TEXTILE INTELLIGENCE CENTRE
iBtex.
INFORMATION BUREAU TEXPROCIL
TEXPROCIL NEWS CLIPPINGS
The Cotton Textiles Export Promotion Council [TEXPROCIL]
Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai - 400 004. Maharashtra State. INDIA
W. www.texprocil.org E. enews@texprocil.org T. +91-22-2363 2910 to 12 F. +91-22-2363 2914

IBTEX No. 96 of 2018 May 10, 2018

USD 67.38| EUR 79.98 | GBP 91.44 | JPY 0.61

Cotton Market

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

Rs./Bale	Rs./Candy	USD Cent/lb
19840	41500	**78.84**

Domestic Futures Price (Ex. Gin), May

Rs./Bale	Rs./Candy	USD Cent/lb
20790	43488	**82.62**

International Futures Price

NY ICE USD Cents/lb (July 2018)	85.86
ZCE Cotton: Yuan/MT (May 2018)	15,655
ZCE Cotton: USD Cents/lb	**94.80**
Cotlook A Index – Physical	**93.25**

Cotton guide: Three days past this week cotton is trading in a very confined range of 85 to 86.50 cents. In fact since last week it made a high of 88.08 and price started to correcting down it's been moving in the same range. The trading participations are also very slow. The volumes have declined in last three days from 35K to 30K and on Wednesday the volumes were sharply lower around 21K contracts. However, the open interest continues to hold higher. As of Wednesday the aggregate open interest was around 286K contracts.

We believe the entire cotton world is waiting for today's monthly USDA report. This should give clarity to market direction. As per preliminary estimation, the US exports is expected to set record high close to 15.80 to 16 million bales, while the both ending stock and production are likely to be lower from the previous month. The US production is estimated at 20.31 and ending stocks at 4.96 while prior numbers were 20.31 and 5.30 million bales.

On the global front the world production is expected to be lower at 120.15 vs. 122 while ending stocks at 85.22 vs. 88 million bales. The estimated report seems positive and traders' across the globe are very keen to see the actual number tomorrow and believe until then market may remain side.

This evening will also release the weekly export sales number. Any drastic improvement in the number may add price to rise further.

We believe until the data and report are out the market may continue to remain in the same range of 85 to 86.50 cents per pound for July delivery at ICE platform.

On the domestic front, spot prices for Shankar-6 are steady an average of Rs. 42,250 per candy, ex-gin (80.00 US cents per lb at the prevailing exchange rate). Rates for Punjab J-34 are marginally easy at Rs. 4,398 per maund (about 79.30 cents per lb). The all India arrivals further slipped to 72K bales. The data includes 26,000 registered in Gujarat, 24,000 in Maharashtra, and 13,000 in Andhra Pradesh/Telangana. From futures front the May contract ended the session at Rs. 20790 precisely no change from previous close. We expect market may remain sideways today in the broad range of Rs. 20600 to Rs. 20900 per bale.

Currency Guide:

Indian rupee depreciated by 0.12% to trade near 67.35 levels against the US dollar. Rupee hit a low of 67.4787 yesterday, the lowest level since February 2017. Rupee has slumped to 15-month low on concerns about impact of higher crude oil price on inflation and trade deficit. Also weighing on rupee are concerns about investor outflows amid rising interest rates in US. The US dollar index has also tested the highest level since December 2017 as Fed's rate hike expectations counters Europe's cautious stance on monetary tightening. Rupee may remain under pressure until we see a sizeable correction in crude oil. USDINR may trade in a range of 67.15-67.5 and bias may be on the upside..

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

NEWS CLIPPINGS

	INTERNATIONAL NEWS
No	**Topics**
1	US exports to China hit record $128bn
2	Asian exports get boost from Trump tax cuts, IMF says
3	South Africa needs to develop alternative markets to the US and Europe
4	CPTPP likely to lift Vietnam’s garment exports to Australia
5	Pakistan mills suggest duty hike
6	Bangladesh: Denim makers cut use of water
7	Kenya's AGOA exports decline 4.65% in 2017
8	Pakistan: Cotton down
9	Azerbaijan's state cotton programme showing results
	NATIONAL NEWS
1	Suresh Prabhu asks officials from different Ministries to prepare action plan within next fortnight on boosting exports
2	C&A Foundation, MP govt partner for organic cotton growth
3	Uniform textile policy needed at state level
4	Indian merchant exporters may receive Govt incentives
5	Strengthen Indian textile eco-system to boost exports

INTERNATIONAL NEWS

US exports to China hit record $128bn

Exports from the United States to China grew faster than US export growth to the rest of the world, according to a report from the US-China Business Council.

The US exported nearly $128bn of goods to China in 2017, more than ever before and making China the third-largest US goods export market, trailing Canada and Mexico, according to the USCBC 2018 annual report on state exports, released on 30 April. US goods exports to China declined slightly in 2015 and 2016.

For US services exports, China has become a major market and is virtually tied with Canada as the second-largest market, at close to $53bn.

“Despite trade barriers that frustrate full market access, US exports to China continue to contribute to US economic growth,” said John Frisbie, president of the USCBC, which represents more than 200 US companies doing business in China.

“Exports to China support one million American jobs annually across a wide range of industries,” Frisbie said.

Forty-nine US states have expanded their goods exports to China over the past decade, with 17 states experiencing triple-digit growth.

Every US state has had triple-digit services export growth to China over the past decade, with 31 states experiencing services export growth of more than 300 per cent, according to the report.

The report shows that US goods exports to China grew by 86 per cent over the past decade, compared with only 21 per cent to the rest of the world.

Between 2007 and 2016, US services exports to China grew 12 per cent, compared with a decline of 0.6 per cent to the rest of the world.

China is among the top five goods and services export markets for most US states. China was the top goods export market for five states in 2017, and among the top five markets for 46 states. In services exports, China was the top market for 18 states in 2016, and a top-five market for all 50 states, according to the report.

In 2017, 30 US states exported more than $1bn in goods to China, and 15 states exported more than $1bn in services to China in 2016. In 2008, only 21 states exported more than $1bn of goods to China and in 2007 only three states exported more than $1bn in services to China.

The report came just days before US Treasury Secretary Steven Mnuchin led a delegation to China for trade talks to ease the escalating tensions triggered by US unilateral tariff measures.

The US announced and threatened tariffs on $150bn of imports from China after a Section 301 investigation into China's intellectual property policies and practices. China proposed retaliatory tariffs and vowed to fight to the end.

Many in China, the US and other parts of the world are worried about the devastating consequences of a possible trade war or major tit-for-tat retaliations between the world's two largest economies.

Source: telegraph.co.uk - May 10, 2018

HOME

****

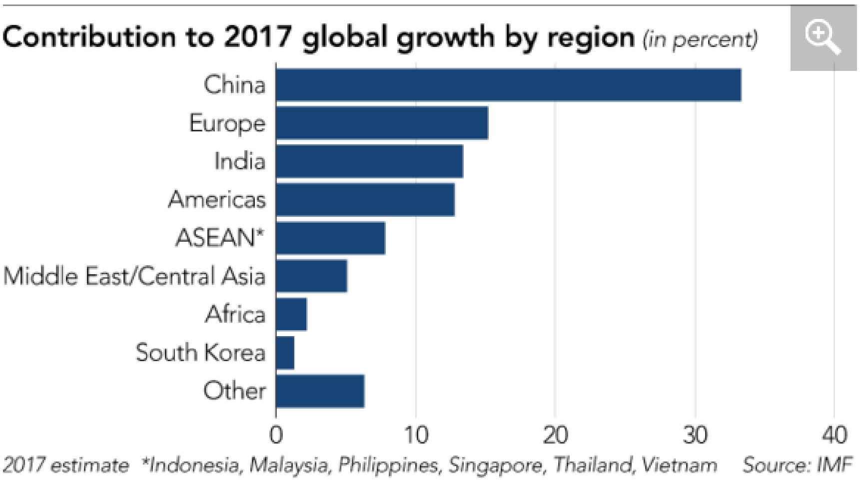
Asian exports get boost from Trump tax cuts, IMF says

India and China will continue to drive global growth

The U.S. is set to take in more goods from Asia this year as tax cuts and deficit spending stimulate domestic demand even as President Donald Trump aggressively raises barriers to Chinese exports as well as to steel and aluminum inflows.

Changyong Rhee, Asia and Pacific director for the International Monetary Fund, said that Asian economies will get a 0.1% to 0.5% gross domestic product lift from the U.S. trends.

Already, Asian factories are getting busier.



"For countries like Cambodia and Vietnam, which have a large exposure to trade and also to U.S. exports, the impact will be largest, at around 0.4% or 0.5%," Rhee said at a briefing in Hong Kong on Wednesday. "The U.S. expansionary fiscal policy will actually increase the U.S. current account deficit."

As some of the U.S. tax cuts are phased out, the medium-term outlook depends on how high Trump's trade barriers, the dollar and interest rates go. Koshy Mathai, the IMF's regional deputy chief, called recent tariff moves "limited" but warned their impact will be felt beyond China, noting that other countries' inputs account for 30% of the value of Chinese exports to the U.S.

"If tariffs are applied to Chinese goods, the impact is going to affect all the suppliers who are selling to China as well," he said.

Overall, the IMF expects Asian GDP to rise 5.6% this year and next, 0.1 percentage points more than its forecast in October. Chinese growth is expected to slow to 6.6% this year while India's expansion accelerates to 7.4%. Japan is projected to decelerate to 1.2%, though that is double the rate the IMF last forecast.

Led by China, the region will continue to drive global economic growth this year, Rhee said, adding its contribution will slip slightly from last year's 65% mark due to quickened U.S. and European momentum.

"In general, Asia remains the global engine," he said. "Even within Asia, India and Japan are also recovering, so it's quite broad based."

Speaking after news that Argentina would seek IMF assistance, the officials in Hong Kong discounted immediate Asian worries.

"We should not be complacent, but general conditions for Asian economies at this moment are much better," Rhee said, while warning that rising debt levels need monitoring.

The IMF currently has support programs with Mongolia and Sri Lanka, and there has been speculation that Pakistan and Papua New Guinea might seek help.

U.S. interest rate normalization moves have rippled through Asian markets in recent weeks, but the IMF officials said there is not much cause for concern or worry about excessive capital outflows.

"In the last few weeks there has been pressure on the exchange rates," Rhee said. "We believe that is a natural adjustment process due to tightening global financial conditions. There is room for interest rates to go up."

Yet the financial outlook could change suddenly. "While Asia's ... increased external buffers since the 2013 taper tantrum should help, the region remains vulnerable to a global risk-off event," the agency said in its regional outlook report, released Wednesday.

Source: asia.nikkei.com- May 10, 2018

HOME

****

South Africa needs to develop alternative markets to the US and Europe

US President Donald Trump's administration would not be granting an exemption from new, higher, import tariffs to this country's steel and aluminium products.

According to the reports the American tariffs could lead to the loss of 7 500 jobs. Also in the early 1990s, South African government-subsidised exports to its neighbours where Zimbabwe saw thousands of jobs lost in the battery, tyre and textile industries in that country, which played a role in triggering that country's economic decline.

At the same time, SA was sending artificially cheap goods north of the Limpopo and imposing harsh tariffs on Zimbabwean imports like clothing in order to protect its own garment industry which has, ironically, since been swamped by Chinese imports.

SA needs to learn to develop alternative markets if it is to survive as an industrial nation.

In spite of the moves towards combined global markets, many countries still have protective systems in place and they will offer preferential deals to those nations they observe as their friends.

Over the years, SA has taken stand as a government against different aspects of US foreign policy and so the Trump White House does not regard South Africa in an especially friendly way because. Also, South Africa is almost unrelated to Washington.

Source: fashionatingworld.com- May 09, 2018

HOME

****

CPTPP likely to lift Vietnam's garment exports to Australia

Vietnam's turnover from textiles and garment exports to Australia is forecast to reach a double-digit growth after the signing of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) agreement, heard a workshop in Hanoi on May 9.

Jointly held by the Vietnam Textile and Apparel Association (VITAS) and the IEC Group of Australia, the event focused on measures to help Vietnamese textiles and garment enterprises increase exports to Australia.

According to Nguyen Phuc Nam, Deputy Director of the Department of Asia-Pacific Market under the Ministry of Industry and Trade, Australia is a potential market for Vietnamese textiles and garment exporters, while the market share of Vietnamese products in this market remains small.

Truong Van Cam, Vice Chairman and Secretary General of VITAS, said that the current growth of textiles and garment exports to Australia is just below 10 percent, but with the signing of the CPTPP, the rate is expected to reach a double-digit growth.

Reports delivered at the workshop showed that total textiles and garment import turnover of the CPTPP member countries exceeded 53 billion USD in 2017, of which Australia was the third biggest import market with total turnover reaching over 6.2 billion USD, accounting for 11.67 percent.

Vietnam earned over 4.8 billion USD from exporting textiles and garments to the other CPTPP member nations in 2017, making up 9.07 percent of the market share.

As committed in the CPTPP, Australia will reduce its import duties to 5 percent in the first three years after the agreement comes into effect, and to zero percent from the fourth year for almost products.

Moreover, Australia is gradually shifting to import and outsource textiles and garment products in Vietnam because of cheaper labour cost and lower tax rates than those in China.

Cam said Australia's textiles and garment import turnover grows by 3-5 percent annually in the past 5 years.

In 2017, the country imported about 9.32 billion USD of textiles and garment products from countries in the world. Vietnam's textiles and garment exports to the nation reached only 173 million USD, equivalent to just 1.9 percent of its total textile import turnover.

Vietnam is facing a severe competition from China as the country's textiles and garment market share in Australia amounts to 60 percent.

According to Tran Van Quyen, a representative of Woolmark Company of Australia in Vietnam, the purchasing power of Australian consumers is even higher than that in the US and Europe.

However, orders from Australia are usually small because Australian firms are operating in the form of online business, so they usually order in small quantities, avoiding large inventory.

Vietnamese big enterprises are not interested in small orders, while small firms of Vietnam do not have a social responsibility certificate to qualify for exporting products to Australia.

In order to get better access to the market, Vietnamese businesses should enhance promotion and study more to understand its characteristics, said Nam of the Department of Asia-Pacific Market.

Source: en.vietnamplus.vn- May 09, 2018

HOME

****

Pakistan mills suggest duty hike

Textile mills in Pakistan want an increase in regulatory duty on the import of spun yarn and manmade fiber from five to ten per cent.

The justification is that import of raw material for yarn has become exorbitant due to higher duties as opposed to import of finished product.

Pakistan imposes a 11 to 20 per cent duty on raw material for the textile sector. The duty on finished products stands at five per cent.

The cascading duties are being impacted by free trade agreements signed with regional countries.

Previously duties on raw material were lower compared to finished products and now raw materials are attracting more duty than the finished goods. The duty on raw material is higher and lower on intermediary finished goods imports.

Under the South Asian Free Trade Agreement, the import duty on yarn was reduced to five per cent. A ten per cent regulatory duty on import of spun yarn has been suggested by the industry. It wants the anomalies done away with.

Some 25 units have been closed down in Pakistan because of the negative impact of the tax and duty structure.

Duties are higher on raw material imports and lower on intermediary finished goods imports.

Source: fashionatingworld.com- May 09, 2018

HOME

****

Bangladesh: Denim makers cut use of water

Water consumption by denim fabric makers has fallen dramatically over the last few years thanks to adoption of the latest technologies in production, said machine suppliers and producers yesterday.

Previously, the denim fabric makers in Bangladesh used 270 litres of water for washing a kilogramme of denim fabrics, for which the ground water level in Dhaka and its adjacent areas has been depleting at three metres every year.

The global standard for washing a kilogramme of denim fabrics is 70 litres.

Now, some of the companies in Bangladesh can produce a kilogramme of denim fabrics with only 15 to 16 litres of water on an average, said Jordi Juani, director for the Asia Division of Jeanologia, a Spanish garment finishing machinery manufacturer.

Such low levels of water consumption were enabled by Jeanologia's state-of-the-art technology, which not only cuts down on water consumption but also the time needed. “We are replacing the traditional stone wash method that requires a lot of water.”

“But the number of such companies is still low,” he said from his stall at the eighth edition of the Bangladesh Denim Expo at the International Convention City Bashundhara in Dhaka yesterday. Jeanologia supplies the technologies and also provides consultation to denim fabric makers of about 150 factories out of the 2,000 that manufacture denim.

Regarding the denim and garment business in Bangladesh, Oguz Aksoy, assistant sales manager of Turkish denim brand Denimco said, “The industry here is booming.”

“In a year I sell three million yards of denim fabrics in Bangladesh at a cost of $2.60 and $3.30 a yard. Four years ago, the sale was almost zero,” he added.

MS Hasan, director of Amber Denim, which produces 3.5 million yards of denim fabric a month, said his company could reduce water consumption during washing of denim fabrics by 50 percent.

Now, Amber uses only 14 litres of water for washing a kilogramme of denim fabrics, down from 45 litres a year ago.

“We are getting encouraging response from our buyers for the reduction in water consumption,” he added.

Bangladesh is no more a basic garment production destination, but also a value-added apparel sourcing hub, said a major Spanish buyer asking not to be named. Nearly 50 percent of Bangladesh's total exported apparel is value-added products for upscale customers, he added.

Top officials from globally renowned retailers like H&M, C&A, JC Penney, Tesco, Inditex, Li & Fung, and New Look participated in the two-day exhibition that will end today.

A total of 17 local and 44 foreign companies from countries like China, Germany, India, Italy, Japan, Pakistan, Spain, Turkey, the UK, Hong Kong, Singapore and the US are displaying their products at the fair.

“The cumulative increase in visitors in each edition signifies the country's strong position in the global denim scene,” said Mostafiz Uddin, founder and chief executive of Bangladesh Denim Expo.

Source: www.thedailystar.net- May 09, 2018

HOME

****

Kenya's AGOA exports decline 4.65% in 2017

Kenya’s exports of goods to the US under the African Growth and Opportunity Act (AGOA) declined by 4.65 per cent or Ksh1.6 billion ($15.9 million) in 2017.

The exports, mainly textile items, fell from Ksh34.4 billion ($343.3 million) in 2016 to Ksh32.8 billion ($327.3 million) last year, Kenyan media reports said quoting Economic Survey released last week.

Capital investment too dropped last year by 14.1 per cent. “The value of exports reduced for a second consecutive year… with capital investment reducing to Ksh14.2 billion ($141.7 million) in 2017,” the Survey said.

AGOA exports constituted 60 per cent of all Kenyan goods shipped to the US in 2017. Textile and apparel products continue to dominate Kenyan exports under the AGOA since it was enacted in 2000.

AGOA was last extended in June 2015 for ten years till 2025, including third-country fabric provisions.

Source: fibre2fashion.com - May 09, 2018

HOME

****

Pakistan: Cotton down

Dull trading continued at the Karachi Cotton Exchange on Wednesday, while spot rates decreased Rs100/maund.

The spot rates decreased to Rs7,500/maund (37.324kg) and Rs8,038/40kg. Ex-Karachi rates also fell to Rs7,645/maund and Rs8,193/40kg after an addition of Rs145 and Rs155 as upcountry expenses, respectively.

An analyst said ginners are having a very little quantity of around 275,000 bales with them. Since quality cotton remained in a very little quantity, prices decreased in the local market. “Prices will fluctuate in the coming days,” he added.

Karachi cotton market witnessed two transactions of around 1,200 bales at a price of Rs6,800 to Rs6,975/maund.

Of these, two lots of 200 bales and 1,000 bales of Bahawalpur were sold for Rs6,975/maund and Rs6,800/maund, respectively.

Source: thenews.com.pk- May 10, 2018

HOME

****

Azerbaijan's state cotton programme showing results

The state programme for development of cotton growing in Azerbaijan for 2017-2022, approved by President Ilham Aliyev in July 2017, has started to show results, according to Bahruz Jamalov, general director of Azercotton LLC (Azerpambig). Cotton production in the Central Asian country has increased from 35,000 tons in 2015 to 207,000 tons in 2017.

Owing to implementation of the state programme, the annual cotton production in Azerbaijan is expected to reach 500,000 tons by 2022, Jamalov said at a scientific-practical conference held to commemorate the 95th birth anniversary of Heydar Aliyev, the third President of Azerbaijan.

The increase in cotton production, under the framework of the state programme, would be achieved through various institutional measures, improving the regulatory framework, strengthening human resources, applying innovative technologies, attracting foreign investments and implementing a number of other measures, an Azerbaijani newspaper said quoting Jamalov.

The increase in cotton production will boost the development of the textile industry in the country. This will, in turn, contribute to “the growth of Azerbaijan’s industrial potential, creation of new jobs and improvement of the welfare of the people,” Jamalov added.

Source: fibre2fashion.com- May 10, 2018

HOME

****

NATIONAL NEWS

Suresh Prabhu asks officials from different Ministries to prepare action plan within next fortnight on boosting exports

Commerce & Industry Minister Suresh Prabhu has asked secretaries and senior officers from different Ministries and Departments to prepare an action plan with short term targets on boosting exports and send it to his ministry within the next fortnight.

Prabhu, on Tuesday, addressed secretaries and senior officers in the first inter-ministerial meeting on Sectoral Export Promotion Strategy.

The meeting was attended by Secretaries to Government of India from Department of Commerce, DIPP, Electronics and IT, Animal Husbandry and Dairying and MSME, besides senior officers from about 14 other administrative Ministries/Departments including Agriculture, Textiles, Petroleum, Food Processing Industries, Pharma, Chemical and Petrochemical, Defence production and MEA which are concerned with various product groups which comprise a substantial part of India's merchandise exports.

Commerce Minister asked all officers to prepare an action plan on boosting exports of products being handled by their respective Ministries and send it to the Department of Commerce within the next fortnight.

He stressed that the action plan should also have short term targets which are achievable in the next two months and the Department of Commerce will take the assistance of Ministry of External Affairs to implement the action plans through its commercial missions abroad.

Minister informed that the Union Cabinet has accorded approval of Rs. 5000 crores to promote export of services in champion sectors and the Department of Commerce (DoC) is organizing the next Global Exhibition on export of Services at Mumbai on 15th May 2018.

He told the respective Ministries and Departments that DoC as well as the ITPO can organize road-shows and exhibitions for their sectors and products.

Minister stated that a holistic approach to manufacturing and exports is the need of the hour as protectionist approach may actually have a negative impact on value added items of export. We need to push the idea of looking for new markets as well as exporting new products.

Ministries should work out the strategy, and after receiving the plans, DoC will organize further meetings with export promotion councils, trading houses as well as major exporters. A 'Best Exporting Ministry/Dept. Award' will also be announced.

The Minister advised the EXIM bank to prepare an action plan to alleviate the financial difficulties being faced by exporters. Similarly the FPI sector can take the help of NABARD for financing their projects. The Minister announced that the arrangement for having inter-ministerial meetings to boost exports with concerned administrative ministries will be institutionalized by DoC.

Minister of State, Commerce & Industry, CR Chaudhary invited attention to stagnating exports in gem and jewellery, textiles and leather sectors and exhorted the Departments to come up with new proposals to boost exports in these areas.

Commerce Secretary, Rita Teaotia informed the officers that while there has been a 10% growth in merchandise exports in the current year, our share in global trade is static at 1.7% in merchandise exports and 3.4% is services exports. We need to look at new markets. While we have done well in US and Europe there has not been adequate focus on fast emerging markets in Asia. We need to focus more on exports to China, Latin America and Africa.

DGFT Alok Chaturvedi observed that India's share of exports is high in goods which are less traded and low in goods that are traded more in the world. This needs to be realigned.

DG highlighted the sectors where the export share of the sector in India's exports is less compared to the share of the sector in world exports. These were identified as potential sectors.

Source: knnindia.co.in- May 09, 2018

HOME

****

C&A Foundation, MP govt partner for organic cotton growth

C&A Foundation has joined hands with Madhya Pradesh government to work towards building a prosperous value chain for organic cotton benefitting everyone from farm to store – farmers, manufacturers, brands, research institutes, and society. In line to this, an event was held recently, highlighting the state's global leadership in organic cotton production.

The event also facilitated a dialogue between stakeholders of the organic cotton supply chain on working collaboratively to build a robust and resilient organic cotton sector. It was attended by government representatives including policy-makers and members from academia; stakeholders from across the organic cotton supply chain including representatives of international brands and retailers as well as a large number of organic cotton farmers.

"Madhya Pradesh is the leader in India’s organic farm output and a global leader in the production of organic cotton. This needs to be celebrated. We also need to make note of the many challenges that present themselves in the sector so there is much still to be done. This event highlights that it is the collective and focused effort from all stakeholders of the organic cotton ecosystem in the state, brands, retailers, supply chain actors, civil society members, academicians and the state government, that need to come together and support the real heroes of this sector - the organic cotton farmer.

We, at the C&A Foundation, are delighted to be partnering with the government and will continue to foster this collaboration of different stakeholders so that both the organic cotton sector and the farmers who are part of it continue to flourish and keep the flag of both, Madhya Pradesh and India flying high," Anita Chester, head sustainable raw materials of C&A Foundation, said,

"Under Shivraj Singh, chief minister's vision we are not only committed to promoting organic cotton, but also have set in place institutional mechanisms for its advancements. Today, organic cotton is cultivated in over 2 lakh hectare of land in Madhya Pradesh.

Through this international Summit, we want to encourage farmers to adopt organic cotton farming and hope to organize many more events like this in the future, to create awareness and build enthusiasm amongst farmers for organic farming. We look forward to implement the best practices and learnings we have taken from the various discussions here today and will share it with the farmer communities at large," Gaurishankar Bisen, minister-farmer welfare and agriculture development, government of Madhya Pradesh, said.

"We are proud of Madhya Pradesh's achievements in spearheading the organic cotton revolution and aim to increase organic cotton farming from 30,000 to 75,000 hectares in the next 3 years. To further reinforce the organic cotton initiative, the government of Madhya Pradesh has sanctioned at least 100 organic cotton clusters under Paramparagat Krishi Vikas Yojana (PKVY). In a bid to further strengthen research through the state agriculture universities, the state has also established a pesticides residue testing centre to improve quality of exports.

In addition, we are establishing India's first dedicated Centre of Excellence for organic research centre in Mandla and organic cotton research in Khandwa. Soon, Madhya Pradesh will become the first state in India with a dedicated agriculture produce and export promotion agency that will also boost organic cotton export. We strongly believe that these steps would be key enablers in overcoming the barriers to organic cotton cultivation, addressing agricultural concerns for farmers, in a sustainable manner," Dr Rajesh Rajora, principal secretary, department of farmer welfare and agriculture development, government of Madhya Pradesh, said.

Despite the fact that organic cotton farming is beneficial for the environment and helps farmers in reducing cultivation costs by adoption of natural (non-chemical) inputs in cultivation – organic cotton production remains less than 1 per cent of the global cotton production.

The government of Madhya Pradesh and C&A Foundation seek to change this scenario. The 'Cotton Trailblazers' event was one such step in this direction to taking Madhya Pradesh further in its organic cotton journey.

Source: fibre2fashion.com- May 10, 2018

HOME

****

Uniform textile policy needed at state level

The industry wants a uniform textile policy across the country. This is seen as necessary since if one state offers subsidies, textile units in other parts shut down and shift to that state.

India aims at doubling the annual revenue of the textile industry in the country by 2025.

The Indian textile sector contributes 16 per cent to the country's GDP. But when only 16 per cent of the GDP comes from manufacturing, it is not enough for a sustainable economy. Thus it is necessary to scale up that contribution.

Foreign direct investment is being encouraged in the textile sector, which has the potential to create millions of jobs. The textile sector is capable of strengthening the rural economy and creating large-scale employment.

However the Indian textile industry is over-dependent on the European Union and the US for exports. But when the season goes away in those markets, there aren't enough orders.

The sector doesn't have markets in other parts of the world. So it is exploring new markets like Latin America and Australia for Indian fabrics, garments and apparels in order to boost exports.

Efforts are on to make khadi a globally accepted fabric and garment. During a survey in 21 overseas markets, khadi was the most recalled Indian brand, along with yoga.

Source: fashionatingworld.com- May 09, 2018

HOME

****

Indian merchant exporters may receive Govt incentives

Slow growth in India's exports has prompted the government to promote merchant exporters, who contribute almost a third of India's exports in value terms but can't avail of some incentives meant for manufacturer exporters.

Merchant exporters do not own manufacturing facilities but buy goods from manufacturers here and sell to overseas customers.

They have the flexibility to procure goods from many sellers and sell them after negotiating the best prices to foreign buyers.

They are usually able to negotiate prices with buyers, sellers and shipping lines which are better than regular exporters.

The department of commerce is mulling ways to reduce the cost of credit for them.

"It is crucial to promote merchant exporters and make use of their marketing and negotiatingskills with global partners," said an official in the know of the development.

“Merchant exporters indirectly help upgrade the production quality of manufacturers by making them export ready,” said a Delhi-based expert on export-import matters.

Though India’s exports crossed the $300-billion mark after a gap of two years in 2017-18, exports contracted in March after four months with labour-intensive sectors such as gems & jewellery, readymade garments of all textiles, jute manufacturing including floor covering, carpets and agri products showing a dip in outward shipments.

According to Ajay Sahai, director general of Federation of Indian Export Organisations, manufacturer exporters are constrained by their capacity but merchant exporters are extremely competitive, which helps them bring in higher per unit realisation.

“Japan and Korea too have adopted the approach of promoting merchant exporters as they follow the aggregator model and it has been successful there,” Sahai said.

The plan to encourage merchant exporters has come at a time when the government is relooking at its export promotion schemes and making them compliant with global trade norms.

Source: economictimes.com- May 10, 2018

HOME

****

Strengthen Indian textile eco-system to boost exports

Labour laws in India need to be relaxed along with enhancing incentives in order to become a preferred sourcing destination for textile products, says a recent report. India is not perceived as a low-cost labour destination and its incentives are not on par with that of China, resulting in Indian products not being price competitive, the report adds.

Labour laws in the textile industry in India are outdated, thus hampering the country from becoming labour competitive, says a report formulated by the Indian Institute of Foreign Trade (IIFT), commissioned by the ministry of textiles.

The textile sector of India also needs to innovate to come up with new products, business models and collaborations. The study adds that there is a need to digitise the entire supply chain, and comply with quality and legal issues. Encouraging product and market diversification for different textile and apparel products, and clearly positioning Indian textiles in the markets abroad can be of help, as per the IIFT.

Lack of connectivity and poor roads leading to weaver hubs is the reason for dependence on buying agents as the conditions make it difficult for buyers to make personal visits, said media reports quoting the study.

It also notes that importing latest machinery is a costly affair due to taxes like basic duty, countervailing duty (CVD) and special CVD along with landing charges and additional cess.

Thus, small manufacturers avoid upgrading and compromise on quality. On the contrary, countries like China Vietnam and Bangladesh encourage the use of latest technologies and levy very less duty on machinery.

The study also suggests offering higher wages to carpet weavers by increasing the designer-weaver-buyer connect, as the sector is facing a threat of depletion of skills due to low per day wage rate. Younger generation is not getting into the field as it is financially unviable. Vocational courses in carpet weaving are also suggested to safeguard the skill of weaving Indian handmade carpets.

Most weavers, designers and others have poor knowledge about the international quality compliances, therefore regular training must be imparted to make them quality conscious.

The report further added that it is important to focus on promoting niche areas covering indigenous weavers, artisans and craftsman to maintain a unique identity.

Source: fibre2fashion.com- May 10, 2018

HOME

****