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The Cotton Textiles Export Promotion Council [TEXPROCIL]
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USD 66.68| EUR 80.72 | GBP 92.83 | JPY 0.61

Cotton Market

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

Rs./Bale	Rs./Candy	USD Cent/lb
19457	40700	**78.20**

Domestic Futures Price (Ex. Gin), April

Rs./Bale	Rs./Candy	USD Cent/lb
20590	43069	**82.75**

International Futures Price

NY ICE USD Cents/lb (May 2018)	84.17
ZCE Cotton: Yuan/MT (Jan 2018)	14,835
ZCE Cotton: USD Cents/lb	**90.84**
Cotlook A Index – Physical	**91.7**

Cotton guide: No major action yet another day of this week cotton continued to trade steady to slightly positive. The July settled at 84.17, up 23 points. That was its 2nd highest settlement so far. July finished at its contract high settlement on last Friday at 84.73cents per pound. Meanwhile, December settled at 78.96, down 3 points. That remained close to Dec's contract high settlement of 7943, also made on Friday. From the trading front the volumes were steady near 25K contracts and cleared were 33K contracts on Thursday.

No major event occurred on Thursday except that weekly USDA export sales report was out. This showed a massive rise in the figure like last week. The combined net sales were 577,300 bales (upland 571,300/pima 6,000). That included cancelations of 8,700 bales.

The 3 biggest buyers were: Vietnam 119,300 bales; Indonesia 114,200 bales; and China 86,500 bales. Turkey was next at 72,200 bales, then Bangladesh at 60,400 bales. Total 2017-18 sales have reached 16,229,000 bales, 2.866 million bales ahead of same week sales last year.

Post the data was out cotton for July moved close to 85 cents made a high of 84.97 and ended the session at 84.17 cents. On the positions side, the aggregate open interest this week is maintained around 0.264 million contracts no major difference from the previous average figure.

Coming to price trend and chart analysis as discussed in our previous report, market is very pugnacious about breaking the 85 cents mark as key barrier. We believe once that is cleared may be next week the move could prolong towards 87+ cents. However, in the other hand failure to break the same may keep the market lower towards 82 cents.

On the domestic front spot price has declined marginally on Thursday. However, April future traded mixed to end the session at Rs. 20590 per bale. MCX April contract is due to expire this month on 30th to trade in the range of Rs. 20430 to Rs. 20650 per bale. The spread between April to May continues at Rs. 300 with premium (contango).

Currency Guide:

Indian rupee trades little changed near 66.78 levels against the US dollar after yesterday’s 0.2% appreciation. Rupee is seeing some stability after hitting the lowest level since February 2017. Stability in equity market and easing geopolitical risks has lent some support to rupee.

However, weighing on currency are concerns about impact of higher crude oil price on inflation and trade deficit. Also weighing on rupee are concerns about investor outflows in face of higher interest rates in US. Rupee has fallen sharply in last few days and with lack of fresh factors we are seeing some correction however the currency is likely to remain under pressure. USDINR may trade in a range of 66.55-66.9 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

Cambodia: US GSP extension restored on 22 Apr, refunds not automatic

The US generalized system of preferences (GSP) programme was restored for Cambodia beginning 22 April, renewing access to duty-free privileges for exporters.

The renewal is retroactive, allowing exporters from beneficiary nations to claim refunds for transactions made after the GSP scheme expired on December 31 last. However, refunds will not be automatic.

Importers need to file a refund request with US Customs and Border Protection, according to Cambodian media reports.

The US GSP programme was established in 1974 to promote economic growth in the developing world. Cambodia is one of 120 beneficiary nations.

The GSP extension is part of the Consolidated Appropriations Act, 2018, an omnibus spending bill signed into law by President Donald Trump on March 23.

Kaing Monika, deputy secretary-general of the Garment Manufacturers Association in Cambodia GMAC is hopeful that the next review will include garments and footwear in the list of items.

In July 2017, duty-free benefits to Cambodian travel goods, including suitcases, backpacks, handbags and wallets was granted by the US Government.

Source: fibre2fashion.com- Apr 27, 2018

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Cotton Goes to Space

The cotton sustainability research challenge program sponsored by Target and coordinated by Center for the Advancement of Science in Space has selected a project by Simon Gilroy of University of Wisconsin-Madison as one of its three winners.

The project will endeavor to grow cotton on the International Space Station, to acquire more knowledge for growing it back on earth in a sustainable way.

According to Gilroy, the goal is to understand the growth of the root system so that it can be grown more efficiently in scavenge water and sequester more carbon in the soil. Gilroy plans to study the cotton variety that has good drought resistance.

An important and interesting observation will be to find out how zero gravity will affect the root growth that will enable to develop new varieties that use less water.

The other two winning projects are from Upstream Tech in Alameda, California and Clemson University.

The United States' cotton industry has been putting lot of efforts towards sustainable growing practices, consuming less energy, chemicals and water during growing and working closely with the textile industry to explore processes that utilize less resources during finishing into consumer garments.

For more details click here

Source: hudsonalpha.org- Apr 26, 2018

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Bangladesh to sign trade deal with Cambodia: Tofail

Bangladesh will sign an agreement with Cambodia at the end of June to increase bilateral trade, Commerce Minister Tofail Ahmed said on Wednesday.

The minister also suggested his Cambodian counterpart Pan Sorasak visit Bangladesh for the signing of the deal.

Ahmed spoke while inaugurating a workshop on international trade finance and development of global value chains, at a hotel in Phnom Penh, the Cambodian capital.

The workshop was jointly organised by International Chamber of Commerce Bangladesh (ICCB); the Trade Training and Research Institute of the Cambodian commerce ministry; the Institute of Banking and Finance Cambodia and Asian Development Bank.

There is huge potential for bilateral trade, a statement from the commerce ministry quoted Ahmed as saying.

He also said Cambodia can import medicines, leather products and jute goods from Bangladesh.

He said an agreement and nine memoranda of understanding were signed to boost bilateral trade during Prime Minister Sheikh Hasina's visit to Cambodia last year.

In the last fiscal year, Bangladesh exported goods worth $5.39 million to Cambodia and imported $0.4 million worth of goods.

The MoUs were signed for cooperation in tourism, information and communication technology, institutional cooperation under the joint trade council and collaboration in implementation of sustainable development goals.

The other areas of the MoUs include academic cooperation between the Bangladesh Institute of International and Strategic Studies and the International Relations Institute of Cambodia.

Those also include collaboration in the preservation of war history, war monuments and war relics, cooperation in aquaculture and fisheries and labour and training and promotion of investment between Bangladesh Investment Development Authority and the Council for the Development of Cambodia.

Trade has seen a dramatic change in 2017 thanks to a shift from globalisation to localisation, particularly in the US, China and the UK, said Mahbubur Rahman, president of ICCB.

“The challenges with the US on the trans-pacific partnership, continued Brexit negotiations around trade, trade tariffs and political tensions, will lead to a turbulent 2018 in terms of trade negotiations.”

He also mentioned a few new technologies are now being leveraged by retail and high street banks in an attempt to reduce operational costs, ensure trade security and facilitate the use of trade finance products.

Trade finance digitalisation has typically been materialised on products such as airway bills, bills of lading, certificates of origin, purchase orders and invoices.

This digitisation has helped in identifying and tracking customers, goods and the transport of goods, with records of processing and storing business data whilst complying with numerous regulations across different markets.

This is an era where Asia has emerged as the powerhouse of world economy, he said.

The continent accounts for 4.44 billion people or about 60 percent of the world population occupying 30 percent of the land in the world.

The developing economies of the Asia and the Pacific region currently account for about a third of the world's output, and they are quickly reaching an economic status at par with that of the combined share of developed economies in North America and Europe, he added.

Rokia Afzal Rahman, vice president of ICCB; Mohammad Fazlul Azim, managing director of Azim Group; Matiur Rahman, former president of Dhaka Chamber of Commerce and Industry; Abdul Hai Sarker, managing director of Shohagpur Textile Mills Ltd; Mohd Arshad Ali, managing director of the Merchants Ltd; Md Fazlul Hoque, managing director of Plummy Fashions Ltd, and Mohammed Abdul Awal, chairman of Bengal Shipping Line Ltd, were also present at the workshop.

Source: thedailystar.net- Apr 27, 2018

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EU member states back CMR restrictions in clothing, textiles

EU member states have approved a European Commission proposal to restrict the use of carcinogenic, mutagenic and reprotoxic (CMR) substances in clothing, textiles and footwear.

Voted through at the REACH Committee meeting today, the text brings new limits to 33 CMRs. The new law will apply 24 months after publication in the EU Official Journal but first will be scrutinised by the European Parliament and Council.
In 2015, the Commission published a preliminary list of 286 CMRs it proposed to restrict.

The draft annex to the Regulation includes exemptions. The restrictions, it says, will not apply to:

- clothing, related accessories or footwear, or parts of clothing, related accessories or footwear, made exclusively of natural leather, fur or hide;
- non-textile fasteners and decorative attachments;
- second-hand clothing, related accessories, textiles other than clothing or footwear;
- clothing, related accessories, textiles other than clothing or footwear used as medical devices; and

- 'disposable textiles' – those designed to be used only once or for a limited time and are not intended for subsequent use for the same or a similar purpose.

CMRs may be present in materials from the production process, the Commission says, or because they are added intentionally to give specific properties, such as to prevent shrinkage or make fabric crease-resistant.

Consumers can be exposed to these chemicals through skin contact, inhalation or unintentional ingestion of dust released from textile fibres. Small children are also at risk due to a possible oral exposure, the EU executive adds.

Last month, eight European trade associations said the draft proposal is "sensible" and "pragmatic", but they had concerns that it covered complex products, containing parts that are "effectively never in contact with the skin or cannot be considered as strictly textile materials".

Ahead of the REACH Committee meeting, meanwhile, NGOs said the restriction should cover all CMRs that are category 1A and 1B substances with a harmonised classification; not just the "40 plus substances" for which the Commission "was able to find evidence of use in the textiles sector".

And consumer organisations Beuc and Anec have said that the proposal should be amended to ensure better protection of small children; regular updates to the list of restricted substances and applicable concentration limits; and disposable textiles are within scope.

Proposed substances and restricted concentration limit by weight

- Cadmium and its compounds – 1 mg/kg
- Chromium VI compounds – 1 mg/kg
- Arsenic compounds – 1 mg/kg
- Lead and its compounds – 1 mg/kg
- Benzene – 5 mg/kg
- Benz[a]anthracene – 1 mg/kg
- Benz[e]acephenanthrylene – 1 mg/kg
- Benzo[a]pyrene; benzo[def]chrysene – 1 mg/kg

- Benzo[e]pyrene – 1 mg/kg
- Benzo[j]fluoranthene – 1 mg/kg
- Benzo[k]fluoranthene – 1 mg/kg
- Chrysene – 1 mg/kg
- Dibenz[a,h]anthracene – 1 mg/kg
- α, α,α,4-tetrachlorotoluene; pchlorobenzotrichloride – 1 mg/kg
- α, α,α-trichlorotoluene; benzotrichloride – 1 mg/kg
- α-chlorotoluene; benzyl chloride – 1 mg/kg
- Formaldehyde – 75 mg/kg
- 1,2-benzenedicarboxylic acid; di-C 6-8-branched alkylesters, C 7-rich – 1000 mg/kg
- Bis(2-methoxyethyl) phthalate – 1000 mg/kg
- Diisopentylphthalate – 1000 mg/kg
- Di-n-pentyl phthalate (DPP) – 1000 mg/kg
- Di-n-hexyl phthalate (DnHP) – 1000 mg/kg
- N-methyl-2-pyrrolidone; 1- methyl-2-pyrrolidone (NMP) – 3000 mg/kg
- N,N-dimethylacetamide (DMAC) – 3000 mg/kg
- N,N-dimethylformamide; dimethyl formamide (DMF) – 3000 mg/kg
- 1,4,5,8- tetraaminoanthraquinone; C.I. Disperse Blue 1 – 50 mg/kg
- Benzenamine, 4,4'-(4-iminocyclohexa-2,5-dienylidenemethylene)dianiline hydrochloride; C.I. Basic Red 9 – 50 mg/kg
- [4-[4,4'-bis(dimethylamino)benzhydrylidene]cyclohexa-2,5-dien-1-ylidene]dimethylammonium chloride; C.I. Basic Violet 3 with ≥ 0,1 % of Michler's ketone (EC no. 202-027-5) – 50 mg/kg
- 4-chloro-o-toluidinium chloride – 30 mg/kg
- 2-Naphthylammoniumacetate – 30 mg/kg
- 4-methoxy-m-phenylene diammonium sulphate; 2,4-diaminoanisole sulphate – 30 mg/kg
- 2,4,5-trimethylaniline hydrochloride – 30 mg/kg
- Quinoline – 50 mg/kg

Source: chemicalwatch.com - Apr 26, 2018

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Peru Expects 8% Growth in Textile and Apparel Exports in 2018

Exports of Peruvian textiles and apparel could grow between 6 percent and 8 percent in 2018, a year after sales totaled $1.3 billion, the exports director at PromPeru, the Andean nation's tourism and export-promotion agency, told EFE.

That expected rise is part of a trend stemming from promotional efforts launched four years ago, Luis Torres said.

Heirs of an ancient textile tradition, Peruvian apparel makers have seen their industry make a recovery in recent years, including export growth of 6.1 percent in 2017, according to the official.

"We're starting to see the results of work carried out over four years in markets such as the United States with new approaches, Brazil, Mexico, Europe and Asia," Torres said.

"We hope to grow between 6 and 8 percent this year, but the challenge is to get back to $2 billion in exports," the level that existed a decade ago, he added.

On Wednesday, PromPeru inaugurated the 21st edition of the Peru Moda and Peru Moda Deco 2018 fair, an event in which some 1,000 foreign buyers have the chance to familiarize themselves and do business with more than 250 Peruvian exhibitors.

"The idea this year is to surpass (last year's) figure of $108 million" in contracts, Torres said.

To that end, some 7,000 industry professionals have been invited this year to the Lima Convention Center, the venue for the 2018 edition of this annual event.

This year's fair is giving small firms from Arequipa, Cusco, Ayacucho, Junin, Puno, Piura, La Libertad, Huancavelica and Lima the chance to pitch their products to major retailers such as Mexico's Liverpool, La Martina of Argentina and Frame LA Brands.

There are "very strong expectations that these buyers, around 50 percent of whom are new, will be able to find an exportable supply consistent with the market niches in their respective countries," Torres said.

These specialized buyers are looking for both novel offerings and Peru's flagship cotton and alpaca fibers, but they also are seeking suppliers with a view to developing their own brands, Torres said.

A group of buyers at the event also has come with an interest in acquiring Peruvian brands, the official said.

The Peruvian exporters include some 30 firms that have been registered as eco-friendly apparel makers and which have received buyers interested in their wares, as well as some 40 firms that specialize in crafts, decorative items and jewelry.

Peru Moda also includes the traditional runway shows and – this year – forums focused on sustainable fashion, innovation and trends in the international market.

The US and Brazil are among the main destinations for Peruvian apparel exports, while alpaca garments have a strong presence in Europe and Asia, Torres said.

In keeping with PromPeru's strategy for the continued global expansion of Peruvian brands, the first alpaca store in China will mark its first full year in 2018 and the first Peru Textiles store will open in Brazil in the year's second half.

Source: laht.com- Apr 25, 2018

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How the Blue Jeans Go Green Program Aims to Fortify Circularity

The great thing about denim apparel is that it practically lasts forever—though that "practically" means there's room for improvement.

While nothing may fit as well as a pair of old blue jeans, at some point, consumers realize their jeans are too big, too small, or look worn in ways that aren't exactly trend right anymore. But rather than just throwing them out, the Blue Jeans Go Green denim recycling program gives new purpose to old denim.

In 2006, Cotton Incorporated started the program to help divert denim from landfills. Since then, more than 2 million pieces including jeans, shorts, skirts, jackets, dresses and shirts have been collected and turned into housing insulation.

When it comes to home insulation, the pink stuff that comes with pieces of skin-piercing glass fibers, may be what comes to mind for most. But that's not the case with the UltraTouch Denim Insulation created through a partnership with Bonded Logic Inc. Denim garments are collected to create this insulation, and zippers, buttons and embellishments are removed. The denim is returned to its natural cotton fiber state and then upcycled into denim insulation.

So far, more than 4 million square feet of insulation has been manufactured as part of the Blue Jeans Go Green program. Insulation distributed from the program helps construct homes and civic-minded buildings around America. What's more, upward of 1,000 tons of denim garments have been kept from landfills.

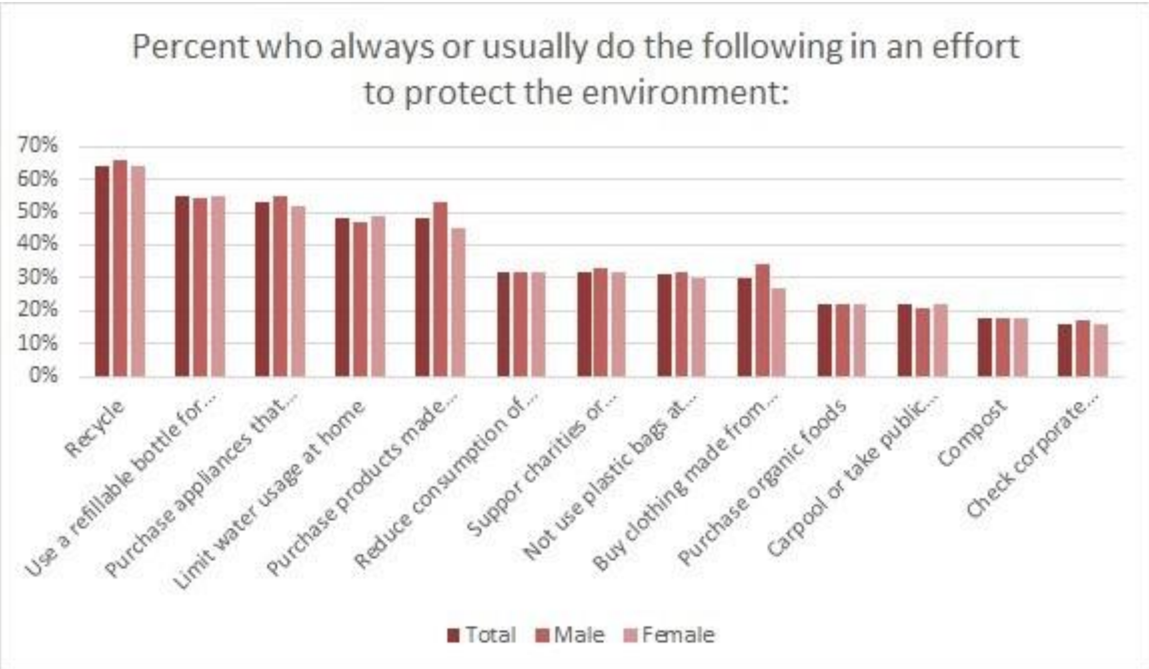
Holt Renfrew, Madewell, Rag & Bone and J. Crew are among the retailers that have recently signed onto the program. At each of the stores, whenever customers drop an old denim garment, they receive a dollar amount or a percentage toward something new in the denim family.

So far, Madewell alone has collected close to 300,000 pairs of jeans, and as a result, more than 300 Habitat for Humanity homes in cities like New Orleans, Charleston and Los Angeles, have been built with insulation made from the pre-worn denim.

Wrangler has been a more recent partner, having begun its Blue Jeans Go Green program collaboration in 2017. Currently, the company collects denim scraps, material and product from its internal manufacturing, product development and distribution centers.

“In 2017, we contributed more than 43,000 pounds of denim, which produced over 80,000 square feet of insulation,” Roian Atwood, director of sustainability for Wrangler, said. “If customers want to mail in their old denim to our headquarters, we will include it in our recycling program. For 2018, Wrangler is working together with the Blue Jeans Go Green program to provide 130,000 square feet of the sustainable denim insulation to All Hands and Hearts–Smart Response for its rebuild effort after Hurricane Harvey.”

While “upcycling” clothes might still sound unusual, recycling is something that comes naturally to most people in the U.S. these days. Currently, roughly three in four consumers say they recycle (82 percent), use refillable bottles (74 percent) and purchase energy-saving appliances (72 percent) in an effort to protect the environment, according to the Cotton Council International (CCI) and Cotton Incorporated Global Environment Survey. That’s followed by consumers who say they limit home water usage (69 percent), recycle clothing or textiles (65 percent), purchase local made products (62 percent), and reduce overall consumption (55 percent).



When it comes to outside motivators for their environmentally friendly actions, 59 percent of consumers say they do things “simply because it’s the right thing to do,” according to a Global Environment Survey that was commissioned by Cotton Incorporated. Another 50 percent attribute their motivation “to protect the world for my children/grandchildren/future generations” and 41 percent attributed it to a desire to “live a more balanced/healthier lifestyle.”

Perhaps this wish to “do the right thing” is the reason the Blue Jeans Go Green program has already enjoyed a series of successes. In 2009, it set a Guinness World Record when it partnered with National Geographic Kids magazine, earning the record for “Most Items of Clothing Collected for Recycling” with 33,088 pieces of denim.

In 2010, it launched a grant program that gives architects, builders and project developers the opportunity to apply for grants of insulation for civic-minded buildings. In 2013, Blue Jeans Go Green program celebrated recycling the one-millionth piece of denim via a unique auction where denim was used as currency to raise awareness about textile recycling.

In 2014, denim was collected as part of a nationwide NASCAR series race.

And in 2016, Cotton Incorporated celebrated a decade of collecting denim for its Blue Jeans Go Green program with a three-day pop-up in New York City. The star-studded affair featured interactive displays that showcased the achievements and milestones that the program had reached thus far.

Besides retailers and manufacturers, Cotton Incorporated’s Blue Jeans Go Green program has partnered with nearly 60 colleges and universities across the country and collected more than 200,000 pieces of denim along the way.

Wrangler’s Atwood said the company is excited for the future possibilities of engaging consumers in the program. The company has already been insulating homes in Lumberton, NC, post-Hurricane Matthew, and All Hands has already been using the denim insulation for houses and schools in northeast Houston. But the program could get even bigger.

“We are just now announcing the program over social media to our consumers in celebration of Earth Day,” Atwood said.

Source: vietnamnews.vn- Apr 26, 2018

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Swiss clothing brands urged to sign up with Accord in Bangladesh

Swiss clothing retailers have been urged to sign up with Bangladesh's Accord. Five years after the Rana Plaza factory collapse that killed 1,138 textile workers in Bangladesh, 145 international brands signed up with Accord on Fire and Building Safety in Bangladesh. Only one of them is Swiss and that is the teen clothier Tally Weij, which joined Accord in 2014.

Bangladesh is the fourth leading source of clothing imported into Switzerland. Swiss retailer Coop sells various brands of clothing and soft furnishings. It says its few own-label textiles come from a handful of carefully selected suppliers in Bangladesh and that it has always taken responsibility for implementing sustainability standards directly.

Similarly, Swiss outdoor label Mammut says it's systematically committed to the comprehensive improvement of working conditions and occupational safety. Mammut says it has built up a substantial control and management system over the past ten years. Neither Coop nor Mammut is a part of Accord.

Accord is the world's first legally binding measure to improve workplace safety for garment workers. Under Accord, inspection teams have screened over 1,600 factories and identified more than 1,18,500 dangers related to fire safety, electrical installations and structural issues. Some 83 per cent of these problems have been resolved.

Source: dawn.com- Apr 25, 2018

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Pakistan: Lint price stands firm on demand of better grades

Cotton prices remained steady with higher demand for better grades at Punjab and Sindh stations during trading session. More than 1,200 bales of better quality changed hands. The Karachi Cotton Association (KCA) spot rate stood firm at Rs 7,500 per maund.

The leading buyers bought quality lint on paying premium price above Rs 7,650 per maund during the trading session. The spinners bought second grade of lint for blending purpose on slightly higher rates at around Rs 7,475 per maund while mills in Sindh and Punjab stations strengthened their long positions by striking forward deals on one-month delivery period.

Better and second grades of lint are fetching premium prices on fast shrinking while raw grade of lint changed hands at Rs 6,000 per maund, depending on trash level.

The physical market prices would remain stand between Rs 6,550 per maund and Rs 7,775 per maund.

Private sector exporters brought out their better grades in the market on higher prices. The fine stocks of past crop season are also fetching better prices above Rs 7,600 per maund. Ginneries in Sindh and Punjab have geared up their ginning activities in order to meet growing demand.

Cotton prices were expected to increase by around 5 percent in open market, as cotton demand would increase.

According to KCA, 200 bales of Mirpurkhas changed hands at Rs 7,000 per maund, 200 bales of Sanghar at Rs 7,450 per maund, 200 bales of upper Sindh at Rs 7,075 per maund, 200 bales of Rahimyar Khan at Rs 7,525 per maund and 200 bales of Bahawalpur changed hands at Rs 7,000 per maund.

New York May Futures 2018 contract closed at 84.18 cents per pound and July Futures 2018 contract closed at 84.45 cents per pound. Cotlook A Index closed at 91 cents per pound.

Source: dailytimes.com.pk- Apr 27, 2018

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NATIONAL NEWS

More than one change per day made by Govt in GST: Export promotion council for SEZs

Government has made 376 changes in the Goods and Services Tax (GST) since its inception in July last year by amending rules, issuing clarifications and circulars related to refund, exemption and rates, Export Promotion Council for EOUs & SEZs (EPCES) has said.

“The government has made 376 changes to the tax system by issuing circulars and coming out with clarifications about change in rates or exemptions,” said Vinay Sharma, chairman, EPCES at an open house meeting with exporters to discuss issues related to GST.

Of these, 73 changes are related with exemption and 65 with rates.

Exporters flagged concerns related to refunds, exemption of GST, classification of Goods and services and place of supply for service exports and GST Network at the meeting.

Complaining that delay in GST refund has blocked their working capital, exporters have claimed that over 60% of their refunds are stuck with the government. The government has sanctioned GST refunds to exporters to the tune of Rs 17,616 crore till March.

They also discussed the option for SEZ units to claim refund of the GST charged by suppliers.

At present, a supplier can provide goods and services to units in SEZ under a legal undertaking or LUT without payment of IGST, alternately they can reclaim the refund. Many suppliers do not want to go for LUT or refund process and charging GST in their invoice which is a cost burden for SEZ Unit. Under the existing law, there is no option for SEZ unit to claim the refund of the same.

“We have also suggested to treat SEZ as outside India (deemed foreign territory) for the purpose of place of supply rule under IGST for service export,” Sharma said.

Exporters also said that the rules are in English which makes it difficult for those who are not well versed with the language to understand and comply with the norms, especially in far flung areas.

Source: economictimes.com- Apr 26, 2018

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Bimstec Secretary-General calls for expeditious FTA talks

To boost sub-regional economic cooperation, Bimstec Secretary-General Shahidul Islam on Thursday called for faster negotiations for the conclusion of a free trade agreement (FTA) within this grouping of South Asian and Southeast Asian nations.

Speaking at the launch of report by industry body Ficci titled "Reinvigorating Bimstec: An Industry Vision for the Next Decade" here, Islam said that though a framework agreement was signed for a Bimstec FTA in 2004, negotiations have remained stalled for the last-two-and-a-half years.

He called for specific steps to rejuvenate the regional grouping through greater political commitment, expeditious negotiations on Bimstec FTA, adequate funding, Bimstec special visas and closer people-to-people contacts.

"The time now is to consolidate on the progress made in the last 20 years and take immediate steps to give Bimstec a distinct regional flavour," the Bangladeshi diplomat, who was appointed Bimstec Secretary-General last year, said.

The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (Bimstec) came into existence in June 1997 through the Bangkok Declaration.

It comprises seven countries lying in the littoral and adjacent areas of the Bay of Bengal - Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand.

The main objective of Bimstec is technical and economic cooperation among South Asian and Southeast Asian countries along the rim of the Bay of Bengal.

With the South Asian Association for Regional Cooperation (Saarc) virtually rendered ineffective as a bloc, largely due to non-cooperation on the part of Pakistan in a number of areas, India has been giving more importance to Bimstec in recent times.

The bloc brings together 1.5 billion people or 21 per cent of the world's population and has a combined GDP of $2.5 trillion.

India is the lead country for cooperation in four priority areas: counter-terrorism and transnational crime, transport and communication, tourism and environment, and disaster management.

In his speech, Islam said that at a Bimstec ministerial meeting held in Bangkok last year, four major pillars were identified on which economic cooperation between the member states rests.

"First, closer public-private partnership to promote economic cooperation and to this end, creation of Bimstec Economic Forum to facilitate high-level exchange of views between policy makers and business community," he said.

"Second, identification of sectors, sub-sectors and projects for economic cooperation. Initially five key sectors were identified, namely, textile and clothing, drugs and pharmaceuticals, gems and jewellery, horticulture and floriculture products, information technology products and services."

Thirdly, he said, there should holding of senior economic officials' meeting to promote intra-regional cooperation on elimination of non-tariff barriers, market access issues and services.

Fourthly, he mentioned infrastructure building with assistance of multilateral institutions, UN agencies, World Bank and ADB.

Islam said that FTAs were no panacea for development, but they represented a crucial first step towards spurring growth and development in the region.

Bangladesh, he said, had agreed to hold the next round of trade negotiations for concluding the Bimstec FTA which should be started without delay.

The Bimstec Secretariat in Dhaka, he said, needed to be adequately financed as its present budget is a mere $1 million.

The Ficci Knowledge report on reinvigorating Bimstec, prepared by a core group with former Indian diplomat Rajiv Bhatia as the Chair and Vikramjit Singh Sahney of Sun Group as Co-chair, suggests funding of $2 billion from India and $1 billion from other member states.

"This is the kind of commitment required to give a fillip to generating meaningful activities in the region," Islam said.

Ficci President Rashesh Shah said the Bimstec member nations together have untapped economic potential to catapult regional trade and investment to the next level and provide a framework to achieve sustainable development.

"The Ficci core group report strives to understand the key drivers of the development paradigm for the region and identify the contours of an economically feasible and result driven approach for BIMSTEC to achieve sustained progress," Shah said.

"To fulfill this vision, all stakeholders concerned have to work together for a stable, prosperous and integrated neighbourhood."

Bhatia, who also served as India's Ambassador to Myanmar, said that with Saarc regional grouping facing difficulties, "we can work on revitalising Bimstec".

"We should bring Laos, Cambodia and Vietnam into Bimstec and reconfigure it," he said.

He also called for the holding of a Bimstec summit meeting at the earliest.

Source: business-standard.com- Apr 26, 2018

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Cotton body sees a stable situation on higher stocks

After reviewing the crop situation for the 2017-18 cotton year, the Indian Cotton Federation (ICF) believes that the situation is “more stable than expected.”

Cotton balance sheet

(In lakh bales)

Particulars	2017-18*
Opening stock (Oct 1,2017)	40
Production	375
Imports	18
Total supply	433
Mill/SSI/non-mill consumption	320
Exports	69
Total demand	389
Closing stock (Sept 30,2018)	44

*as on Apr 19, 2018

“Cotton farmers were expecting better prices earlier. The arrivals were late, so we thought that the crop was less. But with arrivals at 90,000 bales a day at market yards, we expect the market to be stable,” said J Thulasidharan, President, ICF.

Prices did shoot up by ₹1,000, reacting to the New York market moves, but it has now started to show a downward trend. “Those that had invested in cotton are expecting ₹45,000 per bale (of 170 kg each).

When it rains, the market tends to move up, as there is a weight gain of 3-4 per cent. But during the month of May, sellers are generally reluctant to sell. Incidentally, after many years, the stock with the trade has peaked,” he told BusinessLine.

Price outlook

Is it a good sign? “Of course, for it is with the trade. Further, as compared to international prices, the Indian cotton price is low and reasonable.”

When asked if the present situation would augur well with the cotton farmer as his realisation is not on expected lines, the ICF President said, “there is a global surplus. There are no takers for Indian cotton as the fibre from India is not standardised.”

Due to tight financial situation prevailing in the spinning sector and comfortable availability of quality cotton, the prices are expected to remain steady. “The monsoon would be a major deciding factor for cotton prices for the period between June and October 2018.”

Yarn situation

While the industry is expecting a steady cotton market, the yarn market, though steady, is learnt to be slow. “Mills are not carrying huge stock of yarn as the payments are delayed in the aftermath of GST.

Textile scenario till the yarn sector looks steady,” Thulasidharan said, adding “but there is threat of imports from Bangladesh and Pakistan.

This could play spoilsport if the government does not intervene and insist on the “Certificate of Origin” in the interest of the domestic sector.

Source: thehindubusinessline.com- Apr 27, 2018

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Indian manufacturers seek policy intervention on hank yarn

Yarn manufacturing mills in Tamil Nadu have urged Indian textiles minister Smriti Irani to initiate steps to reduce hank yarn obligation from 40 per cent to 10 per cent and enable ease of doing business for the cotton textile industry after implementation of the goods and services tax (GST), which brought both cone yarn and hank yarn under 5 per cent tax rate.

This has resulted in sharp reduction in the demand for hank yarn in the post-GST era, managing directors of around 400 such mills said in similarly-worded letters to the minister.

Spinning mills, therefore, are unable to market the hank yarn and fulfill the obligation that may attract severe penal action as the obligation is covered under the Essential Commodities Act, Indian media reported citing the letters.

Such unrealistic restrictions were making the mills globally uncompetitive despite the ministry's efforts to promote exports, according to the mills.

Cotton yarn production has increased by 133 per cent from 1,321 million kg in 1987-88 to 3,079 million kg in 2009-10 despite the number of handlooms in the country reducing by about 41 per cent in the same period.

The country's spinning sector produced 4,061 million kg of cotton yarn in 2016-17, registering an increase of 207 per cent over the figures in 1987-88.

Source: fibre2fashion.com- Apr 26, 2018

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UP govt to restore industrial glory of Kanpur by reviving textile mills

Kanpur, the erstwhile 'Manchester of the East', the nickname it had earned during the British Raj owing to flourishing textile mills in the city, is today a pale shadow of its glorious past.

The closure of textile mills over the past decades coupled with the utter failure of the city to keep pace with haphazard and explosive urbanisation is the stark reality staring in its face even as other towns in Uttar Pradesh emerged on the landscape and developed as the most preferred industrial and economic zones.

However, the Yogi Adityanath government is now looking at reviving the old glory of Kanpur, which was once UP's premier industrial town and held place of pride in the entire North India.

The state government is taking steps to revive the defunct and sick textile mills in Kanpur, especially Lal Imli unit, which is owned by central government utility British India Corporation (BIC). Lal Imli once produced the finest range of woolen textiles and garments, reckoned not only in India but abroad as well, before it fell out of grace.

UP industry minister Satish Mahana, who himself hails from Kanpur, has said the state government was committed to reviving the glorious industrial past of the town. Yesterday, he held a meeting to discuss the proposal to revive BIC and National Textiles Corporation (NTC) mills.

He said UP was proactively taking up the matter of Lal Imli unit with the Centre even as he directed state officials to personally confabulate with their central government counterparts to expedite the matter.

Mahana underlined while the government was promoting new investment and new units in UP, the sick entities were also being revived. He said a definite roadmap for restarting the NTC and BIC textile mills would be prepared by the central and state officials, which was expected to send out a positive signal to the investor community and further spur industrialisation.

About a dozen textile mills of NTC and BIC had ceased their operations in Kanpur around two decades back. Successive attempts to revive them with central package of almost Rs 5 billion have so far come a cropper.

These defunct mills are located in the most prime locations of Kanpur viz. Civil Lines, Kidwai Nagar, Fazalganj etc. The machinery of some of the defunct units have been scrapped and they merely stand as barren stretch of land.

Owing to unbridled horizontal growth, these mills over time got surrounded with haphazard human settlements around it. As Kanpur failed to keep pace with peers in civic infrastructure, the sustainability of mills also suffered irreparably.

The local hosiery industry has been demanding that the government utilised the vast land infrastructure of NTC to resettle the ancillary units, especially small stitching factories, which are scattered throughout the main city pockets.

Source: business-standard.com- Apr 26, 2018

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EPFO numbers: Jobs jumped. Or did they?

The country's pioneering payroll count — based on the Employees' Provident Fund Organisation's (EPFO) subscription database — released on Wednesday gave government managers and some data analysts their "I told you so" moment.

As the EPFO said 3.1 million contributors were added on a net basis during the half year between September 2017 and February 2018, they claimed that it meant a whopping 6 million new formal jobs — roughly equivalent to the skilled workforce entering the job market annually or 10% of the retirement fund body's active subscriber base — were created in the whole of 2018-19.

If true, that would have dismantled all criticism of jobless growth that the Narendra Modi government has had to face.

But just a bit of analysis would reveal how facile these optimistic assumptions are. Even though the EPFO wasn't putting out month-wise payroll data earlier, it used to publish the average number of subscribers (who contributed) annually.

And the average subscriber base has seen accelerating growth over the last four to five years, from 6% in in FY15, the first year of this government, to over 15% in FY18.

So was that not a sign of a boost to job creation? Hardly. Job growth has little to do with the recent jump in the EPFO subscriber base.

An amnesty scheme for EPF defaulter firms that ran between January and July 2018 saw these firms enrolling some 4.9 million people in FY17and the bulk of these were obviously old workers rather than new recruits. Including the amnesty additions, the EPFO contributor base rose 9.5% to 41.2 million in FY17, but the base would have shrunk to 36.2 million in the year — even lower than previous year's base of 37.6 million — had the amnesty not been implemented.

Since the amnesty extended to four months in FY18 (in April-May, 1.2 million got enrolled, as per available data) too, the reported active subscriber base in the year of 47.5 million could be deflated by 2.4 million or thereabouts to get the growth in the base attributable in at least in some measure to new jobs.

Pronab Sen, former chairman of the National Statistical Commission, said: "It (3.11 million) reflects the number of registration under the EPFO but there is nothing that suggests that these many people were unemployed earlier. Since the addition to the job sector annually is roughly 6-7 million, the claim that 3.11 million new jobs were created between September 2017 and February 2018 will mean every new entrant got a formal sector job, which is not possible."

Apart from the amnesty scheme, the scheme for textiles and garment sectors launched in October 2016 under which the government bears the bulk (8.33%) of the employer's contribution towards the EPF's pension scheme also boosted the EPF contributor base.

The implementation of the goods and services tax, whose continuous tax chain has brought a wide segment of the small-scale industries into the formal economy. might also have had a salutary impact of the EPF base.

NITI Aayog vice-chairman Rajiv Kumar said: "One has to be careful in estimating addition to jobs. What happens is that companies start to contribute to the EPFO when their head count increases from 19 to 20. So, all 20 workers come into (EPF) picture in one go, while it is not that all 20 were not there (with jobs) earlier."

At last count, the beneficiaries under the textile scheme were 250,000, but even all of them cannot be called new jobs as practically, the scheme prompted the firms to bring their existing workers under EPF cover rather than recruiting new ones.

The EPF contributor base could see rapid growth in the current financial year as well, as the government has recently rolled out an amplified Pradhan Mantri Rozgar Protsahan Yojana, under which employers in all sectors will be encouraged to provide EPF cover to "new employees" (again, those who haven't been issued UANs rather than strictly first-time jobs) with the government contributing the employers' entire 12% (of basic pay) contribution to EPF for the first three years.

Government policies have clearly given a fillip to the EPF contributor base, but it is simplistic to ascribe the expansion to faster job creation the economy. While the EPF's current "active subscriber base" is 61.5 million (those who have contributed at least once in a year), it includes quite a number of people with multiple EPF accounts. Of course, Aadhaar-seeding was made mandatory by EPFO for new subscribers from July 2017 — a move that would prevent anyone from opening multiple accounts in future — but the total number of Aadhaar-linked accounts is still 33 million only.

Source: financialexpress.com- Apr 27, 2018

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GSTN: Over 2 crore e-way bills generated since April 1

Goods and Services Tax Network (GSTN) on Thursday said its e-way bill portal has generated more than 2 crore bills since its introduction from April 1. The figure includes the highest single day bill generation of over 13 lakh earlier this week.

E-way bill system is an anti-evasion tool under the goods and services tax (GST) regime, which requires businesses to intimate the system before moving cargo worth more than Rs 50,000.

The number of taxpayers registered with the e-way bill portal has crossed 16 lakh, compared with 11 lakh on the launch date, the firm, which runs the IT backbone of the GST, said in a statement. It added that while all states and Union Territories (UTs) started generating e-way bill for inter-state movement of consignments, the bill for intra-state movement has so far been rolled out in 16 states and 1 UT. The government will notify the remaining states for intra-state bill by June 1.

“Gujarat (19%), Karnataka (14%), Maharashtra (11%), Uttar Pradesh (9%) and Haryana (8%) have so far accounted for a major chunk of e-way bills generated as per data available till April 23. Together, these five states have contributed 61% of the total e-way bill generated in the last three weeks,” GSTN said.

Prakash Kumar, CEO of GSTN, said: “As on April 23, 86% of total e-way bills generated were from inter-state movement, and the rest from intra-state movement. With more states being added to the system gradually, the numbers will only keep increasing. The portal is functioning smoothly and is capable of generating up to 75 lakh bills a day.”

To ensure timely redressal of concerns, GSTN said it has provided the facility for the transporter to submit a grievance at the e-way bill portal if an inspecting GST official detains the conveyance for more than 30 minutes. Similarly, officers who conduct inspection are required to submit preliminary report within 24 hours of such inspection and the final report within three days of such inspection, the company said.

Source: financialexpress.com- Apr 27, 2018

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