iBtex.
TEXTILE INTELLIGENCE CENTRE
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. 97 of 2018 May 11, 2018

USD 67.20| EUR 80.07 | GBP 90.90 | JPY 0.61

Cotton Market

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

Rs./Bale	Rs./Candy	USD Cent/lb
19840	41500	**78.91**

Domestic Futures Price (Ex. Gin), May

Rs./Bale	Rs./Candy	USD Cent/lb
20700	43300	**82.33**

International Futures Price

NY ICE USD Cents/lb (July 2018)	84.56
ZCE Cotton: Yuan/MT (May 2018)	15,750
ZCE Cotton: USD Cents/lb	**95.32**
Cotlook A Index – Physical	**93.50**

Cotton guide: Cotton USDA Update: Supposed to be considered positive for cotton price, however, the effect is yet to come:

The USDA Monthly demand-supply report was out last evening in the US for the month of May. The readings were by and large near expectation however; there was no major reactions in price and if there was then market slid post the data were out.

First of all the USDA's first detailed forecast for the 2018-19 marketing year shows world ending stocks forecast down slightly. As per the record the world ending stocks declined to 84 million bales vs. 88 as prior figure. The ex-China world stock is set higher. However, China's ending stocks are forecast to fall for the fourth consecutive year and be less than half the level seen in 2014-15. Continued reserve sales and strong consumption growth in China will combine to work down stocks.

In the meanwhile the world production fell marginally to 120.15 million bales from prior number or 121 million bales. The slight cut in the production could be attributed from decline in the India's figure from 36.50 million bales to 36 million bales as recently reported by Cotton Association of India (CAI) and US production for the first time estimated lower from 20.31 million bales to 19.50 million bales.

The cut in the world ending stocks and lower estimates of production should keep the market tighter as the consumption continues to be higher. To read more access Kotak Commodity Research Desk.

Currency Guide:

Indian rupee appreciated by 0.3% to trade near 67.12 levels against the US dollar. Rupee is seeing some recovery after testing the lowest level since Feb.2017. Correction in US dollar against major currencies has benefitted rupee as well. The US dollar index came off 4-month high on disappointing inflation data and correction in bond yields.

Rupee however remains pressurized by concerns about impact of higher crude oil price on inflation and trade deficit. Rupee is seeing some recovery however it may not sustain unless we see a sizeable correction in crude oil price. USDINR may trade in a range of 66.9-67.35 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

Chinese engagement in Ethiopia's economic boom in a nutshell

As Ethiopia works to become the manufacturing hub of Africa, the engagement of Chinese companies, from road building to industrial park construction, is widely seen as a bridge to realizing that goal.

Here are some latest developments on the major Ethiopia-China cooperation projects in the Horn of African nation.

INFRASTRUCTURE BOOM

Chinese investments are found in various infrastructure areas of Ethiopia such as road, rail and air infrastructures, alleviating transportation problems in the East African country.

The Chinese-built Addis Ababa-Djibouti Railway (or Ethiopia-Djibouti Railway), which connects landlocked Ethiopia and the Red Sea nation Djibouti, is Ethiopia's long-term solution to increasing export commodities and reducing import costs.

As Africa's first transnational electrified railway, the 752-km railway commenced commercial freight and passenger services in January. It has so far transported over 30,000 passengers and more than 11,000 containers of various types.

The railway is also at the center of Ethiopia's industrial ambitions as the country is building an economic belt along the rail line.

In the capital Addis Ababa, many residents now rely on the Addis Ababa Light Rail, a 475-million-U.S.-dollar project built with Chinese technology and currently operated by a Chinese team. The Export-Import Bank of China provided 85 percent of the funding.

Since its opening in September 2015, the light rail has transported 96.8 million people and won praise for greatly alleviating the city's traffic jam.

INDUSTRIAL PARK CONSTRUCTION

Drawing from China's economic growth experience, Ethiopia will have about 15 industrial parks by June, most of which were built with Chinese money and expertise.

In the latest announcement by the Ethiopian government, the construction of the Chinese-contracted Bahir Dar Industrial Park will be completed within three months.

The Ethiopian Industrial Parks Development Corporation (IPDC) previously disclosed that the 75-hectare industrial park will focus on labor-intensive industries that would export value-added textile, apparel and food products.

The park's contractor China Civil Engineering Construction Corporation (CCECC) has previously constructed the country's flagship Hawassa Industrial Park in the southern city of Hawassa, which was inaugurated in June 2017.

The Ethiopian government said the industrial park had attracted world-class textile and apparel companies including PVH, eventually contributing to the country's ambition of becoming Africa's light manufacturing hub with a lower-middle income status by 2025.

Kombolcha Industrial Park, also built by CCECC in Ethiopia's northern Amhara regional state, is expected to start productions this year. The industrial park is to support Ethiopia's efforts to have a manufacturing belt along the Ethiopia-Djibouti railway.

Built by another Chinese construction company China Communications Construction Company (CCCC), the Mekelle Industrial Park in northern Ethiopia is also designed to attract textile and apparel producing companies.

China Tiesiju Civil Engineering Group (CTCEGCL) is presently building the Kilinto pharmaceutical industrial park (KIP) at the outskirt of the capital. The World Bank is financing the construction through a loan scheme.

MANUFACTURING MADE-IN-ETHIOPIA PRODUCTS

Chinese companies are also directly engaged in Ethiopia's manufacturing sector, helping produce Made-In-Ethiopia goods to boost the country's exports.

Huajian, a Chinese shoemaker producing for brands like GUESS, Calvin Klein and Nina, entered Ethiopia's manufacturing industry in 2010, when Ethiopia's first 40-hectare Eastern Industrial Zone went operational with Chinese investment.

The shoemaker in August 2016 opened another factory in Ethiopia in its own industrial park on the outskirts of the capital. Its two factories jointly provide direct jobs to more than 7,000 Ethiopians.

Every year in the two factories, about 5 million pairs of shoes labeled "Made In Ethiopia" are shipped to the United States and European markets, fetching some 31 million U.S. dollars for the East African nation in foreign exchange earnings in 2017.

According to the Ethiopian Investment Commission (EIC), Chinese companies have created more than 28,300 jobs in various sectors in Ethiopia during the five-year period between January 2012 and January 2017.

Mekonen Hailu, EIC Communications Director, told Xinhua that the jobs were created by 279 Chinese companies in Ethiopia during that period. Out of these jobs, over 19,000 were created in Ethiopia's manufacturing sector as the sector is leading its African peers by attracting companies from China, Hailu said.

Construction, service and agricultural sectors are other sectors hosting a great number of Chinese companies.

Source: xinhuanet.com- May 10, 2018

HOME

****

Cotton Prices Are Rising—Whose Fault Is It?

Hovering at approximately 85 cents a pound this week, cotton has been selling at record highs not seen in four years. The causes vary, but there is one issue taking a lot of the blame—the looming trade war between the United States and China.

Since the Chinese government in April announced potential 25 percent retaliatory tariffs on U.S. goods, many in the cotton industry have wondered about the consequences. If implemented, the tariffs would affect approximately $50 billion in goods—$16.5 billion of which includes crops and food items the United States sends to China. China's proposed tariffs are in response to the 25 percent tariff the United States has threatened to tack on to $50 billion in Chinese goods imported into the U.S.

While talks of a tariff war go on, some in the U.S. cotton industry aren't convinced this trade climate is the only culprit driving up prices. For Roger Isom, president and chief executive officer of the California Cotton Ginners and Growers Association, one of the largest threats to the state's cotton industry has been a lack of water.

"The biggest difference would be water," he said. "Because I can tell you, in December we were looking at a 10 to 15 percent increase, but it didn't rain until March and guys already made planning decisions. It's only been 20 percent water allocation."

Despite 2017's high rainfall, which yielded a precipitation index of 95 inches, according to the California Department of Water Resources, the agency couldn't forecast the same wet weather for 2018. After an unimpressive storm season that ran from December 2017 through February 2018, this year's water supply doesn't look promising for California's cotton crop.

This dry spell isn't limited to California. Jon Devine, the senior economist at Cotton Inc., was concerned about other regions of the country as well.

"A little bit more than half of our cotton acres are in Texas, located in the northwestern part of the state in Lubbock," he explained. "They are in a pretty severe drought right now, which is feeding into concerns."

With these dry conditions, farmers are cautious about growing and their lenders aren't as generous. As growers wait to see what the second half of 2018 brings, there is still a bit of hope for this cotton season. While 2018 hasn't delivered a lot of rain in certain regions, other threats from last year—such as insect infestations—seem to have been resolved.

"One thing that happened last year, even though we had more acres, was a big problem with lygus. People lost half a bale to a bale per acre," Isom said. "We don't think we'll have the lygus pressure like last year. We might have fewer acres, but we hope yields are better. We want price, quality and yield, but we'll take two out of three."

Tumult in the cotton trade

After stepping away last year from the Trans-Pacific Partnership free-trade accord, the United States' trade policies with Pacific Rim countries have been a hot topic since the beginning of 2018.

While Devine agrees that China is an important trade partner for cotton, he emphasizes the Asian country's cotton imports from the United States have fallen over the years from approximately 40 percent to 15 percent to 20 percent. Chinese tariffs on U.S. cotton would be problematic, but they are not the only country importing this commodity.

"China is an important customer of U.S. cotton and has been for the past two or three decades, but the U.S. has been shipping more cotton to other locations over the last few years," Devine said. "There is not as much of a concern as five or 10 years ago when [this tariff] would have been catastrophic."

With U.S. cotton exports expanding to other countries, the market has opened up more. Last year, Devine said, the U.S. saw its second-highest cotton export yield and would have been successful without China's business.

The cotton trade between the United States and China might be jeopardized if tariffs are implemented, but that doesn't mean all U.S. cotton products to China would incur tariffs. There is a roundabout way to get around this import tax.

"Vietnam has seen tremendous growth. Growth in Vietnamese spinning has been fueled by China, too," Devine explained. "If you take a look at Vietnam, more than half of its spun cotton is shipped to China. There is still a lot of U.S. cotton fiber being shipped to China through Vietnam, but it's spun into yarn first."

In marketing year 2016/17, U.S. cotton exports to Vietnam totaled 644,229 metric tons, or 2.95 million bales, valued at $1.07 billion. The United States comprises 53.7 percent of the market share for Vietnam's cotton imports—an increase from 42.1 percent in 2017, and China imports 75 percent of its cotton yarns from Vietnam, according to the U.S. Department of Agriculture.

In this climate of unpredictable growing conditions and threatening tariff talks, the apparel industry should be concerned, but it's not all doom and gloom. Prices still haven't risen to the $2-per-pound high seen in 2011.

Source: apparelnews.net- May 10, 2018

HOME

****

Mood dominates Chinese cotton futures

The rise in the Chinese cotton futures market is mainly dominated by the mood.

Speculators pay more attention to the ZCE cotton futures.

The state cotton auction is going on, registered warehouse receipts hit a new high and the market is oversupplied.

Buyers on the spot market procured the on-call cotton sources, pushing up ZCE cotton futures. On April 4, China announced adding an additional 25 per cent tariff on cotton originating from the US.

Though the market was quiet, market mindset has changed somewhat, and players are concerned about the supply of 2018/19 US cotton.

In late April, the downstream yarn and fabric market rebounded slightly, and orders increased. An upward tendency was seen, but the strength was weak.

The quantity of on-call cotton contracts on ICE July contract has hit a historical high, and US cotton is oversold, while registered warehouse receipts are very limited.

The relationship between ICE and ZCE cotton futures became closer due to the trade dispute.

With on-going de-stocking in China, whether the state cotton auction will continue next season remains uncertain, so forward contracts are relatively sensitive towards the bullish factors.

After the rise on forward contracts, nearby contracts climbed up as well.

Source: fashionatingworld.com- May 10, 2018

HOME

****

Pakistan: Apparel sector wants say in policy-making

Pakistan Readymade Garments Manufacturers and Exporters Association has urged the government to take into confidence all the stakeholders including the value-added textile sector on formation as well as the implementation of the federal budget.

In a letter written to Prime Minister Shahid Khaqan Abbasi, PRGMEA Senior Vice Chairman Sheikh Luqman Amin stressed the need for taking all real stakeholders onboard in finalisation of all trade and industrial policies. He said that PRGMEA from the very beginning held the stance that the implementation of policies without taking all the stakeholders onboard will not be fruitful.

He criticized the PM for holding a meeting with the textile sector representatives recently to discuss the post-budget scenario, but it was missing by the apparel industry representation.

"Therefore, PRGMEA delegation would like to meet the PM at his office on urgent basis to highlight the concerns of apparel sector and to find out the ways and means for enhancing the export," he said.

He said that PRGMEA is the main stakeholder of the apparel sector. And apparel industry is playing a pivotal role in foreign exchange earnings and generating large employment in the whole textile chain and exporting up to $5 billion textile products.

He said that the government should be fully interactive with all stakeholders before formulation and legislation of its policies.

Source: nation.com.pk- May 11, 2018

HOME

****

Afghanistan wants to export its cotton to Pakistan

Afghanistan wants to export its cotton to Pakistan, and both the countries have decided to facilitate bilateral trade. According to official announcements made here on Thursday, the ceremony of signing the agreed minutes of Pakistan-Afghanistan bilateral trade meeting was held on 8th May, 2018, at the Ministry of Commerce.

The agreed minutes were inked by Mohammad Younus Dagha, Commerce Secretary from Pakistani side; whereas, Kamila Sidiqi, Deputy Minister for Industries and Commerce, affixed signatures on the minutes on behalf of the Government of Islamic Republic of Afghanistan.

Federal Minister for Commerce, Mohammad Pervaiz Malik; Omar Zakhilwal, Afghanistan Ambassador to Pakistan, officials of the Ministry of Commerce and Textiles, members of the Afghan ministerial delegation and embassy officials were present on the occasion.

It is worth mentioning here that the Afghan ministerial delegation who arrived in Islamabad on 7th May, 2018, had been holding policy and expert level talks with Pakistani counterparts for improvement of trade relations.

After the signing ceremony, both sides had a brief discussion and expressed desire to enhance trade relations between the two countries by overcoming existing challenges/impediments through frequent interaction and extending facilitation.

The announcement by the Prime Minister of Pakistan during his recent visit to Afghanistan regarding removal of regulatory duties on import of Afghan products was discussed during the recent visit and talks.

As per discussions on 8th May, 2018, at the Ministry of Commerce, Afghanistan side, requested for removal of the RDs from fresh fruits, vegetables, dry-fruits and other goods. The Ministry of Commerce assured Afghanistan of accommodating its request to all possible extent. In addition it was also agreed to facilitate Afghan cotton exports to Pakistan.

The Afghan delegation thanked the Pakistani government for their hospitality and for showing the spirit of accommodation about concerns of Afghan side on SPS/Quarantine certification and regulatory duties. The ambassador of Afghanistan assured to remove impediments in bilateral and transit trade with Pakistan.

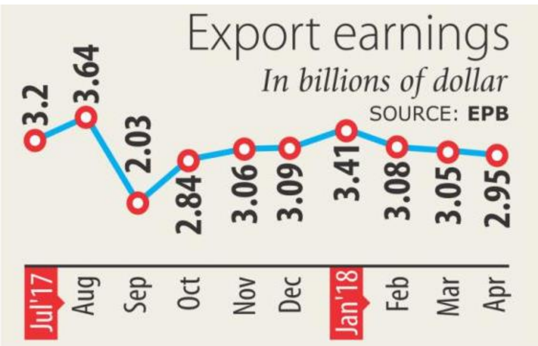
Source: thenews.com.pk- May 11, 2018

HOME

****

Bangladesh: Exports climb on apparel boost

Exports grew 7.11 percent year-on-year to $2.95 billion in April riding on the higher shipment of garment items.



Although the receipt is 0.51 percent higher than the monthly target of $2.94 billion, it was the lowest in six months.

Overall, exports rose 6.41 percent year-on-year to $30.40 billion in the July-April period. The earnings narrowly missed the periodic target of $30.49 billion, according to data from the Export Promotion Bureau.

Garments exports grew 9.37 percent year-on-year to $25.30 billion in the first 10 months of the fiscal year.

Knitwear exports rose 11.43 percent to $12.54 billion and woven garments exports were up 7.42 percent to $12.76 billion.

The shipment of garments, which account for more than 80 percent of the national export, grew because of the increased sales of high-value items and the depreciation of the local currency against the US dollar, according to exporters.

“We will be able to achieve more than 10 percent garment export growth at the end of the fiscal year as the trend in the international market shows very bright prospects,” said Siddiqur Rahman, president of the Bangladesh Garment Manufacturers and Exporters Association.

“At the end of the current fiscal year, we will be able to surpass the garment export of $30 billion for the first time," he said.

He said the country's garment factories are full of orders from international retailers and brands, thanks to the massive progress in workplace safety carried out by the Accord, the Alliance and the government.

The exporters also benefitted from the depreciated exchange value of the taka.

On Wednesday, the interbank exchange rate was Tk 83.10 per US dollar, up from Tk 80.50 a year earlier, according to central bank data.

Frozen and live fish exports grew 2.32 percent to $434.97 million on the back of the higher demand in Europe.

Shipment of agricultural products such as fruits and spices was up 16.77 percent to $543.18 million.

Cement, salt and stone fetched $11.08 million, up 33.01 percent, and pharmaceuticals brought home $85.96 million, an increase of 14.84 percent.

Cotton, cotton products, and yarn exports went up by 19.01 percent to $108.22 million in the July-April period.

Jute and jute goods also fared well as the demand for the goods made in Bangladesh from the natural fibre is rising.

In July-April, jute and jute goods fetched $889.74 million, up 7.66 percent.

Home textile export rose 13.07 percent to $751.67 million, footwear 5.29 percent to $205.30 million and furniture 21.86 percent to 51.68 million.

On the other hand, exports of plastic goods fell 19.92 percent to $81.19 million in July-April.

Leather and leather goods sector, the second largest export earner after garments, fetched $916.74 million in the 10-month period, down 10.02 percent.

The shipment of leather and leather goods was hit largely by the relocation of tanneries from Hazaribagh to Savar as production was hampered.

All the 155 tanneries have been relocated, but only 25 of them have so far been able to start production in their new location, industry people said.

Source: www.thedailystar.net- May 10, 2018

HOME

****

Vietnam: Garments gain 2nd-largest export value

The textiles and garment industry gained the second-largest export value in the first four months of this year, after the export value of phones and their components, according to the Ministry of Industry and Trade.

The export value of textiles and garments in the first four months was estimated at US$8.6 billion, a year-on-year increase of 15.7 per cent.

Regarding the export markets, the ministry said in the first three months of the year, the United States ranked first, with the export value of textiles and garments from Việt Nam reaching $3.04 billion, a year-on-year surge of 11.6 per cent. This accounted for 47.3 per cent of the total garment export value.

The export value of textiles and garments from Việt Nam to Japan reached $855.44 million, 19.6 per cent higher than the same period last year, accounting for 13.3 per cent of the total export value.

The export value of textiles and garments to South Korea stood at $798.6 million and $268.95 million to China, an increase of 14.8 per cent and 40.9 per cent, respectively, against the same period in 2017.

Meanwhile, the value rose by 11.8 per cent to reach $806.23 million worth of exports to the European Union and by 26 per cent to $228.36 million worth of exports to the ASEAN market compared to the same period last year.

To reach the target of $35 billion in total textiles and garment export value for this year, the Việt Nam Textile and Apparel Association has asked enterprises to fully exploit the working capacity of their workers as well as restructure their management practices to improve labour productivity.

Besides maintaining and developing export markets such as the United States, European Union, Japan and South Korea, the enterprises should focus on developing other markets such as ASEAN, Eurasian Economic Union, India and Latin American countries, including linkage with the distribution system in the local market.

Source: vietnamnews.vn- May 11, 2018

HOME

****

Envoy for doing more to boost Pakistan-Argentine trade

Ambassador of Argentine in Pakistan Ivan Ivanissevich announced full technical assistance to develop the small and medium enterprises (SME) sector in Pakistan.

Addressing a meeting of Sialkot exporters held at Sialkot Chamber of Commerce and Industry (SCCI), he said that Argentine wanted to establish strong mutual trade ties with Pakistan. The Argentine ambassador also stressed a need for making all out sincere efforts to establish strong trade relations between Pakistan and Argentine.

He added that Argentine was much keen to boost the mutual trade ties with Pakistan, pledging to make efforts to remove all the hurdles from the way of promoting the mutual trade between Pakistan and Argentine.

He said that the time was high to do more for further increasing the mutual trade ties between Pakistan and Argentine. He assured to make all out sincere efforts from Argentine to increase the mutual trade volume.

He said that Pakistani business community should ensure maximum exports to Argentine and other European Union countries through Argentine by taking the full advantage of GSP Plus.

The ambassador said that the Pakistani businessmen would be welcomed in Argentine. He said that the Sialkot exporters had the great potential to explore and capture the international trade markets of Argentine and EU countries through Argentine as well by exporting their diversified traditional and non-traditional export products.

He assured Sialkot exporters of their easy access to international Argentine trade markets and even the EU trade markets through Argentine. He also asked the Sialkot exporters to participate in the international trade fairs and exhibitions to be held in Argentine.

He also stressed upon the need of making some effective joint efforts to boost mutual trade between Pakistan and Argentine. He vowed to make all out sincere efforts to boost mutual trade ties between Pakistan and Argentine. He said that the time was ripe to further strengthen trade ties.

Addressing the meeting, Sialkot Chamber of Commerce and Industry (SCCI) President Zahid Latif Malik said that Sialkot exporters had a great potential to explore and capture the international trade markets of Argentine.

For improving bilateral trade, he suggested that exchange of trade delegations and one-to-one meetings of businessmen of both sides might be arranged.

He said that there was a lot of potential for enhanced trade cooperation between both countries in different trade fields.

Earlier, the Argentinian ambassador also visited Pakistan Sports Goods Manufacturers and Exporters Association (PSGMEAS). He discussed the matters of mutual interest with Sialkot-based sports goods manufacturers and exporters.

PSGMEA Chairman Husnain Iftikhar Cheema revealed that Sialkot-made sports goods, surgical instruments, leather products, gloves of all sorts, textiles items, sports wear, martial arts uniforms & accessories, musical instruments, kitchen ware, hollow ware, knives, cutlery items and military uniform badges etc. could find a good market in Argentine.

He stated that most of the sports brands and companies of the world were currently working with Sialkot sports industry and Argentine being a sports loving nation has a very special connection with the sports manufacturing industry of Pakistan.

Source: nation.com.pk- May 09, 2018

HOME

****

Uzbekistan & Turkey plan to launch textile trade centre

Uzbekistan and Turkey are planning to create a wholesale trade centre called Textilkent for textile products and knitted garments. The centre will be inspired by similar centres created in Turkey and Europe. Preliminary agreements were made on the establishment of this project during president Recep Tayyip Erdogan's recent visit to Uzbekistan.

A Turkish business delegation led by president Erdogan recently visited Uzbekistan. A forum that witnessed the participation of Turkish and Uzbek companies was held at the Uzexpocenter. The Uztekstilprom association made a presentation for the delegation, informing them about its achievements and prospects and opportunities for international cooperation in the textile sector.

The idea for the creation of Textilkent was suggested during a meeting held with Mehmet Demezoglu, the head of Demez Oglu which manufactures and supplies products to some big brands including Versace, Dolce & Gabbana, Moschino and Aeronautica, as per the Uzbek media reports.

Negotiations were held between Turkish companies and various Uzbek firms, which can become their potential trade partners. Detailed information of the Uzbekistan textile industry was also provided to the Turkish delegation to attract foreign investment.

Joint ventures between the companies of the two nations for manufacturing finished textiles, hosiery, knitwear and sewing products, curtains and more could also be on the cards. A meeting was also conducted between the Uzbek representatives and Nail Olpak, the president of the council for foreign economic relations of Turkey, to discuss the reduction of excise duties on products from Uzbekistan.

Trade between the two countries amounted to $1.5 billion in 2017. Uzbekistan exported textile products like cotton yarn, carpets, knitted fabrics and goods, sewing goods and more worth $109.5 million to Turkey in the same year. The figure has already reached $40 million for these products in Q1 2018.

Source: fibre2fashion.com- May 11, 2018

HOME

****

The double standard of America's China trade policy

A high-profile United States trade delegation appears to have returned empty-handed from its mission in China. The result is hardly a surprise, given the scale and one-sided nature of the U.S. demands.

The Americans pushed for a wholesale remaking of China's industrial policies and intellectual property rules, while asking China's government to refrain from any action against Trump's proposed unilateral tariffs against Chinese exports.

This is not the first trade spat with China, and it will not be the last. The global trading order of the last generation -- since the creation of the World Trade Organization in 1995 -- has been predicated on the assumption that regulatory regimes around the world would converge. China, in particular, would become more "Western" in the way that it manages its economy. Instead, the continued divergence of economic systems has been a fertile source of trade friction.

There are good reasons for China -- and other economies -- to resist the pressure to conform to a mold imposed on them by U.S. export lobbies. After all, China's phenomenal globalization success is due as much to the regime's unorthodox and creative industrial policies as it is to economic liberalization.

Selective protection, credit subsidies, state-owned enterprises, domestic-content rules, and technology-transfer requirements have all played a role in making China the manufacturing powerhouse that it is. China's current strategy, the "Made in China 2025" initiative, aims to build on these achievements to catapult the country to advanced-economy status.

The fact that many of China's policies violate WTO rules is plain enough. But those who derisively call China a "trade cheat" should ponder whether China would have been able to diversify its economy and grow as rapidly if it had become a member of the WTO before 2001, or if it had slavishly applied WTO rules since then.

The irony is that many of these same commentators do not hesitate to point to China as the poster boy of globalization's upside - conveniently forgetting on those occasions the degree to which China has flouted the global economy's contemporary rules.

China plays the globalization game by what we might call Bretton Woods rules, after the much more permissive regime that governed the world economy in the early postwar period. As a Chinese official once explained to me, the strategy is to open the window but place a screen on it. They get the fresh air (foreign investment and technology) while keeping out the harmful elements (volatile capital flows and disruptive imports).

In fact, China's practices are not much different from what all advanced countries have done historically when they were catching up with others. One of the main U.S. complaints against China is that the Chinese systematically violate intellectual property rights in order to steal technological secrets. But in the nineteenth century, the U.S. was in the same position in relation to the technological leader of the time, Britain, as China is today vis-a-vis the U.S. And the U.S. had as much regard for British industrialists' trade secrets as China has today for American intellectual property rights.

The fledgling textile mills of New England were desperate for technology and did their best to steal British designs and smuggle in skilled British craftsmen. The U.S. did have patent laws, but they protected only U.S. citizens. As one historian of U.S. business has put it, the Americans "were pirates, too."

Any sensible international trade regime must start from the recognition that it is neither feasible nor desirable to restrict the policy space countries have to design their own economic and social models. Levels of development, values, and historical trajectories differ too much for countries to be shoehorned into a specific model of capitalism. Sometimes domestic policies will backfire and keep foreign investors out and the domestic economy impoverished. At other times, they will propel economic transformation and poverty reduction, as they have done on a massive scale in China, generating gains not just for the home economy but also for consumers worldwide.

International trade rules, which are the result of painstaking negotiations among diverse interests - including, most notably, corporations and their lobbies, cannot be expected to discriminate reliably between these two sets of circumstances. Countries pursuing harmful policies that blunt their development prospects are doing the greatest damage to themselves.

When domestic strategies go wrong, other countries may be hurt; but it is the home economy that pays the steepest price - which is incentive enough for governments not to pursue the wrong kind of policies. Governments that worry about the transfer of critical technological know-how to foreigners are, in turn, free to enact rules prohibiting their firms from investing abroad or restricting foreign takeovers at home.

Many liberal commentators in the U.S. think Trump is right to go after China. Their objection is to his aggressive, unilateralist methods. Yet the fact is that Trump's trade agenda is driven by a narrow mercantilism that privileges the interests of U.S. corporations over other stakeholders. It shows little interest in policies that would improve global trade for all. Such policies should start from the trade regime's Golden Rule: do not impose on other countries constraints that you would not accept if faced with their circumstances.

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

HOME

****

NATIONAL NEWS

Bulgaria, India Discuss Ways to Boost Textile Industry Cooperation

Economy Minister Emil Karanikolov here on Thursday met with Ajay Tamta, Indian Minister of State for Textiles to discuss ways to boost bilateral economic cooperation.

"I believe there is potential to deepen cooperation in the textiles industry and possibly set up joint production of cotton and silk fabrics and clothing with raw materials from India," said Karanikolov.

India's textile industry accounts for 7 per cent of industrial output, 2 per cent of the country's GDP and 15 per cent of overall export revenues. Between April 200 and December 2017 India's textile industry attracted 2.82 billion dollars in foreign investments.

Bulgaria's strategic location as a bridge between the European market and the countries from the Mediterranean, theMiddle East and Asia is of interest to India, said Minister Tamta. The Indian Minister added that his country has favourable conditions to grow crops suitable for the production of quality textiles. Bulgarian Minister Karanikolov noted that Bulgaria has potential to attract Indian investments as well as possibilities for Bulgarian businesses to step on the Indian market.

The two sides agreed to hold a joint textiles business forum. At the forum businesses from both countries will have a chance to familiarize themselves with the existing potential in the various sectors of textile and carpet manufacturing and crafts.

In the last five years two-way trade has increased steadily. In 2017, according to Bulgarian customs figures, two-way trade grew by 7 per cent, reaching nearly 267 million dollars.

Bulgarian exports to India stood at 109.8 million dollars.

Source: bta.bg- May 09, 2018

HOME

****

30% dip in exports to Pakistan via Attari ICP

Indian exports to Pakistan through India's first integrated check post (ICP) at Attari border in Amritsar have registered a record 30% decline in the 2017-18 financial year as compared to previous year. Traders here blame Pakistan government's blanket ban on import of vegetables and soybean from India.

A cross-border trader and Federation of Karyana and Dry Fruit Commercial Association president Anil Mehra said, "Exporters are left jobless." He said there was apparently no reason behind Pakistan refusing to import vegetables and soybean except that its government had bowed to the diktats of hardliners who did not want to have any relations with India.

"Not only are we suffering but even labourers and transporters are at loss," said Mehra.

A vegetable exporter from Bathinda, Narinder Sharma said, "We often talk to our importers in Pakistan, but they are also helpless. They are now buying vegetables at much higher prices than they used to while getting goods from India." He said tomatoes were being sold at around Rs 5 per kg in the wholesale markets in India.

"Had Pakistan been importing tomatoes, the domestic price would have been more than Rs 20 per kg in wholesale." The Indian government should also take retaliatory action so that Pakistani businessmen also feel the heat of their government's decision, he added.

In 2016-17 financial year, the value of exports to Pakistan via Attari ICP was Rs 1,063 crore, which dropped to Rs 744 crore in 2017-18. "I cannot comment on the reason for decline of exports to Pakistan through Attari ICP since it is an issue between two countries," commissioner of customs (preventive) Dipak Kumar Gupta told TOI.

Giving details of the volume of trade, Attari ICP deputy commissioner Balwinder Singh said India had exported vegetables, cotton/yarn, high density polythene (HDPE), soybean and other items amounting to 2.51 lakh tonnen in 2016-17 in Pakistan while there was no trade of vegetables and soybean to the neighbouring country in 2017-18.

Balwinder said overall, they had registered around 30% decline in total exports and around 76% decline in the movement of trucks. He said the Indian imports from Pakistan via ICP registered a minor increase in 2017-18 as compared to the previous year, which also raised the revenue in terms of customs duty.

India earned Rs 430.95 crore in customs duty on imports from Pakistan via Attari ICP in 2017-18, up by 77.72% from Rs 242.49 crore in the previous year.

In 2016-17, India had imported goods, including dry fruits, dry dates, cement, soda, glass, gypsum rock/powder, aluminium ore and limestone, valued at Rs 2,907 crore from Pakistan via Attari ICP.

The value of imports rose by about 17% to Rs 3,403 crore in 2017-18. However, in 2017-18 there was a minor decline in imports of dry dates, soda, glass, and cement from Pakistan.

Sources said Pakistan had deliberately banned import of Indian perishable goods to dent the Indian economy and cause resentment among the farming community.

“As expected, farmers suffered (due to ban). A lot of tomato growers had dumped their produce on roads and staged demonstrations last year. Tomato was otherwise exported to Pakistan via Attari,” they said.

The foundation stone of India’s first ICP at Attari was laid by former Union home minister P Chidambaram on February 20, 2010, and it was later inaugurated by him on April 13, 2012.

Source: timesofindia.com- May 11, 2018

HOME

****

Cotton handloom and handcrafts exhibition to be held in Chennai

As the mercury rises, it's time to refresh your wardrobe with fabrics that can breathe. Head to 'Cool Cotton' – an eleven-day exhibition of cotton handloom and handcrafts by Central Cottage Industries Emporium India Ltd in Chennai.

The exhibition showcases cotton saris, dress material, kurtis and home linen. It will also showcase jewellery, paintings and handicrafts from all over India.

The handloom saris on exhibit are sourced from Odisha, Rajasthan, Andhra Pradesh, Tamil Nadu, Madhya Pradesh, West Bengal and Bhaglapur.

"The exhibition aims at contributing to the Indian handloom and handicrafts sector by enabling direct participation of the artisans and weavers from across the country.

Around 25 artisans are participating and since many of them do not have the means to market their products, we help them do it with this platform," says Mahendra Kumar Behera, manager of the showroom.

Titled 'Cool Cotton', the exhibition will be held at Central Cottage Industries Emporium showroom, Temple Towers, 672, Anna Salai, Nandanam, till May 14.

Source: timesofindia.com- May 09, 2018

HOME

****

Walmart plans to open 50 new stores in 5 years

Walmart is now looking forward to expanding its business in various parts of India with the opening of 50 new stores in next 4-5 years.

The announcement has come a day after the US retailer's investment in Flipkart, India's largest online retailer. At present, Walmart is operating in nine states and 19 cities, its cash-and-carry business.

"We expect to open five stores in the current year and then pick up pace and eventually start opening 12-15 stores a year," Walmart India president and chief executive officer Krish Iyer told the mediapersons while talking about its deal with Flipkart.

Walmart is planning to spread across the country with major focus in Punjab, Haryana, Uttar Pradesh, Uttrakhand, Maharashtra, Andhra Pradesh and Telangana, said Iyer.

Now, Walmart will strengthen its online business in India through Flipkart, in which it will 77 per cent stake for $16 billion.

This investment will benefit India in providing quality, affordable goods to customers, while creating new skilled jobs and fresh opportunities for small suppliers, farmers and women entrepreneurs

Walmart India is a wholly-owned subsidiary of Walmart Stores Inc and offers close to 5,000 items through its cash-and-carry wholesale format.

Source: fibre2fashion.com- May 11, 2018

HOME

****

Trade remedies body will keep tab on dumping: Commerce Secretary

With the merger of the two separate bodies handling safeguards and anti-dumping to form the Directorate General of Trade Remedies (DGTR), it will now be easier for industry to take technical advice and support of the government in case there is a need to check imports of particular products, Commerce Secretary Rita Teaotia said.

“When we spread our resources thinly across agencies, it is not very efficient. The DGTR will have all expertise, including legal skills, people dealing with accounting, trade experts and revenue people, under one roof,” Teaotia said adding that the need for such a body was felt for a long time.

So far, the Directorate-General of Safeguards under the Ministry of Finance was responsible for recommending safeguard duties which are penal duties on imports that witness a surge in a brief period of time hurting domestic industry.

The Directorate-General of Anti-dumping, under the Ministry of Commerce, had the responsibility of examining requests from industry to impose countervailing duties and anti-dumping duties which are penalties on imports which are priced lower than what they are sold at in the seller’s own country.

Now, the functioning of the DGTR, which will be a national authority, will be under the Ministry of Commerce. The recommendation of DGTR for imposition of anti-dumping, countervailing and safeguard duties would be considered by the Department of Revenue.

“At times, the domestic industry, suffering due to cheap imports, is confused about approaching the DGAD or the DG Safeguards with its problem. It may end up filing cases with both which may lead to a lot of hassle as they are under different Ministries. Now, when a case is brought to a DGTR, domestic industry can be sure that the best possible remedy would be thought of as all expertise is available at one place,” another government official said.

Source: thehindubusinessline.com- May 11, 2018

HOME

****