted a 0.6% rise to 425.6 million SME.

Among the top suppliers with declines in shipments, South Korea saw the biggest drop, with its goods to the U.S. falling 9.4% to 115.8 million SME. Imports from Pakistan to the U.S. dipped 0.3% to 222.6 million SME, and Indonesia's fell 5.4% to 148.1 million SME.

The remaining countries making gains, Cambodia saw the steepest increase, with its U.S.-bound textiles and apparel jumping 27 percent to 112.2 million SME. Canada followed closely in terms of growth, with the U.S. taking in 25 percent more of its goods to reach 100.2 million SME, and Mexico saw its shipments rise 2.4% to 191 million SME. As tensions grow increasingly strained in the North American Free Trade Agreements, however, that growth could be threatened.

In value terms, textile and apparel imports to the U.S. rose 4.24% in January to $9.29 billion compared to $8.91 billion a year earlier. Imports from China increased 0.68% to $3.41 billion, garnering a 36.44% market share, while Vietnam saw a 4.16% gain to $1.16 billion and a 11.5% share.

Amid the NAFTA talks, Mexico posted a 14.16% increase in shipments valued at $374.53 million and a 4.53% share, and Canada notched a 14.48% rise to $107.37 million and a 1.23% share.

Among the major Asian suppliers, the value of imports from India increased 2.69% to $649.76 million, taking it to a 6.96% share. Bangladesh's shipments rose 1.95% to $509.69 million and a 4.97% share, Pakistan's moved up 5.52% to $251.13 million and a 2.61% share, and Cambodia's jumped 22.87% to $226.88 million and a 2.14% share. Imports from Indonesia, on the other hand, fell 1.73% to $428.49 million and a 4.47% share.

Among Central American countries, Honduras saw the value of its imports to the U.S. increase 13.92% to $157.1 million and a 2.36% share, El Savador's shipments rose 0.93% to $123.15 million and a 1.84% share and Nicaragua's shipments increased 10.96% to $117.35 million and a 1.41% share.

Footwear imports were up 6.6% to $1.78 billion in January compared to December.

Meanwhile, the overall U.S. trade deficit in goods and services increased 5 percent to $56.6 billion in January from $53.9 billion in December, according to the Bureau of Economic Analysis (BEA). BEA reported that January exports decreased 1.3% to $200.9 billion compared to December and were essentially flat at $257.5 billion from a year earlier.

Exports of apparel and clothing accessories increased 11.2% to $277 million in January from December and grew 21.5% compared to a year earlier.

Exports of fabric and yarn increased 6.7% month-to-month and 4.8% year-to-year to reach $960 million in the month. Footwear exports fell 8.7% to $69 million month-to-month, but rose 19 percent year-over-year.

Source: sourcingjournalonline.com- Mar 07, 2018

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# Uzbek-Korean business forum held in Tashkent

A joint Uzbek-Korean business forum and cooperative exchange with the participation of entrepreneurs of the two countries was held in Tashkent on March 7.

A delegation of business circles of South Korea was led by head of Evergreen Motors Group Kim Chang Keon.

The purpose of this event is to promote the establishment of trade relations between Uzbek and South Korean companies, to work out the issues of creating new joint ventures and implementing new investment projects.

The forum was attended by more than 150 representatives of major South Korean companies engaged in construction, food, trade, information and communication and business technologies, medicine, metallurgy, chemical industry, energy, engineering, automotive, ICT, logistics, pharmaceuticals, fruit and vegetable processing and production of finished products, as well as about 200 representatives of large enterprises and companies from various regions of Uzbekistan.

During the business meeting, issues of mutual cooperation on strengthening cooperation between entrepreneurs of the two countries were discussed.
Uzbekistan is Korea's main trade partner among the countries of Central Asia. Uzbekistan accounts for over half of Korea's trade with the countries of the region.

In January-October 2017, the trade turnover between Uzbekistan and South Korea has grown by 36 percent, thus reaching $1.1 billion.

The activity of South Korean investors plays an important role in the development of trade and economic ties between the two countries.

The volume of Korean investments attracted to the economy of Uzbekistan exceeds $7 billion. Currently, there are more than 460 enterprises in Uzbekistan with the participation of Korean capital (386 joint ventures and 75 enterprises with 100 percent Korean capital).

These enterprises successfully operate in the oil and gas, petrochemical and chemical, machine-building, electrical and textile industries, information and communication technologies, transport, logistics and tourism.

Representative offices of 75 companies of Korea are accredited in Uzbekistan. The main areas of their activity are oil and gas, petrochemical and chemical, mining, engineering, electrical engineering, textile, information and communication technologies, transport and logistics, tourism, production of building materials, as well as processing of agricultural products.

Source: azernews.az- Mar 07, 2018

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## EU facing a tough time mending trade ties with Pakistan

In 2012, Europe adopted GSP+. The Plus (+) is a Delegated Regulation aimed at simplifying the entry mechanism to ensure transparency and predictability of the process. When a Standard GSP beneficiary requests GSP+ status, the country has to undertake a binding commitment to the ratification and effective implementation of 27 core conventions from the United Nations (UN) and the International Labour Organisation (ILO), in areas such as human rights, labour rights, good governance and environmental justice, highlighted Henri Malosse, former president, European Economic and Social Committee.

Pakistan was added to the list of GSP+ beneficiaries in 2014 due to devastating floods. It ratified the GSP+ Conventions but implementation has been far from effective. Since then, despite the country continuously violating norms has been a part of the pact.

The European Commission, specifically The Directorate General responsible for Trade, is still considering to maintain GSP + for Pakistan without any inquiry or serious verification.

### Significance of Plus

As per DG Trade, GSP+ encourages Pakistan to make great efforts to adopt international conventions – It is true, Pakistan has adopted some new laws but implemented few. The EU values fair, multilateral and rule-based order in trade arrangements, hence beneficiary countries are expected to put into practice key UN human rights and International Labour Organisation conventions. But, this rights based approach to trade is being ignored by DG Trade as it believes that suspending GSP+ will destabilise the economy, especially the textile industry, and those left unemployed may face serious hardships.

The real concern should be that Pakistan has concentrated its exports in the textile sector with low-cost workers without trade union, social or labour rights of any kind. Women especially are receiving wages below the minimum standards and have no rights due to a justice system with inherent gender inequalities. While it cannot be disputed that a few companies are benefitting from GSP+ subsidies, especially those close to the Government, the benefits are not being percolated to each and every worker.

Other GSP and GSP+ accorded countries such as Bangladesh, Sri Lanka, Armenia or Colombia have been complying with the criteria. Countries such as Belarus and Sri Lanka have also borne the brunt of the stringent regulations when their subsidies were removed for non-compliance. This actually sets a benchmark for others. Even after lot many warnings, Pakistan doesn’t seem to change and the GSP+ authorities are also not removing it from the list is quite surprising, according to trade analysts.

DG Trade recognises the importance attached to the GSP + status, still no concrete measure is being taken to comply with the same. While on one hand, there are few European countries who are still exporting machinery or importing products from Pakistan, forgetting the overall negative effects on manufacturing and jobs in Europe. On the other hand, the European Union’s partner countries in the Maghreb or those countries, like Sri Lanka, who are genuinely addressing previous human rights abuses, are being ignored completely.

## Complexities

The European Union is bound by Article 207 of the Treaty on the Functioning of the European Union, the EU’s common commercial policy must be conducted ‘in the context of the principles and objectives of the Union’s external action’, and that, pursuant to Article 3 of the Treaty on European Union, it must contribute, inter alia, to sustainable development, the eradication of poverty and protection of human rights. Trade is not an end in itself.

Source: fashionatingworld.com- Mar 07, 2018

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## Bangladesh: Accord and Alliance-led initiatives gets a makeover

While the Accord and Alliance came into effect in 2013, recent amendments seem to be driving workplace changes effectively in the RMG sector in Bangladesh. For example, brands/retailers/buyers and international trade unions are involved in ensuring workplace safety at the manufacturers' end. Secondly, local entrepreneurs now have as a requirement high level of safety standards and maintenance at their own factories.

Thirdly, local public agencies have appreciated the gaps in monitoring and enforcement mechanism that they follow and also the requirement of improvement of their process and lastly, workers of RMG enterprises have become cognizant of safety-related issues and concerns and how to respond in case of emergencies in factories.

As the Accord and Alliance initiatives are going to end in 2018, it needs to be seen if recent remediation activities can extend the scope of the alliance. Accord is willing to extend their operation beyond the limited time but Alliance is not willing to extend their contract. In 2017, a new body was formed under the Directorate of Inspection of Factory Establishments (DIFE) of the Ministry of Labour and Employment (MoLE) with a view to oversee the progress of remediation-related activities of, initially, factories under the National Initiatives and later other factories including those under Accord and Alliance. The creation of a Remediation Coordination Cell (RCC) is important for a public agency to take charge; at the same time, this set-up is expected to deliver the services maintaining the quality and standards.
Results achieved

As per their Accord and Alliance reports, a significant number of problems have been remediated by the factories. In case of Accord-inspected factories, 85.4 per cent of electrical, 76.4 per cent of fire-related and 65.4 per cent of structural problems have been addressed while the respective shares in case of Alliance-inspected factories are 89 per cent, 85 per cent and 78 per cent, respectively. In both cases, factories are relatively slow in remediating structural problems because of difficulty in addressing their concerns. Additionally, Accord and Alliance have taken initiatives to increase awareness among workers about the safety standards of factories by setting up safety committees at the enterprise levels as well as introducing hotline for workers. These initiatives have provided a strong supplementary role in addressing the safety concerns at the factories.

## Extension criteria & objective

There needs to be strengthening the monitoring and inspection capacity of public agencies. Given the limited capacity in terms of human resources, technical issues and database management, public agencies need to prepare themselves under a targeted timeline with specific objectives and action plans. The RCC has been formed with the long-term objective to inspect factories maintaining global standards. Hence RCC needs to be equipped with competent human resources, technologies, skills, logistics, testing facilities, adequate resources and database management system.

Having said that, it is not technically viable to monitor and inspect all factories by this sole agency as this would require large-scale investment in RCC. Considering the level of competency available at the private sector, undertaking their services under public-private partnership (PPP) where a public agency would be in charge of overall supervision of the monitoring process and private agencies accredited by the public agency would undertake monitoring and inspection-related work would surely help. Such an arrangement will result in quick monitoring, better reporting and more transparency.

Additionally, it is also important to integrate the brands and buyers in the compliance assurance process. All these initiatives should ultimately aid in enhancing workers' safety and security initially in export-oriented sectors and gradually in other sectors with jobs having a high degree of risk.

Source: fashionatingworld.com- Mar 07, 2018

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## Exchange rate bedevils Pakistani apparel exports

Pakistan's bilateral costs are relatively higher than those of other developing economies. The country's high real exchange rate has proven to be harmful for exports. In contrast competing economies have devalued their currency or allowed their exchange rate to depreciate.

For example, between January 2014 and December 2015, the Indian rupee and Chinese yuan fell by approximately seven per cent, the Turkish lira by 26 per cent and the Vietnamese dong by 76 per cent. Between 2013 and 2015, Pakistan's garment exports to the EU increased by ten per cent compared to Bangladesh's and India's 13 per cent and 17 per cent respectively.

Pakistan also has an opportunity to expand its share of agriculture exports. China imported 160 billion dollars worth of agricultural products in 2015. However, Pakistan's share was less than 0.5 per cent.

The higher demand for garments in China has created opportunities for countries like Pakistan to get a bigger share. Rising labor costs in China, a growing demand for garments in major Asian economies, and the GSP Plus status have created new opportunities for Pakistan to increase textile and garment exports. By 2019 China is expected to be the biggest apparel market creating space for Pakistan to benefit from the developments.

Source: fashionatingworld.com- Mar 07, 2018

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## Pakistan Hydrogen peroxide shortage hits textile industry

KARACHI: Textile processors are facing an acute shortage of hydrogen peroxide (H2O2), a chemical widely used in processing, dying, bleaching and printing of grey fabric.

All Pakistan Textile Processing Mills Association (APTPMA) on Tuesday lodged a complaint with the government and accused local manufacturers for abruptly reducing the supply of the chemical.

"The textile industry is the single largest consumer of hydrogen peroxide. The current acute shortage of the raw material is drastically affecting processing activities," APTPMA chairman Saleem Parekh said.

"The shortage has already pushed hydrogen peroxide prices higher and if the government does not take any action, a large scale shut-down of the processing industry is inevitable, thereby affecting exports of textile fabrics and made-ups," Mr Parekh added.

He urged the government to allow import of hydrogen peroxide on zero duty for the textile industry till such time local supply is back to normal in terms of price and delivery.

Source: dawn.com- Mar 07, 2018

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## Pakistan: No solace for Punjab textile industry in energy cost

The government has refused to supply gas to the Punjab textile industry at the price available to the industry in Sindh and KP.

In addition, it has also refused to reduce power tariff by withdrawing the surcharge of Rs3.53 per unit.

The Punjab textile industry had submitted a set of demands to the finance ministry, seeking gas at uniform rate of Rs600 per mmbtu (inclusive of GIDC) across the country and withdrawal of Rs3.53 per unit surcharge to bring power tariff on a par with the region at Rs7 per unit.

So much so the refunds that hiked to Rs220 billion are not being given to industrialists despite the promise made by the government that it would offload Rs15 billion every month to the business community.

This has also aggravated the liquidity crisis for exporters to a large extent.

In a meeting with a 30-member delegation of Punjab Textile Industry arranged by the NA Speaker Sardar Ayaz Sadiq on March 1, 2018, Adviser to the Prime Minister Dr Miftah Ismail had refused to accommodate the demands of the industry mired in a host of chronic issues including the high energy cost which stands at 35 percent of the manufacturing cost making the industry extremely unable to compete other regional countries in the internal market, Ejaz Gohar, an eminent textile industrialist, told The News.

The government decision, he said, has compelled APTMA (All Pakistan Textile Mills Association) and other associations pertaining to the textile industry to close down their industrial outlets from next Monday and launch a series of protest demonstrations in front of Parliament as it was not possible for the industry to sustain at price of RLNG at Rs1300 per MMBTU and power tariff of Rs11.42 per unit.

Source: thenews.com.pk- Mar 07, 2018

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## NATIONAL NEWS

### India wants to strengthen trade ties with Egypt: Indian envoy

***India seeks to further strengthen its bilateral cooperation with Egypt in the textiles sector through trade and investment, India's ambassador here said today.***

India seeks to further strengthen its bilateral cooperation with Egypt in the textiles sector through trade and investment, India's ambassador here said today.

Ambassador Sanjay Bhattacharyya said textile products had played an important role in the growth of Indo-Egyptian bilateral trade.

"India and Egypt have had a long tradition of exchanges in the textiles sector. Textile products particularly yarn as well as fabric are popular in Egypt and constitute one of the dominant products in our bilateral trade basket.

"India looks forward to working with Egypt to further strengthen the bilateral cooperation in textiles sector through trade and investment," Bhattacharyya said.

His remarks came as delegation from the Cotton Textile Promotion Council, also known as Texprocil, comprising of 22 Indian textile companies are set to participate in the 'Cairo Fashion and Tex Exhibition' to be held here from tomorrow.

The Indian companies will showcase their best range of products and use the three-day exhibition as a platform to meet textiles entrepreneurs to understand the recent development in the Egyptian textile sector, a statement said.

The entrepreneurs will benefit from a first-hand knowledge of the evolving market conditions and domestic textile industry enabling them to identity areas of mutual cooperation, it said.

Texprocil had participated in the exhibition in March 2017 and has increased its delegation this time to 22 Indian companies, including an information booth of the council.

The products on display will include a cross section of Indian yarn and fabric products including denim.

Being the world's second largest producer of synthetic fibre and yarn, cotton, cellulosic fibre and silk, India exported around USD 342 million worth of textile and clothing products to Egypt in 2017.

The cotton yarn was the dominant product in the export basket, valued at USD 163 million followed by man-made yarn fabrics valued at USD 121 million and cotton fabrics at USD 25 million, the statement said.

The Indian textile industry is modern, vibrant and many manufacturers have set up a state-of-the-art processing houses to roll out large volume of high quality products to meet the international market demands and expectations, it said.

Egypt is a significant and important market in North Africa for Indian exports of yarn and fabrics.

Source: moneycontrol.com- Mar 07, 2018

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## India-China bilateral trade hits historic high of $84.44 bn in 2017

The India-China bilateral trade has reached $84.44 billion last year, an historic high notwithstanding bilateral tensions over a host of issues including the Doklam standoff.

A rare novelty of the bilateral trade otherwise dominated by the Chinese exports was about 40 per cent increase of Indian exports to China in 2017 totalling to $16.34 billion, data of the Chinese General Administration of Customs accessed by PTI here showed.

The bilateral trade in 2017 rose by 18.63 per cent year-on-year to reach $84.44 billion. It is regarded as a landmark as the volume of bilateral trade for the first time touched $80 billion, well above the $71.18 billion registered last year.

The trade touched historic high despite bilateral tensions over a number of issues, including the China-Pakistan Economic Corridor, China blocking India's efforts to bring about a UN ban on Jaish-e-Mohammad leader Masood Azhar, Beijing blocking India's entry into the Nuclear Suppliers Group (NSG) as well as the longest military standoff at Doklam lasting 73 days.

The bilateral trade stagnated around $70 billion for several years despite the leaders of both the countries setting USD 100 billion as target for 2015.

Though it is still about $20 billion short, officials on both sides expect trade and Chinese investments in India to pick up further this year as both the governments are trying to scale down tensions and step-up the normalisation process.

Prime Minister Narendra Modi is expected to visit China in June this year to take part in the Shanghai Cooperation Organisation (SCO) summit in Qingdao. Reciprocal visits by Chinese leaders too were expected to take place this year.

There were also expectations that the new Commerce Minister of China to be named later this week in government reshuffle was expected to visit India in the coming weeks for talks to improve bilateral trade.

While the bilateral trade reached a new landmark, the trade deficit too continues to remain high at $51.75 billion- registering a growth of 8.55 per cent year-on-year in 2017.

According to India's trade figures, the deficit had crossed $52 billion last year. India has been pressing China to open the IT and pharmaceutical sectors for Indian firms to reduce the massive trade deficit.

As per the Chinese trade data, India's exports to China increased by 39.11 per cent year-on-year to $16.34 billion last year. India's imports from China increased by 14.59 per cent to $68.10 billion.

India has emerged as the seventh largest export destination for Chinese products, and the 24th largest exporter to China.

Significantly, diamonds along with copper, iron ore, organic chemicals and cotton yarn contributed to the increase Indian exports to China.

India's exports of diamonds grew 4.93 per cent totalling to $2.59 billion. India was the second largest exporter of diamonds to China with a market share of 33.06 per cent after South Africa.

Also, Indian exports of copper registered a significant increase of 115.78 per cent to reach $2.15 billion.

India's cotton, including yarn and woven fabric, exports to China showed an increase of 1.86 per cent to reach $1.30 billion. India was the second largest exporter of cotton to China with 15.04 per cent market share last year.

India's exports of Zinc to China showed a sharp increase of 802 per cent to reach $240 million.

China's exports on the other hand were dominated by electrical machinery and equipment registering an increase of 28.23 per cent to $21.77 billion.

India was the largest destination for China's Fertilisers exports registering 16.98 per cent of its total fertilizers worth $1.03 billion to India.

India was also the largest export destination for Chinese Antibiotics- with exports worth $783 million taking place in 2017.

Chinse exports were also led by organic chemicals, worth $6.56 billion in 2017.

Source: tribuneindia.com- Mar 07, 2018

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# DGFT to discuss protectionist measures by US, EU

Following the duty imposed by the US government on steel and aluminium products, Commerce Ministry is taking stock of protectionist measures by the US and all its major export markets and will also review India's widening trade deficit.

"There is a policy shift in the US, European Union and other emerging economies towards protectionism. In this context it is important to assess its impact on India's foreign trade and to frame the policies accordingly," said a senior official from Directorate General of Foreign Trade (DGFT), Ministry of Commerce and Industry.

The DGFT, which works under the aegis of the Commerce Ministry, is responsible for the export and import related matters. It raised concerns after the US President Donald Trump's apparent decision to impose 10 per cent tax on imported aluminium and 25 per cent tax on imported steel.

Even when US is not a major market for India for steel exports and accounts for only 5 per cent of its total exports, the DGFT fears that the protectionist stand may spill over to other sectors as well. The exports of finished steel from India dropped by more than 30 per cent to 0.616 million tonnes during January this year as compared to same month a year ago, according to the Ministry of Steel's Joint Plant Committee.

The country's finished steel export stood at 0.890 million tonnes during the month of January 2017. The ministry had set the target that steel exports of should make up for around 6-7 per cent of country's overall steel production in the coming few years.

"The ministry will also discuss items which are being dumped by China and other Asian markets and will take all the measures to protect local manufacturing," the official added.

Source: newindianexpress.com- Mar 07, 2018

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# India, Mauritius to hold trade talks next month

India and Mauritius will meet next month for talks to chalk out the contours of 'economic cooperation' under the trade agreement being discussed. India has sought tariff concessions on 400 items while Mauritius' wish list comprises 600 products.

"The negotiations are on right track...the agreement is of strategic importance to us," said an official privy to details.
The India Mauritius Comprehensive Economic Cooperation and Partnership Agreement or CECPA spans across four elements — goods, services, investment and economic cooperation.

However, a sticking point could be certain items on India's sensitive list where it can't give tariff concessions. Besides, India is also looking for strong value addition norms to ensure that no raw materials, which enjoy duty cuts, come from any place other than Mauritius itself.

India's exports to Mauritius grew 3% on year to $883 million in 2016-17 while imports from Mauritius are negligible at $18.3 million in 2016-17 after contracting 10% from the previous year.

Apart from goods, the two countries have identified around 50 areas where partnerships can happen including tourism, education and capacity building in marine production. Mauritius is the single largest source of foreign direct investment (FDI) to India.

FDI inflows from Mauritius to India stood at $15.7 billion in 2016-17, almost 34% of the total FDI inflows into the country.

Source: economictimes.com- Mar 08, 2018

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# Pink bollworm infected 83 per cent cotton cultivation, says Maharashtra minister

About 83 per cent of the farm land under cotton cultivation in Maharashtra have been ravaged by the pink bollworm attack, Agriculture Minister Pandurang Fundkar said on Wednesday.

The pink bollworm (PBW) are known to eat away the cotton fibre and the bolls, causing economic losses to farmers. The PBW infestation was detected in cotton farms in Vidarbha's Yavatmal district in December last year. A survey exercise later revealed that impact was widespread.

Fundkar informed the legislative assembly that the total crop loss had been measured at Rs 3,414 crore. He further told members that the state government had moved a proposal for financial assistance worth Rs 2,425 crore from the Centre towards compensating the affected farmers.

While Fundkar had earlier announced that the seed companies would have to absorb most of the compensation burden, he admitted on Wednesday that certain seed companies had been unwilling to do so. He said the government would not hesitate in filing FIRs against seed companies in this regard. He further discussed a plan to form smaller farmer clusters for crop insurance schemes to ensure more coverage.

Meanwhile, Minister of State (Relief and Rehabilitation) Dilip Kamble informed the House that rabi crop damage owing to unseasonal rains and hailstorms in parts of the state had reached 2.93 lakh hectare. While the government has distributed Rs 313 crore towards compensation in this case, the Opposition has been pressing for enhanced compensation.

In another farm-related development, Cooperatives Minister Subhash Deshmukh told assembly members that the government had now cleared 55 lakh farmers for receiving its farm loan waiver benefit. "So far, Rs 13,782 crore has been distributed for 47 lakh farm accounts," he said.

Source: indianexpress.com- Mar 08, 2018

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# International Labour Organisation projects India's unemployment at 18.6 million in 2018: Govt

The International Labour Organisation (ILO) has projected unemployment in India at 18.6 million in 2018, higher than 18.3 million in 2017 in its report, Parliament was informed on Wednesday.

"The ILO released a report "World Employment and Social Outlook Trends – 2018". As per the report, it is projected that the number of unemployed persons in India is expected to rise from 18.3 million in 2017 to 18.6 million in 2018 and 18.9 million by 2019.

At the same time, unemployment rate is expected to remain static at 3.5 percent during the same period," Labour Minister Santosh Gangwar said in a written reply to Rajya Sabha on Wednesday.

On the fears of increase in unemployment in 2018 and 2019, he explained that no target has been set by the government.

The minister said in a separate reply to the House that an Inter-Ministerial Committee has been constituted to draft the National Employment Policy and consultations have been held with various stakeholders like ministries, state governments, trade unions, industry associations, etc. for inputs to the policy.

The proposed policy inter-alia purports to address macro economic policy issues, sectoral policy issues, labour policy, micro and small enterprises' issues, skill development issues, issues relating to women and vulnerable workers and incorporate suggestions for improving employment opportunities.

In another reply to the House, he also informed that in order to assess employment generation including self-employed under Pradhan Mantri Mudra Yojana (PMMY), Ministry of Labour & Employment has taken a decision to institute a survey for this purpose. Labour Bureau, an attached office of the Ministry of Labour & Employment has already been entrusted with this work.

He told the House that the employment generation and improving employability is the priority for the government.

Source: firstpost.com- Mar 07, 2018

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## India's Biba Apparels to double exclusive outlets by 2020

Indian women's ethnic wear brand Biba Apparels will add up to 200 new stores across the country under its flagship brand Biba over the next three years, according to company managing director Siddharth Bindra. The company also intends to triple business from its value fashion brand Rangriti, launched in 2015, from the current Rs 100 crore to Rs 300 crore.

The company has 246 Biba stores and 44 Rangriti stores at present and typically opens about 30-40 Biba stores a year, Bindra told a news agency.

Rangriti standalone stores have doubled in the last two years, with a distinct focus on tier II and tier III cities. It is also sold through online platforms and multi-brand outlets. Biba also has five standalone kidswear stores under Biba Kids and plans to have 15-20 such stores in the next three years, he said.

The firm is also exploring selling fashion jewellery at the Biba stores later this year.

The company is growing its revenues annually at 30-35 per cent and is expecting to close this year with revenues upwards of Rs 600 crore, Bindra added.

Source: fibre2fashion.com- Mar 07, 2018

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