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IBTEX No. 193 of 2017 September 22, 2017

USD 65.03| EUR 77.78 | GBP 88.32 | JPY 0.58

Cotton Market

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

Rs./Bale	Rs./Candy	USD Cent/lb
19027	39800	**78.99**

Domestic Futures Price (Ex. Gin), October

Rs./Bale	Rs./Candy	USD Cent/lb
18480	38656	**76.72**

International Futures Price

NY ICE USD Cents/lb (Dec 2017)	69.25
ZCE Cotton: Yuan/MT (Sept 2017)	15,510
ZCE Cotton: USD Cents/lb	**90.95**
Cotlook A Index – Physical	**79.7 0**

Cotton guide: In our Thursday report we had emphasized cotton to remain choppy while indicated overall bias still holds bearish. The December future broke out from the range and slipped over 100 points to close at 68.25. The biggest daily loss after previous week's major movement. Overall this week trading range widened to 700 points from 68 to 75 cents per pound. Yet today's movement is to be witnessed. From the trading perspective the volumes were around 22000 contracts almost double from the previous day's volume. And the open interest has lowered minimally.

So with decline in price, higher trading volume and moderate cut in open interest indicate along with fresh selling there has been cut in prior long positions suggests market to remain broadly on the lower side. Nonetheless if price takes support near either 68 or 67.40 there may be slight rebound in the price. However, we expect as long as cotton December holds below 69.40 cents the market would continue perceive a bearish call in the near term.

On price front we expect Cotton December to trade today in the range of 67.70 to 68.80 cents per pound.

From other perspective Chinese reserve auction sale continues to be robust. As per previous day's report more than 98.50% of cotton was sold out of total offers. As of latest data more than 25 million of cotton has been sold in the auction. Since September end is the last phase of auction in china this year last moment selling is seen very aggressive. As said in our previous report the most critical factor would be how Chinese are driving their market positioning in terms imports from the global market would determine the global cotton price trend to large extend in the medium term.

During the US trading session the regular weekly export sales data was released which was termed to be higher. The major reason that is being understood is due to large imports of US cotton to Turkey was made. Further post the ICE market was closed the weekly CFTC on call sale/purchase report was released in which another increase in sales were witnessed over 130, 000 bales.

On the domestic front there has been some action in the forward booking which we have been discussing since past few weeks. As per market information forward booking in December and January is taking place aggressively with price hovering below Rs. 37500 per candy. While ready cotton is trading below Rs. 42700 per candy.

Overall the effect can be seen on the futures front. The October MCX cotton ended the session at Rs. 18430 while we expect it to trade on lower side on today's trading session. The trading range for the day would Rs. 18100 to Rs. 18500 per bale. The other two contracts may remain marginally weaker side while still suggest one can short the December future while buy November simultaneously.

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

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INTERNATIONAL NEWS

WTO says global trade rebounding, sees 2017 growth of 3.6%

Global trade is rebounding strongly but risks remain, the World Trade Organization said on Thursday, with commerce expected to grow by 3.6 percent in 2017, well above last year’s 1.3 percent.

The forecast marks a sharp upward revision of the WTO’s April estimate, when it foresaw growth of 2.4 percent and in a range of 1.8-3.6 percent, due to a high level of political and economic uncertainty.

That range has now been narrowed to 3.2-3.9 percent, based on accelerating economic growth and rising import demand in China and the United States, which spurred trade within Asia.

“The improved outlook for trade is welcome news, but substantial risks that threaten the world economy remain in place and could easily undermine any trade recovery,” WTO Director-General Roberto Azevedo said in a statement.

“These risks include the possibility that protectionist rhetoric translates into trade restrictive actions, a worrying rise in global geopolitical tensions and a rising economic toll from natural disasters.”

However, trade growth was becoming more synchronized across regions than it had been for many years, which could make the current trend self-reinforcing, he said.

The fast pace of 2017, which followed a very weak year, is unlikely to be sustained in 2018, with U.S. and euro zone monetary policy expected to tighten and China likely to rein in easy credit to stop its economy from overheating, the WTO said.

“All of these factors should contribute to a moderation of trade growth in 2018 to around 3.2 percent (the full range of the estimate being from 1.4 percent to 4.4 percent),” it said.

The ratio of trade growth to GDP growth, which traditionally ran at about 2:1 but has slumped to about 1:1 in the decade since the financial crisis, should rise this year, with trade growing 1.3 times faster than the global economy, it said.

Source: reuters.com - Sep 21, 2017

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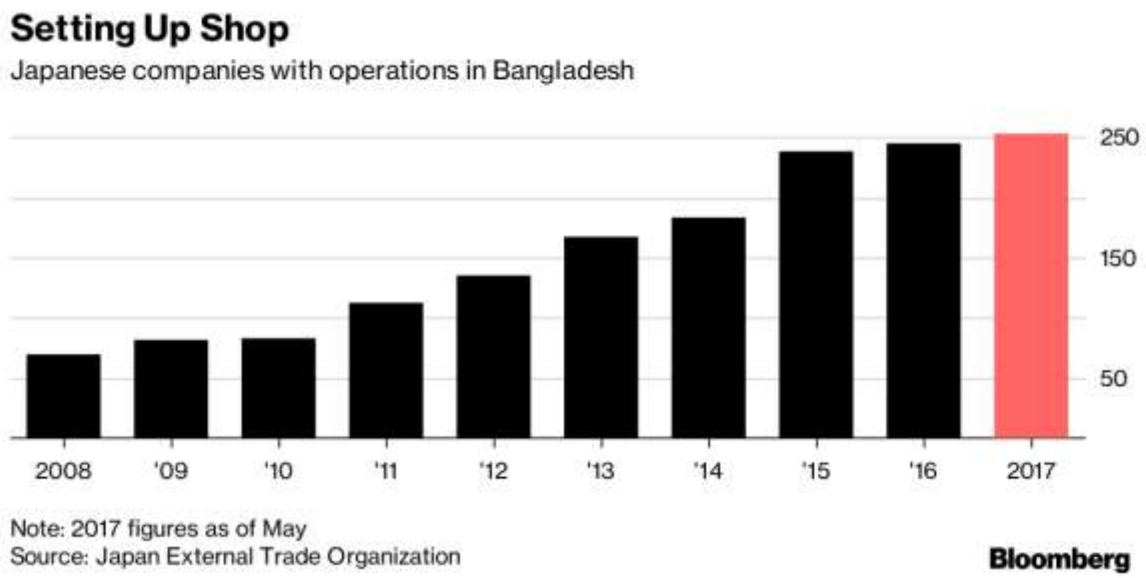
As China's Wages Rise, Bangladesh Is Newest Stop for Japanese Firms

As wage hikes in China push away manufacturers, Japanese companies are on the hunt for cheaper production bases elsewhere in Asia. One country where they're landing is Bangladesh, which offers them the lowest labor costs in the Asia-Pacific region.

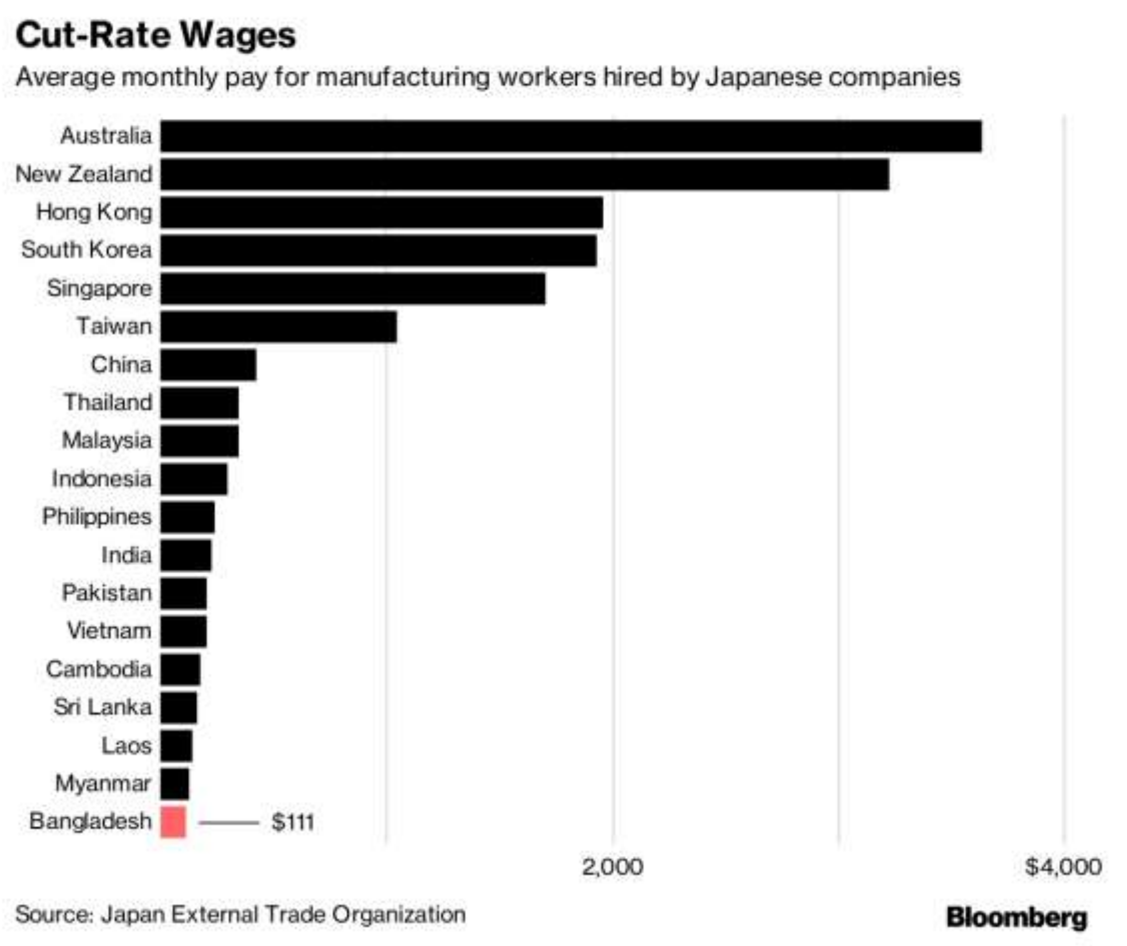


The number of Japanese companies with operations in Bangladesh has more than tripled since 2008, reaching 253 as of May 2017, according to the Japan External Trade Organization.

That's still far fewer than the number in China or Thailand, but their presence in Bangladesh is increasing at a much faster pace.

"Bangladesh has been traditionally known as Asia's poorest country," said Mari Tanaka, an official at Japan External Trade Organization's Overseas Research Department. "Labor costs there are lower compared to Japan and other East Asian countries, while it's possible to hire a large number of young laborers."

Among workers in 19 countries in Asia Pacific, those in Bangladesh received the lowest average monthly wage from Japanese companies, below their counterparts in Sri Lanka, Laos and Myanmar, according to a Jetro survey.



Some firms are establishing a presence in Bangladesh with an eye on its promising domestic market, Jetro says. Major companies such as Honda Motor Co., Rohto Pharmaceutical Co. and Ajinomoto Co. are betting on growth there. With a population of 158 million and a median age of 26.3 years, the country's gross domestic product has more than doubled over the past five years.

"Larger companies are expanding with the expectation that the domestic market will grow," Tanaka said.

Uniqlo operator Fast Retailing Co. played a role in Japanese companies starting to move to Bangladesh a decade ago, Tanaka said. Their decision to outsource production there in 2008 triggered a jump in Japanese arrivals, while rising labor costs in China and worsening relations between China and Japan in 2010 and 2012 drove another burst, she said.

Among the 253 companies operating in Bangladesh, about 30 are in the clothing or leather industries, 15 or so are in clothing parts and inspection, 10 in logistics and about 15 in the IT services industry.

Source: bloomberg.com- Sep 20, 2017

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How China is battling ever more intensely in world markets

If Donald Trump had slapped punitive tariffs on all Chinese exports to America, as he promised, he would have started a trade war. Fortunately, the president hesitated, partly because he wants China's help in thwarting North Korea's nuclear ambitions. But that is not the end of the story. Tensions over China's industrial might now threaten the architecture of the global economy. America's trade representative this week called China an "unprecedented" threat that cannot be tamed by existing trade rules. The European Union, worried by a spate of Chinese acquisitions, is drafting stricter rules on foreign investment. And, all the while, China's strategy for modernising its economy is adding further strain.

At the heart of these tensions is one simple, overwhelming fact: firms around the world face ever more intense competition from their Chinese rivals. China is not the first country to industrialise, but none has ever made the leap so rapidly and on such a monumental scale.

Little more than a decade ago Chinese boom towns churned out zips, socks and cigarette lighters. Today the country is at the global frontier of new technology in everything from mobile payments to driverless cars.

Even as China's achievements inspire awe, there is growing concern that the world will be dominated by an economy that does not play fair. Businesses feel threatened. Governments that have seen Brexit and the election of Mr Trump, worry about the effects of job losses and shrinking technological leadership. Yet if the outcome is to be good, they must all think clearly about the real nature of China's challenge.

Go, in three dimensions

Undoubtedly, China has form. It kept its currency cheap for years, boosting exporters; it finances its state-owned giants with cheap credit; and its cyber-spies steal secrets. Yet depictions of corporate China as just an undemocratic, state-run monster, thieving and cheating to get ahead, are crude and out of date. Home-grown innovation is flourishing (see Briefing). The innovators are mainly private, not the many heads of a single creature called China Inc. To separate hype from reality, think of Chinese competition as having three dimensions: illegal, intense and unfair. Each needs a different response.

First, consider illegality. The best example is the blatant theft of intellectual property that makes for the most sensational headlines, such as the charges laid in 2014 against five Chinese military officers for hacking into American nuclear, solar and metals firms. The good news is such crimes are declining. An agreement with America in 2015 seemingly led to a marked drop in Chinese hacks of foreign companies and, as Chinese firms produce more of value, they are themselves demanding better intellectual-property protection at home.

The second dimension—intense but legal competition—is far more important. Chinese firms have proven that they can make good products for less. Consumer prices for televisions, adjusted for quality, fell by more than 90% in the 15 years after China joined the World Trade Organisation (WTO).

China's share of global exports has risen to 14%, the highest any country has reached since America in 1968. That may fall as China loses its grip on low-value industries such as textiles. But it is gaining a new reputation in high tech. If data are the new oil, China's tech industry has vast reserves in the information generated by the hundreds of millions of its people online—unprotected by privacy rules.

Whether you make cars in Germany, semiconductors in America or robots in Japan, the chances are that in future some of your fiercest rivals will be Chinese.

Last, and hardest to deal with, is unfair competition: sharp practice that breaks no global rules. The government demands that firms give away technology as the cost of admission to China's vast market (see article). Foreign firms have been targeted in the biggest of China's anti-monopoly cases. The government restricts access to lucrative sectors, while financing assaults on those same industries abroad. Such behaviour is dangerous precisely because today's rules offer no redress.

Don't get angry. Get even

Sorting Chinese competition into these categories helps calibrate the response. Blatant illegality is the most straightforward. Governments must prosecute and seek redress, whether through the courts or the WTO. Firms can better protect themselves against cyber-thieves—from China and elsewhere.

Though it is politically hard, the best response to intense competition is to welcome it. Consumers will gain from lower costs and faster innovation. Misguided attempts to hold back the tide would not only lose those potential gains but might also blow up the world trading system, with catastrophic results. Rather than try to stop the loss of jobs, governments should provide retraining and a decent safety net. Both companies and governments need to spend more on education and research. Six years ago Barack Obama said America faced a new "Sputnik moment" in China's rise. Since then not much extra has been devoted to research, training and infrastructure.

The hardest category is competition that is unfair, but not illegal. One approach is to coax China into behaving better by acting collectively. America, Europe and big Asian countries could jointly publish information about economic harm from China's policies—as they did by sharing details about overcapacity in the steel industry, nudging China into cutting its excesses. They should demand reciprocity, requiring China to give foreign companies the same access that its own firms enjoy in their markets. Governments need to review their policies for screening investments from China so that they can block genuine threats to national security (though only those). And they should also require that investors with state backing report this in full, and punish those hiding their true identity.

Much of the responsibility for putting this right falls on China. It may ask why it should hold itself back. After all, 19th-century Germany and America grew rich behind subsidies and tariff walls; Britain and Japan were bullies. Yet, having done so well out of the global commercial ecosystem, China should recognise that it has become one of its custodians. Abuse it—illegally or by overburdening it—and it will break.

Source: economist.com - Sep 21, 2017

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E-commerce giant Amazon in talks with Turkish producers for home textile products

A procurement committee from the European branch of the global e-commerce giant Amazon has arrived in Denizli, an industrial city in southwestern Turkey dubbed as "the capital of textile," to meet with Turkish exporters and visit home textile companies.

Top executives of Luxembourg-based Amazon Europe, including Shibu Thrakan, Otavio Alves, Krishna Murali and Gül Sönmez, who were hosted with support from Turkey's Ministry of Economy, met Thursday with exporters from the Denizli Exporters' Union (DENİB). Amazon officials presented possible ways of cooperation and also provided information regarding trading methods in the Amazon platform.

Thrakan said that Turkish companies can be involved in the Amazon platform under the Amazon brand or with exclusive brands and products they will develop specifically for the platform.

Highlighting Turkey's favorable geographical location, Thrakan said the availability of daily shipments to almost every point in Europe is an important advantage.

DENİB Chairman Süleyman Kocasert told Anadolu Agency that they expect Amazon EU to quickly increase its purchases from Denizli within a short period of time.

"There have recently been very positive developments regarding Amazon's point of view toward Turkey. Turkey has a strong potential for e-commercial business. Amazon noticed that as well. I hope that our cooperation will bring good results as soon as possible," Kocasert said.

He noted that following a visit by officials from another e-commerce giant Alibaba.com, Amazon officials were also able to see the production technology, quality and delivery speed at the manufacturing sites.

E-commerce is growing rapidly in the world, but in Turkey it is in its initial stage, Kocasert said, adding that cooperation with Amazon platform will provide essential increase for the country's trade.

Kocasert noted that e-commerce has a share of less than 5 percent in the total exports of the home textile sector.

"We aim to increase e-commerce infrastructure by two, three or even fourfold. In the next three years, the share of e-commerce in Denizli's total trade volume will increase above 5 percent and we will be talking about two-digit figures for 2023," he added.

Pointing to Amazon's preparations to enter the Turkish market, recently reported after the e-commerce giant founded a Turkish subsidiary in Istanbul, Kocasert argued that these developments will have a positive effect on the purchasing process in Turkey.

"I think these are processes that have a complementary, domino effect on each other. Amazon is in talks with the Ministry of Economy to enter the Turkish market," he said. "Amazon is very big in the U.S. and Europe and has, recently, been very pleased with their structuring in China and India, as well as Brazil. We can say that Turkey will be the next successful market."

Denizli is a center for Turkey's home textiles production. Products from the city are exported to 165 countries worldwide.

According to recent figures, the city's towel exports to the U.S. increased by 23 percent during the first eight months of the year and were recorded at $55 million compared to the same period last year.

Turkey is also one of the largest home textile suppliers of Europe. The overall home textile exports in 2015 were recorded at $3 billion, and the major markets for exports were Germany, the U.S., U.K., France and Russia.

Amazon.com is a U.S.-based e-commerce and cloud computing company, founded by Jeff Bezos on July 5, 1994, in Seattle, and it is on Forbes' most innovative companies list.

Operating with 341,000 employees worldwide with annual sales of $135 billion, the company's market value for 2017 is $427 billion.

Source: dailysabah.com- Sep 21, 2017

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UK govt to give an additional export credit for Pakistan

Following a meeting between Minister for Commerce and Textile Pervaiz Malik and UK Minister of State for Trade Policy Greg Hands, the announcement came on Monday that the UK government will give an additional £200 million export credit to help UK exporters win, fulfill and get paid for export contracts and Pakistan's buyers access finance to source high-quality UK goods and services.

Minister Hands said that currently the UK supports Pakistan through the European Union's generalised scheme of preferences (GSP) plus status. This arrangement encourages economic growth and sustainable development in Pakistan. It also helps business and consumers in Britain.

As the UK leaves the EU, they recognise the need to ensure a smooth transition in their trading arrangements.

The UK, which is still a member of EU, will continue to support Pakistan to benefit from the EU's GSP plus scheme, whilst in return Pakistan pledges to continue to make progress to improve human rights, labour rights, environment and good governance. The UK will also help Pakistan break down barriers to trade, and to use the opportunities this brings to create jobs and reduce poverty.

Both the governments are ambitious to see more British trade and investment in Pakistan, as well as Pakistani businesses exporting to and operating in the UK. From textiles to business services, Pakistan has huge potential in the global economy and they are committed to work with businesses in both countries to strengthen these ties into the future. Pakistan is an exciting market for British business

Pakistan and the UK enjoy a shared history and a shared future. At this pivotal moment, marking 70 years of diplomatic relations, they reconfirm to build shared prosperity between the two countries. They will do this through their trade policies, and through links between businesses in both countries.

Source: yarnsandfibers.com- Sep 21, 2017

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US cotton industry working to conserve environment

With the goal of helping its members meet their current needs while conserving the environment, the US cotton industry is setting goals aimed to build upon the strong environmental gains already achieved over the past 30 years. It aims to reduce by 13 per cent the amount of land needed to produce a pound of cotton fibre and reducing soil loss by 50 per cent.

“Our industry wants to be the supplier of choice for those who are committed to only buying cotton that is produced with sustainable and responsible environmental, safety and labor practices,” said National Cotton Council chairman Ronnie Lee, a Georgia cotton producer. “That is the objective that was set by the Council’s Cotton USA Sustainability Task Force.”

Task Force chairman Ted Schneider, a Louisiana cotton producer, said the actual sustainability resolution that the Council adopted earlier this year called for the creation of the sustainability task force and specified that it collaborate with US cotton industry associations “on developing industrywide goals for measurable continual improvements in environmental stewardship, farm productivity, and resource efficiency such as land, water, air, input, and energy use.”

Schneider said that among the specific goals being pursued by 2025 are: 1) reducing by 13 per cent the amount of land needed to produce a pound of cotton fibre; 2) reducing soil loss by 50 per cent, in balance with new soil formation; 3) increasing water use efficiency (more fibre per gallon) by 18 per cent; 4) reducing greenhouse gas emissions by 39 per cent; 5) increasing soil carbon in fields by 30 per cent; and 6) reducing energy to produce seed cotton and ginned lint by 15 per cent.

“US cotton growers have achieved significant environmental gains over the past three decades,” explains Schneider. “The goals are meant to continue that trend and to reinvigorate efforts through the setting of realistic targeted reductions.”

Dahlen Hancock, chairman of Cotton Incorporated whose scientists have worked diligently to develop and refine US cotton’s sustainability initiative, said, “We believe the United States may be the only country in the world with these kind of specific, measurable, quantified goals.”

The Texas cotton producer said the US cotton industry is using science-based metrics and benchmarks developed by Field to Market: The Alliance for Sustainable Agriculture to assess environmental impacts and identify opportunities for improvement. Field to Market works across the entire agricultural supply chain to define, measure and advance the sustainability of US crop production.

Hancock, who is the former chairman of the Council’s export promotions arm, Cotton Council International (CCI), said CCI looks forward to “sharing with US cotton’s global customers the strides our industry will continue to make in providing the world with responsibly produced, quality fibre.”

As the unifying force of the US cotton industry, the Memphis-based National Cotton Council of America has a mission of ensuring the ability of the US cotton industry’s seven segments to compete effectively and profitably in the raw cotton, oilseed and US-manufactured product markets at home and abroad.

Source: fibre2fashion.com - Sep 21, 2017

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Pakistan: Remedial steps under way to rescue textile sector

Economic revolution in the country can only be possible through trade promotion and the government is extending all possible support to export industries in an effort to achieve optimum growth, said Haji Akram Ansari, Minister of State for Commerce and Textile Industry.

“Textile industry is the backbone of the national economy and remedial measures are being taken to save this sector,” declared Ansari while speaking at the annual general meeting of the Pakistan Textile Exporters Association (PTEA).

‘Textile industry consumes more water than needed’

“The government is fully committed to expediting the growth of commerce to the maximum possible level by using all available means. The prime minister’s package has helped in attaining competitive edge in the international market,” he said.

Ansari underlined the need for serious and well-planned efforts for increasing value addition, especially in the textile sector, for capturing a higher share in regional and international markets.

“With support of the masses, we will overcome the challenges being faced by the country,” he said while emphasising that the future of Pakistan was very bright and all resources would be mobilised for developing the country according to the wishes and dreams. Speaking on the occasion, Punjab Minister for Commerce, Trade and Industries Sheikh Allauddin said the government was committed to providing all possible facilities to the business community, which was playing a major role in bringing economic stability.

He expressed the belief that no country could achieve economic targets without the due role played by exporters and said the government was making efforts to overcome the export challenges.

Earlier, newly elected PTEA Chairman Shaiq Jawed argued that the rising cost of doing business had not only stalled fresh investment in the textile industry, but it also hampered export growth.

He asked the government to devise a comprehensive strategy to counter the issue in order to accelerate the pace of industrialisation and save livelihood of millions of workers.

'Govt responsible for decline in textile exports'

"Pakistan's exports are under pressure due to prevailing economic, financial and industrial crisis as well as persistently high cost of production, heavy burden of taxes and high energy cost," he said.

Outgoing PTEA chairman Ajmal Farooq, presenting his annual report, termed the prime minister's export package and payment of long outstanding tax refunds positive moves, which would definitely help accelerate industrialisation in the country.

"Our exporters have held their ground against heavy odds and achieved the targets," he remarked.

Source: tribune.com.pk- Sep 22, 2017

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New US FTC rule for RN used on textile product labels

The US Federal Trade Commission recently streamlined requirements under the Fur, Textile and Wool Labelling Rules as part of acting chairman Maureen K. Ohlhausen's regulatory reforms agenda.

The update will implement web-based electronic filings of requests to obtain, update, or cancel registered identification numbers (RN) used on product labels.

Use of the web-based RN system will streamline the application process for participating businesses and greatly increase the agency's efficiency in delivering RN services to the public, said an FTC press release.

The FTC website has been updated to allow real-time data validation for applicants and alert them to possible errors to avoid unnecessary delays.

Under the current rules, most clothing and textile and fur products must have a label that identifies the manufacturer or other business responsible for marketing or handling the item.

The updated RN system makes it easier for companies to obtain an RN and avoid having to put long company names on labels, the press release added.

Source: fibre2fashion.com - Sep 22, 2017

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Why the world's workers are losing to capitalists

Back in April, I wrote about one of the most troubling mysteries in economics, the falling labor share. Less of the income the economy produces is going to people who work, and more is going to people who own things.

This trend is worrying because it contributes to increased inequality — poor people own much less of the land and capital in the economy than rich people do. The devaluation of workers could also increase unemployment, social unrest and general malaise. No one would like to see capitalism transform into the kind of dystopia envisioned by Karl Marx. That's why even though the decline in labor's share has so far been relatively modest, economists are racing to diagnose the cause before the problem gets any worse.

Recently, a lot of attention has focused on the idea that monopoly power might be causing the shift. But the famous paper that draws this connection -- by David Autor, David Dorn, Lawrence Katz, Christina Patterson and John Van Reenen -- also shows that it can account for perhaps only 20 percent of the change. This means other possible explanations for labor's decline, like increasing automation or globalization, need to be re-examined.

Economists Mai Dao, Mitali Das and Zsoka Koczan of the International Monetary Fund argue that the culprit is not automation or offshoring alone, but the interaction between the two. As evidence, they note that the labor share has been falling not just in rich nations, but in developing countries as well.

If globalization were purely to blame, this wouldn't be happening. Standard trade theories imply that because rich countries have a lot of capital and poor countries have a lot of labor, when these countries start to trade, labor's share of income should go down in the countries where it used to be scarce -- i.e., the rich world -- but should rise in the poor countries where it was previously abundant. That's not what's happening.

Meanwhile, if automation is just now starting to make workers obsolete, developing countries shouldn't be experiencing the fall in labor share at the same time, because in technological terms they're decades behind the rich countries. The authors confirm that investment goods -- machines, vehicles, computers, etc. -- haven't really gotten much cheaper in poor countries, as they have in rich ones. So the puzzle really boils down to this: Why is the labor share falling in the developing world?

Dao and his co-authors offer a hypothesis. It has to do with the types of industries that exist in poor countries before and after trade gets opened up. When poor countries are isolated from the global economy, they tend to specialize in things that rely on a lot of cheap labor -- farming, low-end services and simple labor-intensive manufacturing. Local landlords and other capital owners do well, but don't have a chance to get truly rich, because any investment in machinery or technology can be undercut by a flood of low-wage workers. So they don't bother making the investments in the first place. This dearth of capital spending is exacerbated by rudimentary or dysfunctional financial systems.

But when trade opens up, the rich countries start offshoring manufacturing jobs to the poor countries. These jobs offer better opportunities for workers, but much better opportunities for capitalists. Even as capitalists in the U.S. or Japan or France get rich cutting labor costs by shipping jobs to China, Chinese capitalists get rich because they're finally able to amass huge business empires.

The IMF economists also predict that global financial integration should help alleviate the pressure on labor in poor countries. If American, European, Japanese and Taiwanese companies are able to invest in a developing country like China, the inflow of foreign money will boost incomes for local workers and compete down the profits of local capital owners.

So what about rich countries? Here, the argument is that automation and globalization are working together -- companies in rich countries can ship labor-intensive manufacturing jobs in electronics assembly, toys and clothing to China and Bangladesh, while buying advanced machine tools and robots to do more high-end manufacturing of things like microprocessors and airplanes. As a result, workers in rich countries where routine jobs were more common were hit harder by both free trade and the advent of cheap automation.

In other words, the two most conventional explanations for rising inequality and falling wages might both be correct. A perfect storm of robots and free trade -- and some monopoly power to boot -- could be shifting power from the proletariat to the capitalists. With all these factors at work, maybe the real puzzle is why workers aren't doing even worse than they are.

Source: economictimes.com - Sep 22, 2017

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NATIONAL NEWS

Textile sector growing exponentially, has more potential : Irani

The textile industry is growing exponentially in the country, with Foreign Direct Investment (FDI) having tripled in three years, Union Minister Smriti Irani said today.

The FDI flow into the sector reached USD 618.95 million in 2016-17.

However, there is still huge potential for further growth for which various efforts are being made by the Centre as well as states, the textiles minister said after inaugurating the four-day international textile and apparel fair 'Vastra'.

The minister further said the textile industry employs the second largest number of people in the industrial sector, with 45 million employed directly and another 20 million getting indirect employment.

She said concerted efforts are being made for creating further avenues by living up to the Prime Ministers vision of 'Make in India'.

The government is providing skilling opportunities as well as incentives to give an impetus to the industry.

The financial support to weavers under the 'Mudra Yojana' has documented evidence of increase in income of the weaver to the tune of 50-60 per cent.

Irani also appreciated the efforts of the Rajasthan government in making it a garment hub. Rajasthan Industries Minister Rajpal Singh Shekhawat said the state is a prominent textile destination in the country.

He further highlighted that Rajasthan enjoys leading position in production of polyester viscose yarn and synthetic suiting material.

Chief Secretary Ashok Jain said while the value addition and employment generation in this segment is high, the capital required is comparatively low.

Promoting garment industry in Rajasthan is important as it is less water consuming.

He added that the sector is also a useful tool to leverage women empowerment as they constitute majority of the workforce in this segment.

Source: business-standard.com- Sept 21, 2017

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Foreign trade policy review may be delayed

Exporters may have to wait an extra month, or even more, for the foreign trade policy (FTP) review, earlier scheduled for September, as the government is still grappling with implementation issues related to the Goods and Services Tax (GST).

The Centre has also not taken a call on the future of export incentive schemes that may no longer be permissible under the World Trade Organisation rules as India has graduated out of the list of poorer countries allowed to give export subsidies.

“It is unlikely that the FTP review will be announced before October-end. It may happen even later depending on the pace at which the concerns of exporters are sorted out,” a government official told *BusinessLine*.

The five-year FTP announced on April 1, 2015, which laid an ambitious annual target of touching $900 billion of exports by 2020, provided for a review when the policy was half-way through and not on an annual basis as was the earlier practice. “The idea was not to tinker too much with the policy and instead do an analysis when it was half-way through and do course corrections if required,” the official said.

Two-and-a-half-years after the FTP was announced, the Commerce Ministry finds its hands full with the number of concerns it might need to address while reviewing the policy.

“Addressing the issues arising from implementation of the GST is top priority as it is bothering exporters most.

The Centre has to ensure that refund of input taxes happens on time and exemptions may be given where necessary to help exporters maintain their liquidity. This can take time as not only will the Finance Ministry will have to be on board, the GST Council ultimately will have to pass the revisions," the official said, adding that the Council would next meet only sometime in October.

Sop scheme

Incentive scheme for exporters is another tricky area in the review as earlier this year the WTO declared that India's per capita Gross National Product (GNP) exceeded $1000 for three years in a row (2013. 2012, 2015) making it ineligible for export incentives that only poorer countries are allowed.

"The Commerce Ministry has to first identify the schemes that could be affected because of India's new status and then plan how to phase out those schemes and replace them with production subsidies that are allowed under the WTO. This is again an onerous exercise," the official said.

While the Merchandise Export Incentive Scheme under which incentives based on value of exports is provided to over 7,000 items would no doubt be one of the affected schemes, the government has to examine the validity of other schemes such as interest subvention.

Ambitious target

The ambitious export target of $900 billion fixed for 2020 is also a problem since exports have moved sluggishly over the last two years hovering around $300 billion and there is no scope of reaching the target.

"Not only does the target need to be brought down to a realistic level, some more schemes have to be devised to accelerate exports," the official said.

Source: thehindubusinessline.com- Sept 22, 2017

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Gujarat expects textile policy extension to attract Rs 5,000 cr

The Gujarat government's decision to extend its textile policy by a year is set, it believes, to attract Rs 5,000 crore of more investment in sectors across the value chain.

Implemented in 2013, the policy has attracted around Rs 20,000 crore of investment in four years and created 2.5 million jobs, half to rural women, says the government. Th year's extension was announced early this month.

The government estimates addition till now of a million units of spindle capacity in the spinning sector and setting up of over 1,000 units in technical textiles.

"There has been shifting of units from Tamil Nadu, Telangana and Maharashtra. The extension would see a further boost in fresh investment," said Dr Siddhartha Rajagopal, Executive Director, The Cotton Textiles Export Promotion Council.

The extension is expected to add 300 ginning units, to 1,400, and double the spinning capacity to four million a year. Apart from setting up of units in other segments, such as technical textiles, silk, jute and wool.

Gujarat has been the largest producer and exporter of cotton in the country, at 33 per cent and 60 per cent, respectively, of the national total.

Under the policy, the state government offers interest subsidy of five percentage points on new plant and machinery (P&M) for value addition, apart from six per cent and seven per cent for technical textiles and on new P&M for cotton spinning, respectively.

Also, refund of value added tax (VAT) on expansion of existing units from cotton to garments and made-ups, in addition to power rate concession on new investment for cotton spinning at a rupee a unit.

The government also extends financial support of 50 per cent (up to Rs 30 crore) for establishing a textile and apparel park, and a maximum of Rs 10 crore for other technical parks.

"Fresh investment here would would impact flow into other states, as the policy extension would help in several benefits for players here," said R K Dalmia, president, Century Textiles and Industries.

Other states have followed Gujarat's policy to attract flow into this sector. Maharashtra has announced the setting up a number of textile parks in Vidarbha. Tamil Nadu, Andhra and Telangana have also announced incentives for setting up of new textile units. However, Gujarat has an advantage in terms of strategic location near large consumer markets and in ports for export.

"The overall policy was advantageous for attracting investment in the state," says Rahul Mehta, president, Clothing Manufacturers Association of India.

Advantage Gujarat

- The policy has attracted around Rs 20,000 crore of investment in four years and created 2.5 million jobs
- The government offers interest subsidy of five percentage points on new plant and machinery for value addition
- The state extends financial support of 50 per cent (up to Rs 30 crore) for establishing a textile and apparel park
- Gujarat has been the largest producer and exporter of cotton in the country

Source: business-standard.com- Sept 22, 2017

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FDI in textile industry tripled in three years: Smriti Irani

'There is still a huge potential for further growth'

The textile industry in the country is growing exponentially with the foreign direct investment having tripled in the last three years. Though FDI had touched 618.95 million U.S. dollars in 2016-17, there is still a huge potential for further growth, Textiles Minister Smriti Irani said here on Thursday.
Concerted efforts

Inaugurating the sixth edition of the international textile and apparel fair, "Vastra-2017", at Sitapura industrial area here, Ms. Irani said concerted efforts were being made for creating employment opportunities in the textile sector. "The Union government is providing skilling opportunities as well as incentives to give an impetus to the textile industry," she said.

The textile sector employs the second largest workforce in the country, with 4.5 crore people directly getting livelihood from it and 2 crore people being indirectly employed.

Garment hub

The Union Minister praised the Rajasthan government's efforts to create a garment hub in the State. She said the Jaipur Designers Festival being held in "Vastra-2017" for the first time would provide the younger generation with an exposure to the world of fashion and designing.

Source: thehindu.com- Sep 22, 2017

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Cotton Exhibits Bearish Tone In Central India; Supply Increases

Cotton prices yet again exhibited bearish tone in the markets across Gujarat, Maharashtra and Madhya Pradesh on Wednesday due to continued lackluster demand from ginners.

Ginners are not very aggresive in procuring cotton from the market due to expectations of more correction ahead amid prospects of better production than last year weighed by poor off take in the cotton yarn market.

Spinners have sufficient stocks to meet their near term demand and hence off take in cotton was said to be subdued, said a cotton ginner from Kadi. There is bleak chances of revival in cotton prices until and unless demand gather pace for cotton yarn, he added.

As earlier mentioned, major large scale spinners were interested in procuring new cotton and were indulging in forward deals ranging between Rs 37,000-38,500/candy for delivery between end of October to December. However, most small and medium scaled spinners adopted a wait and watch approach due to sluggish yarn activity. Forward deals in Gujarat were steady for all three months of delivery.

There has been good shower observed in Maharashtra, Madhya Pradesh and South Gujarat on Tuesday, according to weather bureau. The monsoon is active over Madhya Pradesh and Maharashtra, it added.

Sky is expected to be clear in south India like Andhra Pradesh, Telangana and south interior Karnataka.

New crop supply summed up to 3,600 bales (170kg each), up 400 bales from previous session across Central India. Amongst the lot, Gujarat recorded a higher of 500 bales to a total of 2,500 bales, Madhya Pradesh at 600 bales and Maharashtra at 500 bales.

The market sentiment continued to stay on the bearish side as large crop prospects, with forecasts ranging between 37-40 million bales, was the center of attention.

The benchmark MCX October is trading (14:00 IST) lower Rs 20 to Rs 18,460/bales while the ICE December is trading firm 0.34 cents to 69.61 cents/lb.

MARKET/VARIETY	UNIT	Moisture %	Price As On 20th Sept	Price As On 19th Sept(18:00 IST)	AVERAGE			US cent/lb
					Price As On 20th Sept	Price As On 19th Sept(18:00 IST)	ABS CHANGE*	
Gujarat S6 A Grade 30MM	Rs/Candy	8-9	40000-40500	40300-41000	40250	40650	-400	79.29-80.28
Gujarat S6 B Grade 29MM	Rs/Candy	8-9	39000-39500	39300-39800	39250	39550	-300	77.3-78.29
Gujarat S6 C Grade 27-28MM	Rs/Candy	8-9	38000-38500	38500-38800	38250	38650	-400	75.32-76.31
Gujarat V797 A Grade 22-24 MM	Rs/Candy	8-9	27000-29500	27000-29500	28250	28250	0	53.52-58.47
MH 30MM+ (3.8-4.00 MIC) Napur Line	Rs/Candy	8-9	42500-42500	42700-42800	42500	42750	-250	84.24-84.24
MH 29MM+ (3.8-4.00 MIC) Napur Line	Rs/Candy	8-9	4200042000	42300	42000	42300	-300	83.25
MH 29MM (3.6-3.7 MIC) Jalgaon Line	Rs/Candy	8-9	4150041500	42000	41500	42000	-500	-82.26
MH 29MM (3.4-3.5 MIC) Akola/M-wada Line	Rs/Candy	8-9	41000-41500	41600-41800	41250	41700	-450	81.27-82.26
MH 28MM-28.5MM (3.3-3.5 MIC)	Rs/Candy	9-9.5	39000-39000	40000-40500	39000	39500	-500	77.3-77.3
MH Furdar 24-26.5MM	Rs/Candy	N/A	35000-36000	35500-36500	35500	36000	-500	69.38-71.36
MP-MECH A Grade 30MM (3.8+ MIC)	Rs/Candy	9	41300-41800	41500-42000	41550	41750	-200	81.86-82.85
MP-New Cotton**	Rs/Candy	-	38500-39000	38500-39000	38750	38750	0	76.31-77.3
Telangana - Adilabad 29-30MM	Rs/Candy	9	-	44000-45000	#DIV/0!	44500	#DIV/0!	0-0
Telangana - Warangal 29MM (4.3-4.7 MIC)	Rs/Candy	9	43500-44300	43500-44300	43900	43900	0	86.22-87.81
AP - Guntur A Grade 30/31MM	Rs/Candy	9	44000-44700	44000-44700	44350	44350	0	87.21-88.6
Karnataka -Raichur/Haveri Line	Rs/Candy	9	43500-43800	43500-43800	43650	43650	0	86.22-86.82
Note: USD/INR= Rs 64.35								
Note: 1 candy = 356kg |MH - Maharashtra; MP - Madhya Pradesh | ** New Cotton								
*Average Change is the difference between average price of current date vs previous date								

(By Commoditiescontrol Bureau; +91-22-40015534)

Source: commoditiescontrol.com- Sep 20, 2017

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India, US can co-create $100 billion worth additional textile business ties

The US textile industry and their Indian counterpart have the potential to co-create $100 billion additional business in both countries, thereby strengthening bilateral trade. As far as India's strengths are concerned, it has a strong base in fibres, spinning, etc, while finishing is the US' strength. The US textile industry is one of the more important employers in the manufacturing sector, with 233,300 workers.

The United States is a globally competitive manufacturer of textiles, including textile raw materials, yarns, fabrics, apparel and home furnishings, and other textile finished products. India's strength lies in cotton, manmade fibers, and a wide variety of yarns and fabrics, including those for apparel and industrial end-uses.

The US industry is globally competitive, being third in global export value behind China and India. US exports of textiles increased 39 per cent between 2009 and 2015, to $17.6 billion. In 2015, the value of US man-made fibre and filament, textile, and apparel shipments was worth an estimated $76 billion. This is an increase of almost 14 per cent since 2009, points out Arvind Sinha, CEO & Chief Advisor, Business Advisors Group. Investment in textile mills and textile product mills has seen tremendous growth to register $1.8 billion in 2014, which is an increase of 87 percent.

Subsets capturing growth

Nonwovens are being used to make products lighter, more efficient, and cost effective. Many lighter and longer-lasting non-wovens are being introduced in a variety of fields including packaging and autos. Specialty and industrial fabrics serve an array of markets, everything from awnings to auto airbags. As the US specialty fabric business has continued to grow, some areas are seeing rapid advancement, for example, the base fabric used in road construction, erosion control, and spoil containment in landfills.

Medical textiles are one of the most important, continuously expanding and growing fields in technical textiles. The medical textile industry has been improving existing products and creating new ones with new materials and innovative designs. Some of these new products are being designed for less in various surgical procedures, infection control, and accelerated healing.

North America emerged a leading regional market for industrial protective apparel and accounted for over half of the total market volume in 2013. Stringent regulatory guidelines coupled with high levels of safety awareness in the industry are expected to drive the regional market growth over the next six years.

Textiles protect from harsh environment

A garment can be water-proofed coating it with polymers such as rubber, PVC, neonprene and acrylics or polyurethanes. These solutions furnish very low permeability vales (200 g/m2/24h) against the requirement of 2000-5000 g/m2/24h). Water repellent finishes are good for light showers but no adequate for prolonged exposure to heavy downpours which are not uncommon in a soldier’s life. The most effective solution is to laminate a nylon base fabric with a layer of microporous PTFE film, also known as Gore-tex membrane.

The US Army Natick Research, development and engineering Center has developed an Extended Cold Weather Clothing System to protect soldiers' from extremely cold weather. It consists of polypropylene underwear, cold weather trousers, field jacket and trouser made with a semi-permeable film laminated fabric. This system performs well up to -25 F (-31.7 C). This range can be extended to – 60 F (-51.1 C) adding a polyester pile shirt and bib overalls. A lot needs to be done to develop better protective fabrics for the military personnel. Not only in terms of performance of individual aspects of protection but also integration of solutions into a protective system, which is economical, stress-free and performs optimally.

On an uptick

The value of shipments for US textiles and apparel was $74.4 billion last year, a nearly 11 per cent increase since 2009 while exports of fiber, textiles and apparel were $26.3 billion in 2016.

From the figures, it is evident that both countries have tremendous potential, however, investment has to come in both the countries preparatory. Product will be made in USA which will make it eligible for US military and supplies to various garment manufacturers.

Indeed, this is not an easy task. Both the countries have to establish a working group under the direction of government in both countries and chambers such as Indo-American Chamber of Commerce, US Consulate in Mumbai should be the part of this team to create design and implementation papers on such a huge but not easy opportunity, there has to be very strict compliances as USA is a very high quality market and meeting compliances very essential.

This will require big thinking, great implementation force and lot of support from all big players from America, US Defense Department and Indian Textile Industry also to meet the task.

Source: fashionatingworld.com- Sep 21, 2017

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US cotton buyers switch to India

The world's top cotton buyers, all in Asia, are flocking to India to secure sup¬plies after fierce storms in the US, the biggest exporter of the fiber, affected the size and quality of the crop. In the past week alone, India sealed deals to sell about a million bales to China, Taiwan, Vietnam, Pakistan, Bangladesh and Indonesia. Harvey and Irma caused widespread damage to the crop in Texas and Georgia.

Buyers are switching to Indian cotton. There are other cotton producers like Brazil and Australia but they may find it difficult to match the price offered by India, where a bumper harvest is likely to keep rates lower. In 2016, the United States exported 86 per cent of its cotton, 69 per cent of which went to Asia.

India is the world's second biggest cotton exporter. Farmers are likely to harvest a record 40 million bales of cotton in the 2017-18 season, bring¬ing domestic prices down and making exports even more competitive. For the 2017-18 season, farmers have planted 12.1 million hectares with cotton, up 19 per cent from a year earlier. India harvested 34.5 million bales of cotton in the 2016-17 season. Favorable crop conditions would help India sell 7.5 million bales of cotton on the world market in 2017-18 against six million bales in the previous year.

Source: fashionatingworld.com- Sep 21, 2017

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Mollycoddled by anti-dumping duties

It is often not recognised that Indian industry, or sections of it, remain inordinately protected even after a quarter century of reforms. Now, the imbalances caused by protectionism, in the form of indiscriminate use of anti-dumping measures, is hurting overall efficiency and competitiveness. This does not augur well for the 'Make in India' programme.

It all started in 1995. India signed WTO's revised trade defence agreements (anti-subsidy and safeguard agreements), ushering in an anti-dumping regime. Interestingly, even though India has been a signatory to the WTO's General Agreement on Tariffs and Trade (GATT) it did not pursue a serious trade defence policy till 1995. But the economic liberalisation changed the scenario.

Suddenly, the Indian industry faced increased competition and needed a period of adjustment. The trade remedy instruments, particularly anti-dumping and safeguards provisions, were used to provide that contingent protection.

But it went too far. During 1998-03, India imposed some 202 anti-dumping measures accounting for about 20 per cent of all anti-dumping measures imposed by WTO members during that period.

During the same period, India also imposed eight safeguard measures, highest among all WTO members, and shot into prominence as the most aggressive user of the trade defence measures, without any prior experience in this area.

A tool for protectionism?

These duties were imposed on a wide range of products, mostly primary commodities for industrial use, i.e., basic chemicals and pharmaceuticals, fibres and yarns, and iron and steel products, imported from a large number of countries.

The product coverage and multiple investigations for same products from several sources during this phase indicate that while the anti-dumping duty might have played a role in easing the pangs of liberalisation in the earlier years for some industries, it soon became a tool of protectionism.

Lack of experience and large number of investigations led to disputes in WTO with as many as 30 cases, filed by European Union and some others in 2004.

The subsequent period showed some maturity in handling of trade remedy matters and the number of anti-dumping duties imposed by India came down substantially to 139 during 2003-07, though India continued as the number one user of the instrument. Some industrial segments continued to seek multiple investigations against new sources of imports and extension of duties beyond the initial five-year period.

The period 2008-2012, which coincided with global economic slowdown, again saw a spurt in anti-dumping activities in India with imposition of about 149 measures, accounting for 23 per cent of the measures globally. Though the number of anti-dumping investigations show a declining trend in the last four years, the numbers are still significant and India continues as the most aggressive user of the instrument.

What did they achieve?

Whether these anti-dumping duties have achieved the intended objective of providing protection against the unfair dumping by the competing foreign producers is a big question.

Repeated investigations and extension of duties to practically all sources in case of a large number of products and heavy dependence of some of the industries on continued anti-dumping duties indicate that anti-dumping is being used by those industries as a protectionist instrument rather than an instrument against unfair trade by specific foreign producers.

At any point of time, more than 300 broad products, covering roughly 1,000 tariff lines, attract anti-dumping duties. As much as 47 per cent of these products are basic chemicals and allied products, and 15 per cent are plastics and rubber based products. This is disproportionately high compared to global trends.

Base metals and metal products account for about 10 per cent of the measures in force. Most of these products are basic building blocks for a large segment of industry. India's production base of basic chemicals either lacks in scale and backward and forward linkages, or is largely controlled by few big players who try to scuttle international competition through these measures.

Production of a large number of industries is dependent on these basic chemicals and iron and steel products, and their finished products are significantly impacted because of high anti-dumping duties.

Duty on basic raw materials has led to cascading demand for protection for the finished products as well. Some of the leading trading partners have also started retaliating with large number of anti-dumping and anti-subsidy investigations against Indian products, thereby significantly affecting India's trade.

Wrong cover

However, any long-term measure to address short-term price volatility may ultimately harm the economic interests of the country. Interestingly, some industries, who have even significantly expanded their capacities under anti-dumping protection, come back to seek continued protection on the grounds of continued or threat of injury from the same or new sources. Some others seek perpetual protection for their very survival, raising a question about their viability and internal efficiency.

Contrary to general belief, WTO anti-dumping code provides a set of substantive and procedural rules to check indiscriminate use of the instrument per se.

Though neither the WTO agreement, nor Indian law specifically provide for a public interest examination, there is an implicit nudge. Indian anti-dumping law allows the Centre not to act upon the recommendations of the Designated Authority to impose a duty.

The effect of high anti-dumping duty in several industrial commodities has evoked strong protests from the user industries in all recent investigations. Any aggressive use of anti-dumping measures may ultimately harm the 'make in India' initiative in the long-run by squeezing out competition.

Therefore, while the rhetoric for protection against so-called 'unfair trade' may remain high, there is a need to lower the aggressive stance taken by India so far.

Source: thehindubusinessline.com- Sep 22, 2017

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India's Cotton Fact Sheet @2017

India has the largest area devoted to cotton cultivation. Around 9.4 million hectares of land with an estimated four million farms had been involved in cotton farming since the past decade. Approximately 65 per cent of India's cotton is produced on rain-fed areas. India is the only country to grow all four species of cultivated cotton Gossypium arboreum and herbaceum (Asian cotton), G.barbadense (Egyptian cotton) and G.hirsutum (American Upland cotton). Gossypium hirsutum represents 90 per cent of the hybrid cotton production in India.

Year	Area in lakh hectares	Production in lakh bales	Yield kgs per hectare
2000-01	85.76	140.00	278
2001-02	87.30	158.00	308
2002-03	76.67	136.00	302
2003-04	76.30	179.00	399
2004-05	87.86	243.00	470
2005-06	86.77	241.00	472
2006-07	91.44	280.00	521
2007-08	94.14	307.00	554
2008-09	94.06	290.00	524
2009-10	103.10	305.00	503
2010-11	111.42	339.10	513
2011-12	121.78	367.00	512
2012-13*	119.78	370.00	525
2013-14	119.60	398.00	566
2014-15	128.46	386.00	511
2015-16*	118.77	338.00	484
2016-17*	105.00	351.00	568

Source: Cotton Advisory Board *Projected

India produces a large number of cotton varieties and hybrids. Though the number of varieties in cultivation exceeds seventy-five per cent, 98 per cent of the production is contributed by about 25 varieties.

Industry Structure

The Indian government actively participates in the industry and serves as an umbrella for the government agencies like Cotton Corporation of India (CCI) and state marketing federations. Furthermore, the state governments and regions in which the majority of the cotton planting takes place are also highly involved. In addition, there are committees and institutions responsible for the improvement of quality such as Genetic Engineering Approval Committee (GEAC) and the Central Institute of Cotton Research (CICR).

The Larger Issues

Issues that generally plague the cotton industry are those related to the level of technology and modernization in the industry. These issues generally lead to larger problems that make the successful commercialization of cotton as a cash crop difficult. Consequently for the majority, cotton agriculture is stuck at the subsistence level.

However, this is being addressed by the Technology Mission on Cotton (launched in February 2000) which continuously aims at improving the quality and productivity of cotton. The Mission consists of four Mini Missions focusing on research and development on cotton, dissemination of technology to the farmers, improvement of marketing infrastructure and modernization of ginning and pressing sector.

Regional status: Northern India

Cotton planting in Northern India has increased significantly from the last year. Farmers have shifted acreage to cotton due to higher price realization. Farmers have reported isolated incidences of whitefly and Government agencies are recommending farmers to uproot and destroy leaf curl infected cotton plants and use specific insecticides wherever whitefly populations cross specified threshold levels (ETL). The cotton crop is 75-80 days old and at the boll formation stage in Punjab. The yield forecast for the Punjab area is 574 kg per hectare, which is higher than the five-year average. In the states of Haryana and Rajasthan, the cotton acreage forecast is higher and the yields are expected to be higher than the five year average.

Central India

The forecast for Gujarat area, the largest cotton growing state, is good with yields marginally higher than the last year and well above the five-year average. The forecast yield in Gujarat is 667 kg per hectare. According to the Gujarat State Agriculture Department, cotton planted area as of August 28 was higher by 10 percent compared to the last year. According to the India Meteorological Department, heavy rainfall is expected over parts of Gujarat and Central Maharashtra in early September, which may influence crop development. Farmers report that harvest will be delayed by a few weeks because of the replanting.

Quantity in lakh bales of 170 kgs

Item	2016-2017	2015-2016
Supply		
Opening Stock	43.00	66.00
Crop Size	351.00	338.00
Imports	17.00	20.00
Total Availability	**411.00**	**424.00**
Demand Supply		
Mill Consumption	275.00	272.00
Small Mill Consumption	28.00	27.00
Non Textile consumption.	10.00	13.00
Total Consumption	**313.00**	**312.00**
Exports	50.00	69.00
Total Disappearance	363.00	381.00
Carry Forward	**48.00**	**43.00**
Source: Cotton Advisory Board meeting dated 24-10-16		(P)*Provisional

In Maharashtra, cotton acreage is forecasted slightly higher than last year while soybean and pulse crop planted area is anticipated to be lower. While the acreage for cotton has increased by almost 300,000 hectares across the state compared to the previous year, yields are forecast lower than last year due to poor rains.

The eastern region (Vidarbha) of Maharashtra has received inadequate monsoon rains in the majority of its cotton growing districts.

Farmers are weeding and taking moisture conservation and plant protection measures to protect against sucking pest infestations. There is low to moderate intensity of sucking pests reported in area cotton.

Southern India

Cotton acreage is expected to rise in Telangana and Andhra Pradesh, but acreage in Karnataka is likely to be lower than last year. Cotton sowing in Telangana is near completion. The crop is 20-25 days old and at the square formation stage.

Some farmers are sowing cotton, still, if moisture is adequate. While acreage has increased by more than 30 per cent from last year, yield forecasts remain low due to inadequate rainfall and pest pressure in major cotton growing districts.

State-level agency reports indicate the presence of aphids and pink bollworm in the Warangal district. Warangal district acreage is 17 per cent of the total state cotton area. Similarly, another major cotton district, Adilabad, has received 22 percent deficit monsoon rains, which may influence boll development.

In Andhra Pradesh, acreage under cotton and paddy has increased. In Karnataka, the cotton acreage has gone down from last year due to poor price realization for the farmers and the area has shifted predominantly to maize.

The Fact Sheet Stats

Simultaneously, workshops, seminars and public meetings are also being organized to maximize its impact by creating awareness among the cotton growers and to motivate them to follow the Best Management Practices for improving quality of cotton and reducing the level of contamination.

Source: businessworld.in- Sep 22, 2017

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