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USD 67.98| EUR 80.22 | GBP 91.83 | JPY 0.61

Cotton Market

Spot Price (Ex. Gin), 28.50-29 mm		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
19720	41250	**78.14**
Domestic Futures Price (Ex. Gin), May		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
20710	43320	**82.06**

International Futures Price	
NY ICE USD Cents/lb (July 2018)	85.03
ZCE Cotton: Yuan/MT (May 2018)	16,825
ZCE Cotton: USD Cents/lb	**102.41**
Cotlook A Index – Physical	**93.1**

Cotton guide: The week has come to an end broadly cotton price managed to trade higher. At the start of the week cotton for July was trading around 83.50 cents which closed the Thursday's trading session at 85.03 cents per pound. However, interestingly the same is seen trading higher further this morning in Friday during early Asian session at 85.37 cents per pound. We believe the broad trend continues to be bullish.

For reference, ZCE cotton is seen trading higher by 425 points up by 2.62% at 16615 Yuan/MT from its previous close. We believe the concern of crop damage in the country amid hailstorm and excessive rain has damaged the crop.

So the weather now plays a very important role for world cotton market. The bad weather in West Texas has become a worrisome situation in the west while China crop damage is likely to have major negative effect on the crop numbers. We think the overall supply this year for now seems to be tight and that should keep cotton price elevated.

We continue to keep the price range of 83.50 on the lower side to 86.50 as upper side resistance however; the market bent is indicating positive cues in the offing.

On the domestic front there has been marginal uptick in the spot price from Rs. 41600 to Rs. 41750 per candy ex-gin which translates approximate to 78.65 cents per pound. The arrivals have declined below 70K bales a day. However, the future contract of cotton trades at MCX has posted a close at Rs. 20710 just Rs. 10 down from previous close. We have seen volatile session on Thursday as the same contract has moved in the range of Rs. 20620 to Rs. 20770 per bale. We believe market may remain positive today amid strong signal from ICE, ZCE with Indian rupee depreciating in the last few trading sessions. For the day the trading range would be Rs. 20600 to Rs. 20850 per bale.

Currency Guide:

Indian rupee depreciated by 0.15% to trade near 67.79 against the US dollar. Rupee has come off the January 2017 lows set earlier this week but remains pressurized by concerns about impact of higher crude oil price on trade deficit and inflation. As per reports, India imported 4.5 million barrels per day of crude oil in April, an increase of about 2.5% from a year earlier. The US dollar is also supported by rising US bond yields.

The US 10-year bond yield has breached 3.12% level for the first time since 2011. Also weighing on risk sentiment is uncertainty about US-China trade talks and US-North Korea denuclearization talks. Amid other developments, BJP leader B S Yeddyurappa took oath as Karnataka Chief Minister but he has one week to prove majority. Rupee may remain under pressure on worries about higher crude oil price and investor outflows. USDINR may trade in a range of 67.6-68 and bias may be on the upside.

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

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INTERNATIONAL NEWS

Strong trade growth continues but momentum may soften in Q2, trade indicator suggests

The strong rate of trade expansion is likely to continue, while slowing slightly in the second quarter of 2018, according to the WTO's latest World Trade Outlook Indicator (WTOI) released on 17 May.

The WTOI's current value of 101.8 remains above the baseline value of 100 for the index but below the previous value of 102.3, which suggests continued solid trade growth in the second quarter of 2018 but probably at a somewhat slower pace than in the first quarter.

The recent dip in the WTOI reflects declines in component indices for export orders in particular but also for air freight, which may be linked to rising economic uncertainty due to increased trade tensions.

The latest results are broadly in line with the WTO's most recent trade forecast issued on 12 April 2018, which predicted a moderation of merchandise trade volume growth from 4.7% in 2017 to 4.4% in 2018. Risks to the trade forecast posed by rising trade tensions remain present.

The moderate dip in the overall WTOI index was driven by declines in component indices for export orders and air freight. The forward-looking export orders index dropped sharply, falling from an above-trend plateau to a below-trend value (98.1) in the latest month.

While the air freight index remains above trend (102.5), it has lost momentum in recent months. Container port throughput remains above trend (105.8) but shows signs of plateauing, while automobile sales (97.9) and agricultural raw materials (95.9) are currently weighing down the WTOI. In contrast to the mixed results elsewhere, the index for electronic components trade (104.2) has turned up, climbing above trend.

Designed to provide "real time" information on the trajectory of world trade relative to recent trends, the WTOI is not intended as a short-term forecast, although it does provide an indication of trade growth in the near future.

Its main contribution is to identify turning points and gauge momentum in global trade growth. As such, it complements trade statistics and forecasts from the WTO and other organizations.

Readings of 100 indicate growth in line with medium-term trends; readings greater than 100 suggest above-trend growth, while those below 100 indicate the reverse. The direction of change reflects momentum compared with the previous month.

The full World Trade Outlook Indicator is available here.

Source: wto.org- May 17, 2018

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U.S. Textile Industry Calls for China 301 Tariffs on Textile & Apparel End Products

The U.S. textile industry has asked the Trump administration to place tariffs on certain textile and apparel products made by China that may infringe on U.S. companies' intellectual-property rights.

At a May 17 hearing at the U.S. Trade Representative's offices in Washington, D.C., Auggie Tantillo, president and chief executive of the National Council of Textile Organizations, said the U.S. textile industry "strongly supports the Trump administration's case to sanction China's rampant intellectual-property–rights theft."

Hearings took place over three days to get feedback on President Trump's plan to levy $50 billion in tariffs on China for unfair trade practices under Section 301 of the 1974 Trade Act.

"China's domination of global textile markets has clearly been aided by its rampant theft of U.S. textile intellectual property. From the violation of patents on high-performance fibers, yarns and fabrics to the infringement of copyrighted designs on textile home furnishings, China has gained pricing advantages through blatantly illegal activities," Tantillo said. "Putting [Section] 301 tariffs on Chinese textile and apparel exports would send a long-overdue signal that these predatory actions will no longer be tolerated."

Tantillo told the story of a U.S. manufacturer and holder of various patents on fabrics that have highly complex constructions. They are so sophisticated, he said, they are used in the U.S. military's "Generation III Extended Cold Weather Clothing System."

One patent covers a composite fabric that is designed to rapidly remove moisture from the skin. It has an outer-layer fabric made of highly absorbent materials and a second inner layer fabric formed with both vertical and horizontal channels, constructed from yarns with a plurality of fibers.

"Despite being solely responsible for these inventions and holding the patents for these products, the U.S. manufacturer finds itself competing against its own fabrics in activewear markets at home and abroad," he said.

"The company has identified garments imported by numerous major U.S. brands that violate their patents. In each of these instances, the infringing fabric was made in China."

He noted that a U.S. company produces an advanced textile structure for the telecommunications sector that they have made in China for sale in Asian markets. The company obtained numerous patents, including invention patents and utility models in China. Despite those protections, several Chinese companies have knocked off this product in several provinces, Tantillo said.

However, the U.S. textile industry does not want any tariffs placed on imported textile machinery because virtually no textile machinery is made in the United States anymore.

Source: apparelnews.net - May 17, 2018

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Amid Trade Talks, Texas Farmers Hope To Avoid Tariffs On Exports To China

Some say the proposed tariffs are having an effect already – even though they're not yet in place.

President Donald Trump has brought or threatened tariffs against many U.S. trading partners in an effort to bring them to the negotiating table. China threatened back, promising to bring tariffs against many U.S. imports. That trade battle may seem far away, but it is making a lot of farmers in Texas nervous.

Texas exported about $1 billion worth of agricultural products to China last year, no small amount. Trade associations representing Texas growers are working to increase international sales and expand other markets, to blunt the effects of any eventual tariffs from China.

Robert Fleming farms grain and raises cattle for his family company in Troy, about 30 miles south of Waco. From his view on the farm, Fleming has some business concerns at the top of his list, like bad weather.

"It tore up my house and tore up a bunch of other stuff, you know a tornado came through here," Fleming says. "That's one of our big fears, too, along with Trump's trade wars."

Trade wars and tariffs are also a big concern for the Texas Farm Bureau.

"It is important that you note the tariffs on either side have not yet gone into effect," says Communications Director Gene Hall.

If the tariffs from China do go into effect, they'll need to find additional markets for agricultural exports.

"We're concerned about all of them of course," Hall says. "We're concerned about soybeans. That's our number one export to China. Cotton gives us some cause for concern because there are so few mills in the United States. Cotton is a very export dependent crop."

Texas A&M Professor John Robinson says there are some other options for Texas cotton growers if China cuts back on its U.S. cotton consumption.

"We would ship more to Vietnam and Bangladesh and Indonesia and probably India and Pakistan," Robinson says. "And all those countries would spin that cotton into yarn and sell it on to China duty free. So, in the long run, I really don't expect that much of a disruption, even if China were to end up imposing a tariff on our stuff."

But wheat farmer Ken Davis is concerned about a disruption.

"All the grains are tied together," Davis says. "All the oil seeds, soybeans, it has an effect on wheat and corn and vice versa."

And he says the proposed tariffs are having an effect already – even though they're not yet in place.

"It's the perception of tariffs," Davis says. "Every farmer buys, purchases a lot of steel, aluminum and different things like that. All of those commodities have taken a drastic price jump just in anticipation of tariffs coming."

Steelee Fischbacher is with the Texas Wheat Association.

"When we drill down further just talking about wheat, China was the number four market for U.S. wheat total last year," Fischbacher says. "And they actually imported 11 million bushels of hard red winter, which is our primary crop in Texas. So, definitely a critical hard red winter market for us."

The biggest markets for Texas hard red winter wheat are Mexico and Brazil, which present their own trade complications.

"Specifically with Mexico," Fischbacher says, "I think the conclusion of the renegotiation of NAFTA is in the best interest of getting more wheat into that market. For Brazil, we do have a policy issue with them, where they're not filling their tariff rate quota that they have agreed to in previous trade agreements where they would allow a certain percentage of wheat into that market duty-free.

So, we're working with them closely to see the completely fill that quote and get those bushels in. And so, whenever we see them fill that quote, we have a much better year with Brazil. So that's something we're going to continue to focus on, especially when we're contrasting that with some of the market uncertainties with places like China."

Gene Hall with the Texas Farm Bureau says, for now, those in the state's agriculture industry are closely watching the international dance around a possible trade war.

"And we're hopeful certainly," he says, "that there can be negotiation to resolve the dispute before that actually occurs."

Source: texasstandard.org- May 17, 2018

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Brazil: Cotton prices reach highest level since April 2011

Boosted by low supply, cotton prices continued to rise in the Brazilian market in the first fortnight of May 2018.

Between April 30 and May 15, the Center for Advanced Studies on Applied Economics (CEPEA)/ESALQ cotton Index rose 7.1 per cent, closing at 3.5758 BRL ($0.9764) on May 15—the highest daily price, in nominal terms, since April 14, 2011 (3.6246 BRL).

During the fortnight, sellers made only a few batches available in the spot market, asking higher prices than bids, which hampered trades.

Sellers were not flexible regarding prices because of the good trading pace for the 2016-17 season (mainly exports), drop in the value of Brazilian currency in the last two months (which disfavours imports) and uncertainties regarding the entry of the new crop in the spot market, which will depend on the end of the crops cycle, CEPEA said in its latest fortnightly report on the Brazilian cotton market.

Many buyers, on the other hand, bought small volumes to meet urgent demands. Others were out of the market, working with the cotton previously purchased and/or decreasing production. Cotton processors are having difficulty in passing on cotton price rises to by-products and are expecting price drops as the new crop harvesting advances.

According to Cepea surveys, some trades involving the cotton from the 2017-18 season have been closed, but, in general, agents are focused on the 2017-18 crop development.

Conab (National Company for Food Supply) estimates Brazil's 2017-18 cotton output to total 1.942 million tons, up 4.3 per cent compared to the crop estimated in April 2018 and 27 per cent larger than the 2016-17 crop. The projected 1.942 million tons of cotton output would be the highest since 2011-12.

Area under cotton cultivation is forecast at 1.175 million hectares (+25.2 per cent compared to the 2016-17 season), and productivity, at 1,652 kilos per hectare (+1.4 per cent).

Meanwhile, Brazilian cotton shipments decreased for the sixth consecutive month in April. From March to April, exports decreased by 39.3 per cent, and compared to April 2017, shipments were 7.3 per cent lower at 28,600 tons.

Imports totalled 1,533 tons in April 2018, the largest volume since July 2017, up 11.3 per cent compared to March 2018, but down 68.2 per cent compared to April 2017.

Source: fibre2fashion.com- May 17, 2018

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EU restriction on CMRs in textiles a 'missed opportunity'

EU action to restrict 33 carcinogenic, mutagenic or reprotoxic (CMR) substances is a welcome move, but much work remains to protect consumers against harmful chemicals in textiles, says European consumer group Beuc.

In a public statement, Beuc says it is pleased that member states have endorsed the European Commission's proposal to ban the use of the chemicals in clothing, textiles and footwear.

However, Monique Goyens, the organisation's director general says that, while it is "glad that the EU is taking the bull by the horns, and that some harmful substances will disappear from the clothes we wear and the bedsheets we sleep in ... the EU missed an opportunity to protect consumers better."

The statement says more needs to be done to protect consumers against other harmful chemicals in textiles, such as endocrine disruptors or allergens.

It also expresses disappointment with the "limited scope" of the restriction. The Commission initially considered 286 substances, which were narrowed down to 33.

In addition, Beuc says, it should have reduced thresholds further, such as for formaldehyde, "a chemical that is presumed to cause cancer".

Unfortunately, says Ms Goyens, the restriction, while a good start, will still allow some toxic substances at unacceptable levels, in baby and infant clothes for instance.
EU ecolabel

In the meantime, Ms Goyens recommends consumers seek out ecolabelled products. "The best way to protect consumers is to adopt specific legislation for textiles that would address all the chemicals that may harm health. Until then, ecolabelled products remain the safest alternative for consumers – a standard that industry should put more weight behind," she says.

The label, she says, already restricts the use of all chemicals that may cause cancer, change DNA, or harm reproductive health as well as some allergens and endocrine disruptors.

In March, ahead of the member state vote, eight European trade associations released a joint position paper, saying that the Commission's proposal is a "sensible, pragmatic set of restrictions".

The restriction will apply 24 months after publication in the EU Official Journal. This will follow its scrutiny by the European Parliament and Council. Once in force, clothing and related articles, textiles and footwear containing the listed substances – whether produced within the EU or imported - are not allowed on the EU market.

Source: chemicalwatch.com - May 17, 2018

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Bangladesh: Cotton price rises to 4yr high

Cotton price rose to 85.5 cents per pound, the highest in four years, mainly because of a looming trade war between the US and China, much to the chagrin of Bangladesh's apparel makers.

Even a month ago, cotton was traded between 83 cents and 84 cents a pound in the international markets. Cotton was traded between 70 cents and 71 cents a pound in November.

“Yes, this is the highest price in the last three to four years,” said Mehdi Ali, president of Bangladesh Cotton Association (BCA).

Since the Chinese government in April announced potential 25 percent retaliatory tariffs on US goods, many in the cotton industry have wondered about the consequences, according to a report by the California Apparel News.

If implemented, the tariffs would affect about $50 billion in goods, $16.5 billion of which includes crops and food items the US sends to China, it said.

Mohammad Ali Khokon, vice-president of the Bangladesh Textile Mills Association, said, “It was our prediction that the price of cotton will go down this year, but we have been proven wrong as the price has started going up.”

“If the cotton price goes up in the international market, our cost of production will go up further,” he said.

According to Ali of the BCA, cotton price went up in the international markets also because of volatile political situation in the world, currency fluctuation and stockpiling of the raw material by major global traders.

“If the price spiral continues, Bangladeshi importers might face troubles as almost all the demand of the raw material is met through import in absence of domestic production,” he said.

Local growers can meet only 3 percent of the local demand for cotton while 97 percent is imported mainly from India, the US, the Middle Eastern countries and some African countries.

Annual cotton imports stand at more than $3 billion. Bangladesh is the largest cotton importer in the world as China stopped importing the widely consumed white fibre.

Bangladesh's cotton import will creep up to 7.1 million bales in 2017-18, further consolidating its position as the world's largest importer of the fibre, according to the United States Department of Agriculture.

Bangladesh is over-dependent on India and imports 35-40 percent of cotton from the neighbouring country.

According to a report on cotton by the USDA in May, the world's ending stocks forecast of cotton was down slightly for 2018-19. However, stocks outside of China will increase for the third year in a row and reach a record at just over 50 million bales.

Ending stocks are forecast to increase in nearly all major producing and consuming countries as global production remains high relative to consumption. Global consumption is forecast at a record level of more than 125 million bales.

“If realised, this would be the seventh consecutive year of growth as global textile consumption continues to recover from recessionary contractions,” the USDA said.

“Growth is expected in all of the top ten spinning countries, with continued very strong growth forecast for Vietnam and Bangladesh in particular, two countries that have led the way in growth over the last several years,” it said.

India is also expected to see above-world-average growth rates after several years of sluggish performance.

Source: thedailystar.net - May 18, 2018

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New woven fabric SMEs centre comes up in Indonesia

The industry ministry of Indonesia has partnered with the regency of Tanah Datar in West Sumatra to establish a centre for small and medium enterprises (SMEs) dedicated to developing woven textile industry in the region. Strategic programmes to improve competency, research, production and promotion are also expected to be conducted at the centre.

The centre will encourage makers of woven fabrics to create trendy products with better design, motifs and quality for the customers, said Gati Wibawaningsih, director general for SMEs, industry ministry of Indonesia. She added that woven textile seems to be a lucrative business and favoured by many.

Indonesia has 369 woven textile SMEs centres which supervise close to 16,971 business units. The growth of the woven textile industry in different regions is expected to distribute income equitably across the country. This type of textile also contributes to foreign exchange and raked in $2.6 million in 2016. The Netherlands is the main importer of Indonesian woven textiles.

The ministry is trying to improve the performance of Indonesia's woven textile industry to make them apt for the open market and to protect the local market, said an Indonesian news agency quoting Wibawaningsih.

Production tools such as jacquard manual weaving looms, a woven textile motif card perforator and a winding machine were provided by the ministry for the centre. A woven textile expert has also been assigned for the centre to help weavers improve their skills and their products' quality.

It also consists of a production house equipped with a dyeing room, rooms for warping and design making and a waste water management installation, which has also been provided by the ministry. The centre will also act as an edutourism attraction, said the Wibawaningsih.

Source: fibre2fashion.com - May 18, 2018

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Pakistan to start importing cotton from Afghanistan

Pakistan has signed an agreement to facilitate bilateral trade with Afghanistan and has also decided to import Afghan cotton. At a ceremony held in Islamabad, both the countries signed the agreed minutes of the meeting that took place on May 8.

The two nations desire to enhance bilateral trade ties and address and overcome challenges faced by them.

The minutes were signed between Mohammad Younus Dagha, secretary commerce, Pakistan and Kamila Sidiqi, deputy minister for industries and commerce, Afghanistan.

The delegation from Afghanistan arrived in Pakistan on May 7 to talk to their Pakistani counterparts about improving bilateral trade.

The ministers from both countries also spoke about removing regulatory duties levied on import of Afghan products.

Pakistan's ministry of commerce assured the Afghan delegation to accommodate Afghanistan's request to remove these duties on a number of products.

Afghanistan said it will work towards removing impediments in transit and trade with Pakistan, according to Pakistani media reports.

Source: fibre2fashion.com - May 18, 2018

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Ghana textile companies appeal for tax exemptions

Local textile manufacturing companies in Ghana have appealed to the government for tax exemptions on their products as an incentive to help revive the industry.

According to them, this will help them compete with the influx of cheap textile products from China and other parts of the world.

According to the textile manufacturing companies, about 70 pe rcent of textiles on the Ghanaian market are cheap imported products mostly from Togo and China.

The remaining 30 percent is shared among three local textile companies – Ghana Textile Printing (GTP), Akosombo Textiles Ltd (ATL) and Printex.

These three companies currently produce about 30 million yards of fabrics even though it has the capacity to do about 60 million annually. The tax stamp is likely to curtail the situation.

Source: fashionatingworld.com- May 17, 2018

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Pakistan: PTEA Stresses DDT Continuation To Boost Textile Exports

The Pakistan Textile Exporters Association (PTEA) has stressed for continuation of Duty Drawback of Taxes (DDT) incentive for further three years to boost the value added textile exports and uplift the economy

The pakistan Textile Exporters Association (PTEA) has stressed for continuation of Duty Drawback of Taxes (DDT) incentive for further three years to boost the value added textile exports and uplift the economy.

In a statement issued here on Thursday, chairman PTEA Mian Shaiq Jawed said that as a result of growth-led initiatives of the Government, country's exports surged by 13.1% to in July-March 2017-18 over the corresponding period of last year.

He said that the main driver of growth was the value-added textile sector as exports of ready-made garments went up 12.56% during the period in value and 12.85% in quantity while those of knitwear edged up 14.12% in value and 3.52% in quantity during these nine months.

The chairman PTEA termed the positive growth in exports as a welcome sign for an economy struggling to contain falling foreign exchange reserves; however he underline the need of continuity of DDT scheme allowed under PM package.

Production of exportable surplus is the need of the hour, he said and added that revival of $ 4 billion closed production capacity is really a big a challenge. He urged the Government to continue DDT scheme for further three years.

This will generate approx 10% annual growth in value added textile exports and would add US$ 1.5 billion in each year.

Mian Shaiq Jawed urged the government for immediate payment of stuck up liquidity in refund regime to get maximum industrial growth and significant increase in exports as cash flow crunch is negatively impacting the export oriented textile industry.

Giving details, he said that 30 billion rupees of textile exporters are held in sales tax regular refund regime; whereas 10 billion rupees are held on account of custom rebate and 15 billion rupees are held under income tax credit.

Similarly, incentives allowed under textile policy 2009-14 are also unpaid as Rs. 20 billion are outstanding under TUF schemes; whereas Rs. 10 billion under Mark-up Support and Rs. 3 billion are stuck up under DLTL scheme.

Furthermore, an amount of Rs. 21 billion is also unpaid against Duty drawback of taxes under Prime Minister Trade enhancement initiative. Vice Chairman Ammar Saeed terming value added textile sector as the backbone of the economy with great potential for earning foreign exchange, urged the Government for immediate release of blocked refunds to enable the textile exporters to retain their hard earned export markets at this time of tough competition.

Government, at several times, set deadlines of liquidating the long outstanding refunds of the textile industry but still huge amounts are outstanding and delay in release of funds had triggered serious liquidity crunch for cash starved textile exporters.

This is having adverse impact on the employment and the economy of the country as textile industry is unable to tap its potential in accordance with capacity, he said. Ammar Saeed said that the regional competing countries are rapidly multiplying their exports just because of the edge they have on the cost of doing business.

Pragmatic policies in consultation with stakeholders need to be formulated to reduce the cost of business by fixing rates of inputs in line with competing countries in the global market to create a level playing field, he suggested.

The VC PTEA said that the finance is imperative to run the wheels of industry and without it, no one could even think to run industry. Government should set its priorities right and accord preferential treatment to boost the exports and generate industrial activities, he demanded.

Source: urdupoint.com- May 17, 2018

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High-tech and High-speed at Guatemala's Apparel Sourcing

During the 27th-annual Apparel Sourcing Show in Guatemala City, attendees found the latest in new technology and textiles. Held May 15-17, the show brought together materials and machine suppliers who were eager to showcase colorful, quality textiles and new manufacturing tools that are more efficient through offering smarter programming.

Held at the Grand Tikal Futura Hotel and Convention Center, the event was organized by Vestex, the Guatemalan association of textile manufacturers and apparel companies, and AGEXPORT, the export association of Guatemala. Prior to a ribbon cutting ceremony to open the event, Ricardo Quiñónez who serves as the mayor of Guatemala City encouraged the country's apparel leaders, to whom he referred as a "family," to see the positive message at the show and continue their work together to make "marvelous things." During the three-day event many of Guatemala's key representatives within the apparel industry and companies from around the world sought to bring more resources to attendees.

Guatemala's position as a reliable resource for apparel imports into the United States was an important topic during the show, as the country's factories continue to offer faster turnaround times than Asia and focus on producing high-quality goods.

Source: apparelnews.net- May 17, 2018

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Bangladesh: Are machines taking over the jobs of female garment workers?

Last year Dolly Rani was working as a helper at a ready-made garments factory in Jiranibazaar of Savar when the advent of a machine made her useless.

"I used to cut thread," says Rani. She worked in the finishing section, and was one of the women who stood at the assembly line snipping away the loose ends of threads from finished products for hours on end. When the management invested in thread-trimming machines, the number of people needed to do this job dropped drastically. The machine was faster—with one swipe, the hand-held vacuum-like nozzle could trim loose ends quicker than Dolly Rani's scissors and tired hands could.

When she lost her job last year, the middle-aged woman was at a loss. "I have two sons in school and my husband does not do any work. I moved to Savar 11 years ago from my village in Bogura because I was the sole earning member of the family," she says.

"I know of at least four sweater factories that laid off workers in the last few months because they got (electronic) jacquard machines to do the knitting," says Abu Shama Aminul Islam, the organising secretary of labour rights organisation Bangladesh Garments Sramik Samhati. "Each of these machines do the work of eight labourers. One factory got rid of 50 of its workers, for example." He adds that there is actually no real analysis of how many workers lose jobs because of infrastructural changes in the factory.

Luckily, Dolly Rani recently found a job in another factory as a helper in the washing section but she had to endure her wages being cut by a third—she had spent a decade at her last job and was getting up to Tk 9,000 per month; having to start from the bottom again means she only gets Tk 6,000 now.

But at least she found a job. Thousands like her did not.

A recent study by the Center for Policy Dialogue found that 8.5 lakh exited the industrial sector from 2013-17. The study titled "Role of Women in Bangladesh's Middle-Income Journey" explores how women are faring in the workplace. There is more. Another ongoing study by CPD found that the proportion of women doing garments work dropped from 64 percent in 2015 to 60.8 percent, due to automation of the factories.

“There are two reasons why this happened,” says Professor Selim Raihan of the Department of Economics at the University of Dhaka, “one being automation, while the other is the closure of factories that did not meet international standards for doing business.”

“The usual life-span of a female garments worker in a factory is between 18 years of age until her middle ages. By then if they are not skilled enough to be promoted, they shed away to take care of family while younger workers treplace them,” adds Professor Raihan. “The problem however is that new women are not entering the workplace.”

He also points out that our RMG industry is dependent on producing clothes which are technologically less complex. “Clothes with variation in design or textures are usually sourced from Cambodia and Vietnam, which have now taken the place of China.”

As the factories advance their technology, the cheap labour of the unskilled female garments worker becomes less and less competitive. The women wither away and out of the picture, but the factories keep running, as robust as ever.

“Most women have not gone beyond eighth grade, whereas most men have done up to high school,” says Rubana Huq, Managing Director of Mohammadi Group. Huq had earlier told Business Standard that her factories removed 500 jobs following automation.

“For every jacquard machines in sweater (factories), there are four jobs lost,” she adds. “Unfortunately with limited educational exposure, they can at best become supervisors. This is not a position that requires skills of a rocket scientist. So it's easy to train them and on-job training enables them to volunteer for a supervisory role and accordingly the authorities select them and promote them to their next tier.” Mohammadi Group's factories, along with others, also participate in a pre-collegiate programme at the Asian University for Women, where each year, a handful of RMG workers are helped to get back to university.

Sabina Yeasmin is one such student in the programme. This former worker of Simba Textiles is now pursuing higher studies and perhaps knows best what kinds of skills training women would need to play more decisive roles.

“I finished my HSC and so joined as a junior needlewoman. My job was to decide which machines need what needles, and keep stock of our inventory,” says Sabina. Because of her educational qualification she held a higher position than assembly line workers.

“If women who have at least finished school are taken at entry, it becomes easier to move up the ranks. There are often women who have not even finished fifth grade,” says Sabina. What she meant is that production positions in garments factories are not dependant on education levels—but having a minimum education from the get-go would ensure that the workers can stick around as the factories themselves change.

“Women are rarely promoted to become supervisors,” says Sabina, “and while educational qualifications have a lot to do with it, the demands of the job are also another reason why they never become supervisors.”

“A supervisor might have to stay till 10pm at night to sign off on the production. Most women are still the primary caregivers of their families and can rarely take on that role,” she says. “Supervisors also have to ensure that unrealistic production demands are met by driving the workers to produce over their limits, so women are less likely to take, or be given, those roles.”

Essentially what Sabina is saying is that whole systems need to change to make sure the growth of the RMG industry is inclusive of its women.

CPD mentioned in an ongoing study that only about 0.5 percent of managers in RMG enterprises are female. On the other hand, the admission list of Bangladesh University of Textile Engineering had around 330 women only out of the total 1525 students admitted.

Meanwhile, between 2013 till now the government closed down 39 factories in a national initiative to enforce safety standards in workplaces. On the other hand, the standards set by the global safety implementation bodies The Bangladesh Accord for Fire and Building Safety, and Alliance for Bangladesh Worker Safety could not be met by a total of 372 factories. What this means is that these factories can no longer do business with brands which are signatories of the Accord and Alliance.

“Stringent compliance requirements have forced factories to either scale up or close,” says Rubana Huq. There is no data available on whether the factories blacklisted by Accord and Alliance have closed down or are working as informal subcontracting factories. The CPD study, however, points out that there are more people than ever in informal employment. In 2002-03, the number of people not holding registered formal jobs was at 80 percent—for 2015-2016 it was 95 percent, followed by 92 percent the next year.

It seems that that this is the beginning of the end, for the unskilled women whose cheap labour had become our greatest asset. Their labour took the RMG industry to the pinnacle of success, but as the scenario becomes more complex, and the contenders more in number, how do we make sure the women are not the ones being thrown out?

Source: thedailystar.net- May 18, 2018

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NATIONAL NEWS

Foreign firms urged to invest in Indian technical textile sector

Indian Technical Textile sector has to develop a lot and this can be done only by more and more Indian and foreign companies investing in this sector, Textiles Secretary Anant Kumar Singh said on Thursday.

Technical textiles are functional fabrics that have applications across various industries including automobiles, civil engineering and construction, agriculture, healthcare, industrial safety, and personal protection.

Speaking at the Technotex 2018 - a Curtain Raiser programme organised by FICCI on the theme "Technical Textiles: Transforming India", here on Thursday, Mr Singh said India is one of the biggest producers of cotton products whereas, globally the demand for man-made fibre is on the rise.

In order to reap the benefits, industries should focus more on man-made goods, he added. Textile Commissioner Kavita Gupta highlighted that government has already allowed 100 per cent FDI in the sector and this is an opportunity for foreign companies to invest in India.

Source: news.webindia123.com- May 17, 2018

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Demand for local cotton varieties gaining momentum in Maharashtra

Even as BT variety continues to account for over 96% of the cotton crop in the country, the demand for desi ones is slowly growing, more so in Maharashtra. The state had suffered from a severe pink bollworm attack last season.

At a recent kharif review meet, Maharashtra agriculture minister Pandurang Phundkar had stated that around one lakh non-BT seed packets will be available for this kharif season. The demand, however, from Jalgaon district alone is more than 2.25 lakh packs.

VN Waghmare, acting director, Central Institute of Cotton Research (CICR), Nagpur, says the institute has been conducting research to promote non-BT varieties of cotton. However, since many companies do not come forward for commercial production, large scale output of such seeds becomes an issue.

"Of the several varieties of cotton that we have been conducting research on, around 4 varieties were identified for Maharashtra. Some of these varieties may be given to the Maharashtra State Seed Corporation for large scale production for the next season," Waghmare said.

According to industry experts, farmers in the state would have to use BT seeds for the kharif season as the non-BT ones are not available in the market at present.

Earlier this year, Maharashtra agriculture commissioner Sachindra Pratap Singh had stated the state has decided to stop renewal of licences for the long-duration varieties and had notified seed companies to provide a list of short-, medium- and long-term varieties of cotton. CICR has recommended short-duration varieties of cotton and there are several such varieties of Bt cotton available in the market, Singh said.

The institute has been attempting to persuade farmers to go in for a very high density planting of early-maturing, short-duration varieties at the rate of 44,000 plants per acre for Vidarbha, Marathwada and Telangana which, it says, will help the crop escape bollworm infestation altogether and leave more on the table for farmers.

Senior CICR officials said they have been issuing advisories to farmers to avoid long-duration varieties/hybrids in rain-fed farms, especially in the absence of any form of protective irrigation.

The agriculture minister said the government has directed agriculture universities and research centres to develop non-BT seeds.

Source: financialexpress.com- May 18, 2018

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Bollworm and bad weather may lower cotton acreage by a tenth

Farmers may switch to soyabean, pulses or paddy

Water shortage, unfavourable weather and persistent menace of pink bollworm could dent cotton sowing this kharif season by about 8-10 per cent as against last year.

Atul Ganatra,President, Cotton Association of India (CAI), stated that cotton acreage this year may hover around 110 lakh hectares (lh) as against 121 lh last year.

In Punjab, cotton area may drop by about 8-10 per cent primarily on water shortage and unfavourable weather, as farmers may shift to other crop.

Maharashtra, Telangana

The drop in cotton acreage will be sharp in Maharashtra and Telangana, where farmers, hit by pink bollworm pest infestation, are shifting to soyabean.

“There will be about 10-15 per cent decline in acreage in Maharashtra, which has a one-third of India’s overall cotton area.

Telangana also will witness a similar decline as farmers turn to alternate relatively cost-effective crop of soyabean. We may see some experiment in Telangana for the seed crop,” said Ganatra adding that soyabean fetched better prices than cotton.

Also, labour cost has reached to about ₹1,000 a quintal for bollworm-infested cotton fields. This, coupled with uncertain price movement, is the reason for about farmers turning away from cotton.

Ganatra said cotton sowing in Rajasthan will remain almost stable, but Haryana may see some inter-change between cotton and paddy, but the overall cotton acreage will be stable.

Gujarat banks on cotton

However, in Gujarat, the country's largest cotton producer, the fibre crop continues to be a reliable one. Ganatra anticipates cotton sowing in Gujarat to remain stable or to go up by about 2-3 per cent as farmers are seen switching from groundnut to the fibre crop.

"Inspite of pink bollworms infestation and uncertain price conditions, cotton continues to be a better bet as compared to other kharif crops such as groundnut or short-duration crops of pulses. Also, animals don't spoil this crop, whereas that threat looms large on other leafy crops," said Babubhai Patidar, Chairman of APMC in Savarkundla in Amreli district of Saurashtra.

Farmers in other parts of Saurashtra such as Jamnagar and Rajkot have preferred to take up groundnut even if the prices remained subdued last year. The region witnessed a bumper groundnut harvest leading to a price crash, which necessitated the procurement of the oilseed at the minimum support price.

"There is uncertainty about farmers' choice for kharif crop at present. Groundnut is definitely not a good bet, but cotton is not so bad either. We see a lot of farmers showing preference for cotton crop. They may have some other short-duration crops also on their land," said Ukabhai Patoliya, a farmer from Junagadh.

Source: thehindubusinessline.com- May 18, 2018

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Don’t write SEZs off

Special Economic Zones (SEZs) in India have not been as successful as their counterparts in many other countries. Several Asian economies, particularly China, Korea, Malaysia, and Singapore, have greatly benefitted from these zones.

Examples of shining Asian SEZs are not limited to the well-known ones like Shenzhen in China, Incheon in Korea, East Coast Economic Region in Malaysia, or Bintan and Batamin in Indonesia, developed closely with Singapore. Other less-known, but nonetheless well-performing prominent SEZs from Asia include Subic Bay Metropolitan Authority in Philippines, Payam in Iran, Jebel Ali in UAE, and, closer to India, Chittagong in Bangladesh. India’s coastal neighbours—Bangladesh, Pakistan, Sri Lanka and Myanmar—are actively working on SEZs for making them key elements of their industrial development strategies.

India, of course, does not need to necessarily emulate what its neighbours are doing. But, it must ponder why the country that built Asia’s first SEZ—at Kandla in Gujarat, more than five decades ago—has not been able to use its SEZs as well as several other countries in Asia have.

India’s success in pushing ahead on labour-intensive and export-oriented industrialisation could have been much more had it been able to have a handful of robust SEZs. As evidence suggests, these zones have not only generated exports, but have had positive spillover effects for the rest of the economy by abetting activities connected to themselves, like urban and retail developments.

The subdued performance of SEZs in India cannot be due to their limited number. Apart from the 18 zones developed by the central and state governments before the SEZ Act of 2005, more than 200 such zones have come up since. India has more zones than most other SEZ active countries. But why haven’t these zones been able to match their Asian peers?

Most of India’s new generation SEZs came up not for exporting, but for avoiding taxes. Large fiscal sops, in the form of a bunch of reliefs from central and state taxes, lured developers into building SEZs. The rush commenced after the SEZ Act of 2005, and the announcement of SEZ rules in early 2006.

Fiscal sops have been parts of SEZ developments almost everywhere in the world. In India, however, the sops were unleashed onto an industrial landscape where businesses were seeking relief from a large gamut of indirect and direct taxes. SEZs were a panacea for avoiding taxes for a good number of years at a time when Indian tax systems had begun weeding out exemptions.

The best example of the tax avoidance 'pull' of SEZs is the large number of IT zones that have come up in India. Many of these simply relocated from Software or Electronic Hardware Technology Parks for continuing to enjoy tax exemptions. For many SEZ developers, exports and employment were secondary to avoiding taxes.

This is, of course, not to argue that tax exemptions are unnecessary for SEZs. These zones need to be fiscally incentivised for encouraging exports. But, in the Indian economy, selective incentives, like those for SEZ developers and producers, can quickly turn perverse, as they did for many zone builders.

At the same time, SEZs became 'villains' for a system desperately trying to shore up its revenues. Revenue foregone at a time when progressive fiscal disciplining had begun in the economy for improving public finances hardly made SEZs adorable for central and state economic managers. It's hardly surprising that advocates of fiscal discipline became the strongest critics of SEZs. Tax administrators didn't lose opportunities of getting back at them. The biggest example is the Nokia SEZ at Sriperumbudur, that shut down following tax disputes with both the Centre and the state government.

But, the lacklustre performance of SEZs is not due to their being looked at as 'tax havens'. They could still have delivered the goods, particularly the manufacturing SEZs, which, unlike IT zones, did not have relocation as a proximate cause for rushing into SEZs. Most manufacturing SEZs in India have performed below par due to their poor linkages with the rest of the economy. Weak connections of coastal SEZs with their hinterlands inhibited these zones from utilising their full potential.

The few SEZs that have done well, such as the Sri City in Andhra, have benefitted from strong multi-modal connections they have with the hinterland. These connections are essential for lowering logistics costs and increasing export competitiveness.

The Asian evidence on SEZs points to the great importance of supporting connectivity. It is inconceivable for these zones to take off as isolated islands of excellence just on the basis of fiscal sops. Lack of adequate connectivity ensured that India's SEZ rush, in the middle of the last decade, was met with scant success. However, SEZs can still recover and perform.

The current policy of integrating existing coastal SEZs into the overarching plan of coastal development under 'Sagarmala' can lead to a turnaround for SEZs. Sagarmala's focus on back-end connectivity with the hinterland is what many of these zones desperately need. If units in SEZs are provided comfort from the nagging GST issues that exporters are encountering, manufacturing SEZs can make a comeback.

Source: financialexpress.com- May 18, 2018

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Ideal time over, cotton sowing fails to cross halfway mark

Even as the ideal time to sow cotton, which is Punjab's second biggest kharif crop, came to an end on May 15, the area covered under the crop remained less than half of the targeted acreage in the state.

According to the data compiled by Punjab agriculture and farmer welfare department, the crop has been sown on 1.84 lakh hectares against the target of 4 lakh hectares.

Experts said cotton sown after the ideal time is prone to pest attacks. Agriculture department officials said sowing was delayed due to unavailability of canal water in most areas of the cotton belt.

Canal water was made available in Bathinda and Mansa districts on April 21, it reached Muktsar and Fazilka districts only on April 29 in lesser capacity. These four districts are the key cotton growing areas of Punjab.

Sources in the agriculture department said achieving the targeted area of cotton seemed improbable given the slow pace of sowing. Till April 30, the crop was sown only on 9,600 hectares whereas in 2017 it was sown in 22,000 hectares in the corresponding period.

As per the data procured from the agriculture department, only Bathinda district has witnessed sowing in nearly 63% of the targeted area of sowing whereas in other cotton sowing districts, the sowing is less than the half mark of the targeted area.

“Non-availability of canal water till end of April delayed sowing. We kept on waiting for the canal water. And even when it was released, it was in less volume that posed problems in sowing the crop,” said farmer Bhupinder Singh of Khuian Sarwar village of Fazilka.

Harnek Singh of Lambi village in Muktsar said the late release of canal water delayed cotton sowing in his area.

Sukhdev Singh, joint director, Punjab agriculture department, confirmed that late release of canal water had posed problems for cotton growers.
He said, “The department is concerned as sowing has been done in less than half of the targeted area. The department expects brisk sowing in the next few days as delayed sowing of the crop makes it prone to pest attack.”

Source: timesofindia.com- May 17, 2018

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