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

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USD 67.43| EUR 78.80 | GBP 89.79 | JPY 0.62

Cotton Market

Spot Price (Ex. Gin), 28.50-29 mm		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
20605	43100	**81.00**

Domestic Futures Price (Ex. Gin), June		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
22170	46374	**87.15**

International Futures Price	
NY ICE USD Cents/lb (July 2018)	92.49
ZCE Cotton: Yuan/MT (Jan 2019)	18,205
ZCE Cotton: USD Cents/lb	**109.35**
Cotlook A Index – Physical	**94.9**

Cotton guide: Cotton on Wednesday snapped gains that were considered huge in last 4 trading sessions. The ICE July had made an intraday high of 96.40 cents early in the Asian session however, it posted a lower closed at 92.49 cents per pound during ICE closing session. We think mere profit booking with the recent run up rally may have been the key reason for price correction onto down side while the broad trend and the positive factors ruling cotton market continues to weigh.

Interestingly December contract ended the session on a positive note at 90.85 up by 20 points from the previous close. This clear indicates that the factors that are supporting or making cotton price to rise has significant impact on the new crop contract i.e. December pertaining to weather concerns in US and China.

Also this is clear evident that the spread between July and December has narrowed down to 1.88 cents as per latest quote this morning from its recent high of 5 cents. While we observe the trading pattern and participation between July and December the open interests are higher in the latter contract.

However, the trading volumes are neck to neck between the two and are around 40 to 45K contracts. We think in few trading sessions December will surpass July in volume parameter. On the aggregate front it is essential to understand that the open interests are almost at record high of 0.307 million contracts at ICE and the daily aggregate volumes stands at 0.101million contracts highest in May 2017.

On the technical front, market on a daily and lower frames had reached close to an overbought zone hence a correction is noticed. However, the broad trend is not changed yet. We see 90 as key support level while the recent top can be considered as strong resistance level. For the day we expect cotton to trade in the range of 92 cents to 93.60 cents per pound.

On the Chinese front, one common belief is that China's influence has been extreme, including Chinese speculators trading in ICE, many of whom trade China's ZCE cotton futures, too. The ZCE went soaring in their Wednesday session on extremely heavy volume. Also supporting the bullish move was the Chinese State Reserve Auction which had its 8th consecutive 100 percent sales versus offers. The cumulative turnover rate is 63.31 percent (offered versus sold). This auction series started at 24.1 million bales and 19.26 million bales are remaining.

Further on the market, Jim Rogers long only funds rollover of positions from July to December has already started and 31started and today is the second session. However, we will have to observe the potential impact on the market. Likewise, Goldman Sachs rollover of positions shall begin on 7th of June and will continue until 13th. On the domestic front, spot price traded steady around Rs. 43,150 per candy ex-gin. The daily arrivals stood steady around 50 to 55K bales. The futures have been quite volatile; the active June had made an intraday low of Rs. 21800 per bale however, posted a close at Rs. 221,170 per bale. For the day we expect market to remain sideways and the trading range for the day would be Rs. 22000 to Rs. 22370 per bale.

Currency Guide:

Indian rupee appreciated by 0.05% to trade near 67.4 levels against the US dollar. Rupee trades little changed today after a 0.6% appreciation yesterday. Rupee has benefitted from recovery in equity market and general correction in US dollar. Asian equity markets edged up today after sharp gains in US market yesterday on easing market reaction to Italy's political uncertainty and upbeat Chinese manufacturing PMI data. The US dollar index has corrected from 6 ½ month high on disappointing economic data. However, weighing on rupee is recovery in crude oil price from recent lows. Crude recovered from 6-week low as market players assessed possibility of OPEC's production increase. Also weighing on market sentiment are concerns about US-China trade war as US plans to impose import tariffs. Mixed factors may keep rupee choppy but some appreciation is likely due to improved risk sentiment and general weaker outlook for crude. USDINR may trade in a range of 67.15-67.65 and bias may be on the downside.

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

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INTERNATIONAL NEWS

Cotton Australia visits Hong Kong

Cotton Australia's Cotton to Market programme was in Hong Kong recently to meet with brands and denim manufacturers sourcing Australian cotton and to review the Cotton LEADS programme with Cotton Inc. Cotton LEADS programme is working on aspects like amplifying the US and Australian cotton industry stories of responsible cotton production.

A highlight of the trip was a presentation to around 50 Nike product innovation and design team members about raw material sourcing. Cotton Australia Chairman Simon Corish and CEO Adam Kay presented to the group on a typical Australian cotton farm, our sustainability credentials and plans for the future.

Cotton LEADS continues to gain momentum with more than 600 global partners, including brands and manufacturers. The emphasis has been awareness and partner recruitment. The programme will focus on collaborating with partners on benevolence projects to drive change in other countries, and encouraging partners to become more active, for example by helping them source Australian and US cotton.

"Cotton LEADS cotton represents almost 20 per cent of the world's production," Cotton Australia director, Hamish McIntyre, says.

"The impact of Cotton LEADS could be far greater than we can currently understand or quantify, which is why it's so important for us to be involved. Many large global brands like the GAP, Brooks Brothers and Walmart now recognise Cotton LEADS as meeting their sustainability requirements, which is a great endorsement from our customers," McIntyre adds.

Cotton Australia will continue to work collaboratively with Cotton Inc to promote and build momentum for the Cotton LEADS programme with an increased emphasis on partner engagement and activation.

Source: fibre2fashion.com- May 31, 2018

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Iran revives apparel industry

More than 70 per cent of Iran's apparel manufacturing units are no longer active.

One reason is excessive imports of garments.

There are about 50,000 apparel manufacturing units in the country.

Plans are underway to establish a new apparel industrial town in Fashafouyeh, located in Tehran province's Rey county, with the aim of limiting imports, boosting domestic production and making the price of Iranian clothing more competitive.

The hope is that such an apparel industrial park will be highly beneficial as it will lead to transfer of know-how, increase in quality and lowered production costs.

Foreign representatives, branches and distributors of apparel in Iran who seek business licenses have been mandated to produce goods worth 20 per cent of their import value inside Iran and to export at least 50 per cent of this domestic production.

The initiative is aimed at increasing domestic production, creating jobs and reviving Iran's apparel industry. Public interest in domestic products has dramatically surged over recent months.

The country has taken measures aimed at renewing the country's garment manufacturing industry, in a bid to enter international markets. Exporting apparel products to neighboring countries, including the CIS and, in particular, Azerbaijan, is on the agenda.

Source: fashionatingworld.com- May 30, 2018

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Africa needs unified regulations against cheap Chinese imports

China is facing hefty fines in the United States. In April, US President Donald Trump unveiled a list of over 1,000 Chinese products to be hit with 25 percent tariffs worth $50 billion. The Trump administration said this was punishment for Beijing's policy of forcing American companies to give up their intellectual property rights in order to do business with China.

China struck back with its own list targeting US exports worth the same amount. Economic experts dubbed this spat a "trade war." Whatever the outcome of this political brouhaha between the world's two largest economies, the African continent is bound to feel the effects.
Chinese contraband on African markets

In the grid of "boutiques" along the main road of Koidu, a town in eastern Sierra Leone, Chinese bootlegged 'designer' clothes are all there is for the residents of the diamond-rich region. The only other choice comes in the form of used clothes from Europe and the US - an option which many African countries are growing more critical of.

"This is original GA," the boutique trader told me as I tried on the supposed Giorgio Armani (or GA) jeans. Original indeed! Between this pair of jeans and one costing €200 in a German store, the only difference I could see were the shop's flashing blue neon lights and 50 Cent's In da Club blaring out of loudspeakers in the background.

Counterfeit Chinese-made textiles in Africa have improved so much so that if there is any difference between the original and the fake, a layman's eyes such as mine can't see it.

Eric Olander, co-founder of the China Africa Project, an organization based in South Africa, thinks it is too simple to say that Chinese firms are simply taking advantage of African governments.

"Both China and each of the African countries it engages with are working to maximize their own national interests and it becomes incredibly difficult to determine what is fair," Olander told me.

The supply of cheap Chinese counterfeit items has grown so voluminous that the counterfeiters' Clavin Klein brand inadvertently became more of a household name in Sierra Leone than actual Calvin Klein products. Instead of Samsung, your phone comes from Samsong and the radios are from Sunny instead of Sony.

Many analysts believe that Beijing uses EU and US intellectual property to mass produce cheap goods and dump them onto African markets. But "Africa is not unique in that regard," argued Olander. "China does exactly the same thing in the USA, Asia, and the Middle East."

I should add here that when I refer to "China," I do not only mean the Chinese government, but also small to medium-sized private firms and multinational corporations.

Africa's 'free-for-all' intellectual property rights

So who is responsible for copyright violations in Africa?

"There are a few complicating factors" in the Sino-African relationship, according to Cobus van Staden of the South African Institute of International Affairs. Van Staden is the co-founder of the China Africa Project, along with Eric Olander.

"There are high level products and low level products all coming out of China. But the most important thing is that Africans have been very active in funneling Chinese-made products to Africa," said van Staden, who hosts a regular podcast on Africa-China relations.

A large group of Africans in China act as middlemen for legitimate as well as illegitimate African traders.

But van Staden believes Chinese authorities are starting to take the issue more seriously. "Reports in the past are about counterfeit products coming in, but I think the Chinese government has been implementing new screening procedures."

Unified Africa regulations against Chinese influence

From electronic gadgets to stationery, from providing cheap skilled labor to exporting natural resources, China has Africa covered.

"Interestingly, all kinds of school uniforms find their way here," said Ismail Bello, deputy secretary general of the National Union of Textile, Garment and Tailoring Workers of Nigeria. China's labor force is equipped with the know-how similar to most European nations. So arguably, it is cheaper for a primary school in Nigeria to import uniforms from China than to buy them from a local garment industry.

"The Nigerian textile and garment industry is at its lowest ebb," Bello said. "In the 1960s, 70s and 80s, this industry thrived to an extent that it exported to the West African region, occasionally to East Africa. With the liberalization of the textile market in the 1990s and the influx of Chinese textiles, the industry began to decline."

"Local producers possibly have less than 15 percent of the market shares. It has resulted in several closures and loss of jobs over the years," Bello said.

In the 1980's, Nigeria's garment industry employed about 500,000 people. Currently, only about 15,000 work in the industry, according to the union.

So what's the solution? Regulations! "I do think that having a stronger unified regulatory kind of apparatus to protect African intellectual property is really important," said van Staden.

But would China respect a unified African regulatory apparatus like the African Continental Free Trade Agreement - a proposed version of the agreement was sind in March 2018 by 44 out of 55 African Union member states. If ratified, the pact would lay down rules of trade for the entire African continent.

According to van Staden, Chinese firms might actually adhere to such rules. "Botswana and South Africa have complex regulatory framework and Chinese companies tend to work according to local laws," van Staden argued.

The relationship between the African continent and China is complex. It has its positive and negative sides.

Eric Olander explains: "I can tell you that China is the worst thing that ever happened to Africa and list all of the horrors committed over the past ten years. I would be correct in every point."

"I can also tell you that China is the best thing that has ever happened to Africa and, again, I would be correct in every point. This is not a binary relationship," Olander said.

Source: taiwannews.com- May 31, 2018

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Pakistan-India trade through Wagah border slows down

Trade activities between Pakistan and India have slowed down in current fiscal year of 2017-18, as the bilateral trade between the two rival nations has dropped to $1.25 billion from $2.4 billion of five years ago in 2013.

Sources in trade and industry said that Pakistan and India are presently doing a total bilateral trade of around $5 billion annually most of which is done via Dubai, besides unofficial trade across the Line of Control (LoC) on Srinagar-Muzaffarabad Road which is not documented.

They said that bilateral trade between Pakistan and India has felt the heat of mounting tension between the two arch rivals, as the cross-border movement of truckloads through Wagah-Attari route has nosedived.

According to the Pakistan Customs officials, the number of trucks crossing over from India has reduced significantly to just 4-2 from the normal routine of 150 truckloads due to non-tariff barriers from Pakistan including, Customs checking, Rangers inspection and close investigation of phytosanitary quarantine department. However, the number of truckloads going from Pakistan to India is almost constant in the range of about 100, officials said.

They said that Pakistan Rangers has created an atmosphere of high alert, with vigorous investigation of all consignment from Indian side since 2016. As a result, the volume of export from India is sharply dropping for the last couple of years.

Saarc Chamber of Commerce and Industry vice president Iftikhar Malik said that Pakistan is presently exporting textile industry chemicals, finished glass and finished fabrics with high value addition.

He observed that Pakistan industry particularly in Punjab has enhanced its capacity in view of catering Indian Punjab's market. Now Pakistan has increased its export to India through value addition. Earlier, it was sending traditional items of dry dates, gypsum, cement and raw fabrics. After keeping in view of the demand of Indian Punjab, the Lahore, Gujranwala and Faisalabad industry has developed itself, installing new machinery and enhancing capacity to add more value to their products.

Appreciating the restoration of 2003 ceasefire agreement by the senior Pakistani and Indian military officials Iftikhar Malik said trade and other issues should be dealt separately and nothing should disrupt business activities between Pakistan and India.

It is to be noted that an understanding was reached between the Pakistan and Indian director generals of military operations who made a special hotline contact to review the prevailing situation, ensuring peace and avoidance of hardships to the civilians along the borders.

Urging the NLC authorities to build a separate road for trade activities at Wagah border , the Saarc CCI vice president informed that bilateral trade was reached the highest level of $2.4b, which could further increased to $6b in limited period if both countries decided to treat each other equally. On the contrary this trade volume is lowered to $1.25b annually now.

Currently, most of the trade between India and Pakistan takes place via Dubai and its volume is estimated at over $4 billion, he added.

Iftikhar said that efforts of both the governments should be focused on implementing the roadmap agreed upon by the two countries in September 2012 for bilateral trade promotion.

He said that presently, India's para-tariffs and non-tariff barriers mainly restrict market access for Pakistani exporters, specifically of textile, agriculture and automobiles.

All Pakistan Vegetable and Fruit Market Dealers Association President Amin Bhatti said that cotton and cotton yarn is still largest import from India due to low crop in Pakistan.

While on the other hand exports of Pakistani items has increased because of increased demand of Pakistan gypsum, cement and dry dates in Indian market.

He claimed that now Pakistan has put non-tariff barriers in place for Indian exporters, as it is vigorously involving phytosanitary quarantine department to check the quality of food items coming from India.

He added that most of the consignments were rejected and wasted at the border and dozens of shipments forced to return back after health related checking in 2016.

LCCI Standing Committee on Pak-India Trade Promotions Aftab Vohra said that for the last two and a half year, the government has not issued quarantine certificates to importers to bring food items from India through Wagha.

He said that it is the government stance that instead of relying on imports from India it would look at the domestic growers to increase production and keep prices under control.

He said trade through Wagha-Attari needed to be expanded with improvement in ease of doing business by various essential steps such as streamlining of customs procedures, harmonizing standards, and improving testing and quarantine facilities.

In 2012, Pakistan abolished the positive list containing only 1,956 tradable items and enforced a negative list of 1,209 untradable items. Pakistan was expected to abolish the negative list by December 2012, but the deadline was missed due to Indian reluctance to address Islamabad's concerns about non-tariff barriers.

Indo-Pak Chamber of Commerce and Industry (IPCCI) President SM Munir said that trade in the region constitutes only 1.3 percent of the total world imports and 1.2 percent of exports, whereas merchandise trade is only 27.9

percent of GDP, the lowest in the world. South Asia is the least integrated region in the world.

He said that from the last couple of years, the bilateral trade is averaging around 2 billion dollars whereas it is estimated that India and Pakistan have a potential for trade of 20 billion dollars.

Source: nation.com.pk- May 31, 2018

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Vietnam: Imports of textiles and footwear materials from Canada surge

Imports of materials for textiles, leather and footwear from Canada saw a tremendous growth of 179.8 per cent to hit US$11.8 million in the first four months of 2018, reported by the statistics of the General Department of Việt Nam Customs.

Only in April 2018, the import of these materials reached $497.05 million, bringing the total import value in four months to US$1.74 billion, a year-on-year decrease of 0.02 per cent.

Currently, there are five major suppliers of textiles, leather and footwear materials for Việt Nam, including China, Republic of Korea, Taiwan, the United States and Southeast Asia. The import from these countries combined is worth over US$100 million.

Between January and April 2018, China led the turnover with over $645.95 million, accounting for 37.2 per cent of Việt Nam's total imports, down by 4.3 per cent against the same period last year.

Republic of Korea came second with nearly $226.16 million (accounting for 13 per cent, down by 5.1 per cent), followed by Taiwan with $148.11 million (8.5 per cent, down by 11.2 per cent), the United States with $118.83 million (6.8 per cent, up by 14 per cent) and Southeast Asia with $113.55 million (6.5 per cent, up by 14.2 per cent).

Notably, the import of textiles, leather and footwear materials from many markets particularly from Canada increased significantly against the same period last year.

Conversely, imports fell sharply from markets such as Argentina, down by 51 per cent to $7.68 million; New Zealand, down by 50.3 per cent to $4.23 million; France, down by 41.6 per cent to $1.3 million; Austria, down by 32.8 per cent to $0.44 million and Germany, down by 31.4 per cent to $8.44 million.

Source: vietnamnews.vn- May 30, 2018

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Textile quota elimination

Quota Elimination is an initiative to eliminate the use of quotas in all textile and clothing trade between nations which are members of the World Trade Organization (WTO). Doing so was one of the key commitments undertaken at the WTO Uruguay Round in 1994 to retire the Multi Fibre Arrangement.

The ATC, that is the WTO Agreement on Textile and Clothing, is the regulation governing textile and clothing and implements this commitment.

Many Chinese textile and clothing entrepreneurs found it tough to survive in the middle of 2005 because of the precautionary measures imposed by WTO members as also some developing countries like Turkey. As of January 1, 2005, the garment and fabric trade worldwide is operating without quotas.

To ensure the respect of bilateral textile agreements, goods shipped prior to January 1, 2005 and subject to the 2004 quotas will be subject to the import regime of 2004 even if they are presented to customs before January 1.

To avoid excessive burdens on trade and customs, as of April 1, 2005, all garments and fabrics will trade freely into the European Union (EU). Although the quotas have been eliminated, the regulation also sets up a statistical monitoring system for the imports of textiles and clothing into the EU.

This regulation is beneficial for Canadian clothing and fabric manufacturers because now there are fewer restrictions. It is hoped by some that this ruling will open up the European market in the near future. Benefits of the abolition of quotas are also expected to textile companies in India and Pakistan.

Source: thehansindia.com- May 31, 2018

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Bangladesh most optimistic market

Bangladesh is the most optimistic market among the 25 countries in which British banking giant HSBC operates in, highlighting its favourable economic and political environment.

“The short-term and long-term outlook of Bangladesh is interesting and fantastic,” Natalie Blyth, global head of trade and receivable finance at HSBC, told The Daily Star in an interview last week in Dhaka.

The recent strong performance of the Bangladeshi economy has left local firms in a very optimistic mood, she said quoting a report -- HSBC Navigator, which is based on a survey.

As much as 96 percent of the survey respondents expect Bangladesh's trade volume to increase over the next 12 months.

The favourable economic environment was quoted by over half of the firms as one of the top three factors contributing to trade growth, while a stable political environment is also noted as a key contributing factor.

Businesses need to capitalise on the favourable economic and political outlook by diversifying into new markets and new products.

“Diversification will be key to achieving strong growth over the long-term, with India, Indonesia and China expected to attract double-digit annual growth in services exports from Bangladesh over the years to 2030,” she said.

The HSBC Navigator survey is a quantitative indicator of the short-term outlook for global trade, compiled from responses by decision makers at more than 6,000 businesses -- from small and mid-market to large corporations -- in 26 markets.

The report, however, also sounded off caution as Bangladesh has a history of political instability, and the upcoming elections in 2018 may undermine the current level of stability.

Speaking about the global trade scenario, Blyth said trade and trade finance is probably the hottest topic economically and politically.

“In the past, noises about trade wars were largely rhetoric. But now, the rhetoric is turning into actions.”

Some of the actions are quite constructive because existing trade agreements such as the North American Free Trade Agreement (Nafta) are not fit for the current times as they were formulated a long time ago and does not cover services and digital matters, Blyth said.

“So, these agreements are ready for an upgrade. In a way I am very excited as these are going to be renegotiated because it is an opportunity for them to be encompassing just more than goods.”

The service sector is the fastest growing component of trade, she said.

As Bangladesh is perhaps ready to take on its next form of diversification, these trade negotiations and trade war discussions also encourage clients to review their options, she said.

Trade has reached a degree of maturity and complexity in the supply chain and people are doing more intra-regional trade.

“Therefore, I think there is a great opportunity for Bangladesh to actually look at what their options are if it moves towards Asia.”

Blyth particularly praised Bangladesh for making tangible progress as part of its journey to becoming a middle-income economy.

“It is not easy to do as countries around the world have failed to get out of the lower-income trap.”

Bangladesh must ensure that its policies are clear and transparent enough to spur growth, she said, while calling for putting the right physical infrastructure in place to make the most of capacity, capability and skill-sets of the country.

According to Blyth, HSBC has an exciting partnership with Bangladesh.

The bank is looking at making some substantial investment in trade business in Bangladesh in order to create products and services for clients in the country, she said.
“There is huge potential in the garment sector and in other sectors as well. So, I am excited and we definitely want to be part of the journey. If any of the clients decides to move overseas as part of the diversification, that's where we are good at too.”

HSBC's global network, product coverage and balance sheet strength make it uniquely positioned to help Bangladeshi companies. “It enables us to be at both ends of the import/export trade by bringing in greater efficiencies to the working capital cycle.”

Over the past five years, HSBC Bangladesh has arranged $200 million of export credit agency-backed financing in the private sector, creating a gateway to the international debt market for local conglomerates.

“Not only are we helping Bangladesh's businesses and entrepreneurs to capture global opportunities, we are also helping global players take advantage of the Bangladesh opportunity.”

HSBC is the only bank in Bangladesh with offices in all the export processing zones, facilitating about 10 percent of the country's international trade. Last year, it helped customers trade with more than 100 countries.

In the power sector, the bank has supported installation of new 1.3-gigawatt of power generating plants, which is about 11 percent the country's present power generation capacity.

HSBC is also supporting the country's first cross-border electricity import of 250MW from India.

In the telecom sector, it arranged €155 million credit to implement the country's first satellite project, the Bangabandhu-1.

“The difference that we can make and how we can offer something different compared to local banks and other international banks has just been demonstrated by the launch of the satellite,” she added.

This is a classic example of how an international bank can help implement a national project, said Md Mahbub-ur Rahman, deputy chief executive officer of HSBC Bangladesh.

Muhammad Shohiduzzaman, HSBC's country head of global trade and receivables finance, talked about the short-term outlook on Bangladesh as stated in the survey report.

He said China and India -- already the largest trade partners for Bangladeshi firms -- are viewed as having the best opportunities for export growth over the next year, with over 50 percent of respondents looking to expand operations in the markets.

Although Bangladesh's export mix is currently dominated by the large textiles industry, there are encouraging signs that firms are seeking to diversify into new markets and new products.

“Broadening the export mix will be vital to mitigate risks around an over-reliance on one sector and ensure a more sustainable growth trajectory,” Shohiduzzaman added.

Source: thedailystar.net - May 31, 2018

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Vietnam: FTA - An effective driver of exports

Vietnam has a great opportunity to increase its import-export revenue through the implementation of 10 free trade agreements (FTAs) which are being utilised effectively by enterprises.

FTAs signing markets all see strong growth

As one of the Vietnam's key export goods, garment and textile is one of the sectors to have gained high export turnover in recent years. Vice President of the Vietnam Textile and Apparel Association (VITAS), Truong Van Cam, said that FTAs have played an important role in boosting the growth of garment and textile exports.

Specifically, the VKFTA signed between Vietnam and the Republic of Korea (RoK), which took effect in 2015, has helped to expand Vietnam's textile and garment exports to the RoK. Vietnam's textile and garment export turnover to the RoK reached US$2.6 billion in 2016, up 9.5% compared to the previous year, while the export revenue was reported at US$2.9 billion in 2017, up 11.8% compared to 2016.

The FTA between Vietnam and the Eurasian Economic Union which became effective in October 2016, has also contributed to increasing Vietnam's textile and garment exports to Russia from US$84.8 million in 2015 to approximately US$172 million in 2017.

In addition, the establishment of the ASEAN Economic Community (AEC) in late 2015 has also had a positive impact on Vietnam's textile and garment exports to the ASEAN market, rising from US$1 billion in 2015 to US$1.35 billion in 2017.

Similar to the Chinese market, the effects of the Framework Agreement on Comprehensive Economic Cooperation between ASEAN and China, the ASEAN-China Agreement on Trade in Goods, and the Memoranda of Understanding between Vietnam and China have all helped to improve Vietnam's textile and garment exports to China, which ballooned from US$2.2 billion in 2015 to US$3.2 billion in 2017.

Textile and garment is also one of the sectors to have effectively taken advantage of FTAs to increase its export turnover. Statistics from the Import-Export Department under the Ministry of Industry and Trade showed that Vietnam has so far implemented 10 FTAs.

In particular, all FTA signatory markets have recorded higher rates of import and export growth compared to the time before the signing of FTAs. Of those, Chile is among the markets posting the highest export growth rate with an annual growth rate of 46.68% per year. It is followed by India with an average annual growth rate of 31.58%, the RoK with an annual growth rate of 29.8% per year, and China with an average growth rate of 21.71% per year.

Vietnam reported an export turnover to China of US$8.25 billion in the first three months of 2018, up 33.6% compared to the same period last year. During the period, Vietnam's export revenue to RoK also increased by 14.4%; to ASEAN rose by 19.2%; to Japan up by 36.9%; and to India it soared by 111%; among others.

In addition, the number of shipments applying for a certificate of origin (C/O) to receive tax incentives has increased sharply, demonstrating the utilisation of FTA provisions. C/O issuance agencies authorised by the Ministry of Industry and Trade granted more than 216,000 sets of C/O worth over US$10.6 billion in the first quarter of 2018, up 40% in terms of value and 39% in number over the same period of 2017.

The Import-Export Department affirmed that the rate of utilising FTA incentives in Vietnam is quite high compared to other countries participating in FTAs with Vietnam. However, there remains large room for enterprises to take advantage of FTAs in the future.

Continuing to make good use of FTAs

Vietnam's import and export activities are forecast to continue to flourish thanks to the signing, effectiveness and implementation of more FTAs. In particular, the Vietnam-EU FTA (EVFTA) is expected to be signed in 2018 which will create a turning point in the trade cooperation between Vietnam and EU countries.

Accordingly, the EVFTA will create more favourable conditions for the export of goods and the expansion of Vietnam's market share in the EU due to commitments in cutting tariffs and opening the door to the market.

Deputy Director of the Import-Export Department, Tran Thanh Hai, said that the Ministry of Industry and Trade will continue to spread information on FTA incentives, how best to take advantage of FTA preferences, rules of origin, and how to meet rules of origin to assist enterprises in making the most of signed FTAs.

In addition, Vietnam should develop supporting industries to increase the localisation rate of its products and meet the rules of origin set by the markets with which Vietnam has signed FTAs.

The government also needs to create more favourable conditions for enterprises to apply for and get C/O, including shortening the time of issuance of C/O; simplifying the C/O issuance process; providing electronic C/O declaration; and expanding the pilot issuance of C/O via the Internet.

It is also advisable to expand and apply the self-certification mechanism of origin while reducing the criteria of self-certification to facilitate enterprises in participating in this mechanism.

"In particular, administrative reform is one of the most important activities that has facilitated trade activities over the recent years. This activity will be further promoted in the future in order to create optimal advantages for enterprises and make the most of FTAs," Tran Thanh Hai emphasised.

Source: en.nhandan.org.vn- May 30, 2018

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Bangladesh's RMG sector much safer now: US ambassador

Bangladesh's RMG sector is much safer than in 2013 when the Rana Plaza disaster occurred, said US ambassador Marcia Bernicat. She added that Bangladesh has made progress on workplace safety, especially with the support of buyer-led initiatives like the Accord and the Alliance, and it must do a better job at marketing the dramatic improvements.

Bernicat was speaking at a press conference on Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and the BGMEA Institute of Fashion & Technology (BUFT)'s journalism study tour through the International Visitor Leadership Program (IVLP) entitled 'Economic and Labor Reporting'.

"We must all recognise that there is still work to be done on factory and building safety, that we must continue our efforts to ensure remediated factories stay safe, and that new workers are properly trained on safety practices. I urge BGMEA and the government of Bangladesh to come to a quick resolution on the Accord and Alliance's extensions in Bangladesh. Delays in approving their extensions will send a negative signal to buyers and consumers that Bangladesh is not committed to workplace safety," added the US ambassador.

IVLP will allow 11 Bangladeshi participants to travel to Washington, D.C. and New York to meet with policymakers, journalists, apparel industry leaders, labour rights organisations, and consumer rights organisations. IVLP is one of the most prestigious state department exchange programmes for professionals.

Every year the US Embassy partners with the private sector and NGOs throughout Bangladesh to design IVLP proposals and send dozens of professionals to the US for this learning opportunity. When these BGMEA-BUFT Journalism Fellows returns from the programme, they will also join a global network of alumni who work every day to improve their professional sectors, communities, countries, and the world.

In addition to learning about US journalism methods and best practices, the fellows will experience first-hand why the US cares about workplace safety and labour rights issues as a global issue.

Factory safety and labour rights are not just a priority for the US government; they are a priority for our legislators, civil society, US businesses and, more importantly, for US consumers. Respecting workers' rights is important to ensuring free and fair trade and investment around the world. The US Embassy's efforts to improve workplace safety and labour rights, which includes a broad range of programming and outreach, are derived from the priorities of stakeholders in the US, said Bernicat at the conference.

"I would also like to take this opportunity to thank BGMEA for its work to propose significant reforms the Bangladesh Labor Act and the EPZ Labor Law. Recent proposals that have been discussed are movement in the right direction, but I call on BGMEA and the government of Bangladesh to do more to truly meet international standards, as recommended by the International Labor Organization (ILO)," she continued.

BGMEA and the government of Bangladesh are at a critical juncture as Bangladesh prepares to graduate from least developed country status in 2024, having already met all three criteria required for this important step.

Ahead of the International Labor Conference on May 28 and the Sustainability Compact on June 25, I encourage BGMEA and the government of Bangladesh to seize the moment and resolve the long-standing labour rights concerns now, so that Bangladesh can focus on preparing for its future as a middle income country and, eventually, a developed country," concluded Bernicat.

Source: fibre2fashion.com- May 31, 2018

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Pakistan: Prices rise on cotton market

Influenced by the increasing price trend in international markets, cotton trading picked up pace on Tuesday as spinners remained active to meet their near-future requirements.

However, the Karachi Cotton Association kept its spot rate unchanged at Rs7,400. Increase in prices of phutti (seed cotton) from Sindh was also recorded.

Experts said an increase of about seven per cent in lint prices was witnessed in all major cotton markets including India, USA and China. "An increase of 3.5 cents in prices at New York future market was recorded while the market was yet to open.

There are chances that the commodity will reach to 4 cent till closing time," an analyst said. "This is an extraordinary increase that will definitely put an impact on domestic market which is currently slow due to Ramazan and prevailing political situation as the elections are going to be held soon," he added.

Market sources are also forecasting that the new season's cotton prices will jump to Rs10,000.

However, there is confusion prevailing in the yarn market where dealers are not ready to disclose prices, thereby slowing down the yarn market.

Meanwhile, farmers and ginners are satisfied as there are predictions that phutti prices will reach Rs4,000 once picking begins in Punjab.

A future deal of phutti, with a delivery date between June 20-July 10, took place in Shahdadpur, Sindh at Rs4,000. The price of 40 kilogram phutti in Gharo was at Rs3,750; Badin at Rs3,750; and Thatta at Rs3,765.

The following deals were reported to have changed hands on ready counter: 400 bales, Rahim Yar Khan, at Rs7,600; 400 bales, Khanpur, at Rs7,500; and 200 bales, Vehari, at Rs6,700.

Source: dawn.com- May 30, 2018

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NATIONAL NEWS

Sanction of IGST refund claims to help clear Rs 2,500-cr dues: Irani

Union Minister Smriti Irani today said sanctioning of pending IGST refunds will help clear dues worth Rs 2,500 crore to textiles and apparel exporters.

"As vast majority of apparel units fall under MSME sector, sanction of pending IGST refund claims will invigorate the industry & give a much needed boost to exports," Irani said in a tweet.

She said the sanction of pending IGST refund claims will help to clear outstanding IGST amount of approximately Rs 2,500 crore against textiles and apparel exports as enunciated by export promotion councils.

"Interim solution is a big relief for exporters. Decision taken subsequent to our meeting with Export Promotion Councils on Sunday is testimony to the speed of governance & Government of India's commitment towards exponential growth of textiles sector," the Textiles Minister said.

Representatives from Apparel Export Promotion Council had on Sunday raised issues related to blockage of GST refunds and delay in disbursal of Rebate on State Levies (RoSL) dues in a meeting with Finance Minister Piyush Goyal and Irani.

In another tweet, the Textiles Minister said she was "grateful to dynamic @PiyushGoyal for sanctioning IGST refund claims of exporters facing blockage due to non-transmission of data between GSTN & Customs EDI System".

In a circular to all principal chief commissioners and director generals, the Central Board of Indirect Taxes and Customs (CBIC) said that exporters with refunds stuck have committed mistake while filing GSTR-1 and 3B.

Besides, there are certain cases where they have "short paid" Integrated GST (IGST) vis-a-vis their liability declared in GSTR-1.

Because of the mismatch in GSTR-3B and GSTR-1, GST Network (GSTN), the company handling the IT backbone for new indirect tax regime, could not transmit records to Customs EDI system and consequently IGST refunds could not be processed, it said.

Goods and Services Tax (GST), which subsumed over a dozen local taxes, was rolled out from July 1, 2017.

Source: business-standard.com- May 30, 2018

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Growth in technical textiles not to the mark as expected, industries unaware of government schemes and benefits: Textile Commissioner

Talking about the Indian technical textile industry, Dr Kavita Gupta, Textile Commissioner, Ministry of Textile, Government of India, said that most of the industries in textile sector are unaware about the government schemes and benefits that they are offering to the industries.

She was speaking at the industrial meet organized by the Federation of Indian Chambers of Commerce and industry (FICCI). The keynote speakers at the meet spoke about the 'Challenges and Opportunities in Indian Technical Textile Industry.'

The meet, which saw a gathering of around 80 participants associated with the textile industry from and around Punjab, had a riveting discussion about the current state of the textile industry and what steps need to be taken to ensure continuous growth in the sector. Focusing on creating awareness about the technical textile sector Gupta, said technical textile was a sunrise sector in India.

"Unfortunately, growth in technical textiles is not as encouraging as expected. The government is providing benefits for textile sector but most industries are unaware of it," said Gupta. Highlighting the benefits that government offers to the industry, she said the garment industry had more subsidy than other industries that include a 25 per cent of subsidy, 12 per cent EPF, income tax benefit, import duty waiver and some more benefits enjoyed by the garment industry.

Talking about present industry, Mukul Verma, secretary, sports goods manufacturers and exporters association stated that the government should relax norms for the industry so that they can expand their areas.

He also demanded park for the sports good industry in Jalandhar.

For holding joint meetings for research and development project, he said a well-connected place for sports goods industry with proper roads, electricity and sewerage should be there. During the industrial meet, the traders highlighted the need for government to pay attention to import duty as well.

Indian industry had to pay 10 per cent import duty to send items outside the country whereas Pakistan and Bangladesh had zero import duty, they said.

FICCI hosted an industrial meet ahead of 'Technotex 2018' which will be the seventh edition of international exhibition and conference on technical textiles to be held from June 28 to 29 at Bombay exhibition centre.

Source: knnindia.co.in - May 30, 2018

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India to scrap export subsidies after US complaint; here's what Narendra Modi plans now to help exporters

Prime Minister Narendra Modi plans to replace the incentives with support to regions that are known to be export-intensive, a practice that is followed by several countries and are compliant with global rules,

India is planning to scrap financial incentives aimed at boosting exports of certain products after the U.S. complained to the world trade body, people with knowledge of the matter said.

Instead, Prime Minister Narendra Modi plans to replace the incentives with support to regions that are known to be export-intensive, a practice that is followed by several countries and are compliant with global rules, the people said, asking not to be identified as the matter is not public. The subsidy payments will be available to all producers in these clusters and won't be exclusive to exporters.

U.S. President Donald Trump has repeatedly singled out India, apart from China, for running a trade surplus.

Besides complaining to the World Trade Organization that India's export subsidies were hurting American companies, the U.S. has also put India on its watch-list for currency manipulators–triggered by a trade surplus and foreign exchange interventions.

India has been looking to boost its exports which have been through a rough patch, widening the Asia's third largest economy's trade deficit.

At the same time, the South Asian nation is wary of upsetting ties with Washington, which have grown much closer in the past two decades with the U.S. emerging as a key defense supplier, in part due to its strategic concerns about China's growing influence in Asia.

Trade surplus –merchandise and services– with the U.S. stood at $28 billion in 2017–marginally lower than the $30.8 billion in 2016. Commerce Ministry spokesman was not immediately available for a comment.

India has told the U.S its actions don't mean to distort trade.

Under the new plan which is expected to be rolled out in the next two months, options include refund of taxes paid on inputs used in manufacturing, incentives to sectors in certain regions and those providing a certain number of jobs.

Source: financialexpress.com- May 30, 2018

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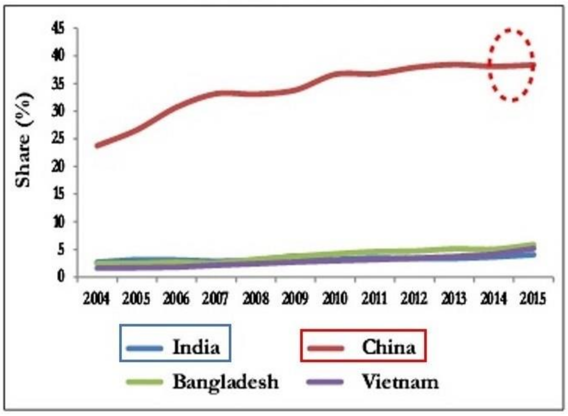
Large scale job creation strategy needs focus on low-end manufacturing

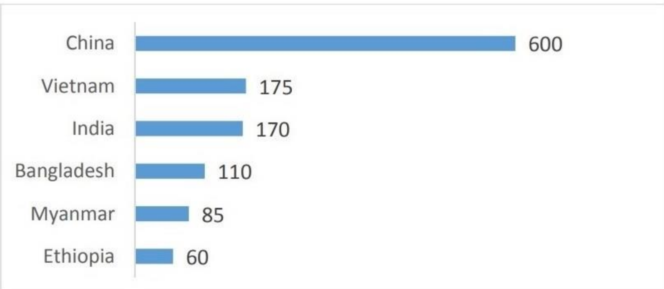
Apparel Exports



India is approaching a huge window of opportunity in the form of its "demographic dividend". From 2020 to 2040, India will have a large and growing section of the population in "working age" (15 yrs to 60 yrs) giving it a bigger workforce than China's.

Deploying this large young workforce in productive areas could potentially create huge economic output in the long run.

Average Wages in Textile Industry (US$/Month)



One of the immediately available low hanging fruit with quick results is in low-end manufacturing like apparel, footwear, and leather. Currently, China has a huge 40% market share in apparel exports. India, Bangladesh, and Vietnam appear in a distant 3% to 5% range.

Sectors	Investment (Rs Crores)*	Jobs (Lakhs)	Jobs per lakh Investment
Apparels (NIC 14)	3156	75.4	23.9
Leather & Footwear (NIC 15)	1624.5	11.6	7.1
Of which			
Tanning and Dressing of Leather & Fur (NIC 1511)	470.8	2.2	4.6
Leather Goods (NIC 1512)	218.3	2.2	9.9
Footwear(NIC 1520)	935.4	7.2	7.7
Textiles (NIC 13)	17814.7	71.3	4
Food Processing (NIC 10)	21119	50.2	2.4
Autos (NIC 2910 & 2930)	29647.6	7.6	0.3
Steel (NIC 2410 & 2431)	70528.3	7.8	0.1

Source: ASI 2012-2013, NSSO 68th round
Note: *Investment is Gross Fixed Capital Formation

As per most industry reports though, due to rising labour costs, China is slowly moving away from apparel industry and shifting its focus to high-end manufacturing. With China vacating this space, a huge opportunity is up for grabs.

India already has many strategic benefits which could be leveraged to quickly grow in this space. To begin with, labour cost in India is less than one-third of that in China.

Secondly, the raw material is easily available locally within India. India is world's second largest cotton producer and no import would be needed. Synthetic textiles are also manufactured locally by some of India's well-known business houses like Ambani (Reliance), Birla (Grasim) and Wadia (Bombay Dyeing).

Today, most of it is exported as raw material to China which converts it into apparel and then exports the final value-added product. Local availability of cotton and synthetic textiles, coupled with low labour cost offers a huge advantage for apparel manufacturing in India which few other countries could match.

To add to it, more jobs can be created by investing in labour-intensive industries compared to automation driven industries. The data from NSSO 2012-13 indicates that every Rs. 1 lakh (INR 100k / $1.5k) investment in apparel manufacturing is expected to create 24 new jobs compared to only 0.3 in Automobiles or 0.1 in Steel

However, most of the current apparel manufacturing companies in India are unorganized and small in size. More than 90% of apparel firms have less than 50 workers. Only 15% apparel companies in China are this small. Large Chinese apparel firms employ about 10,000 employees, some going up to 30,000 employees too. Big global customers like Levi's, H&M, GAP etc. are not likely to procure from such smaller companies in India.

Hence, a structured policy on creating large local manufacturers in sectors like leather, apparel & footwear could go a long way in creating high volume jobs in India.

In step 1, the government could invite big Indian textile companies like Bombay Dyeing, Grasim, Reliance etc. to take over these smaller units and merge them into large apparel manufacturing entities with economies of scale.

Using the raw material which they already produce on their own, they could manufacture apparel in India and export large quantities to big global customers in US and EU. As indicated by industry reports, many US fashion companies are already looking for alternative sourcing destinations beyond China.

In step 2, the government could set up apparel manufacturing zones in populous regions of eastern India (UP, Bihar etc.), as they offer a large pool of human capital and the industry demands low skill level with low training cost. The government could also extend tax breaks for apparel industry as this will enable large-scale job creation.

In step 3, the government could also invite large apparel companies from China to start manufacturing in India. These companies already have an existing customer base. They could shift manufacturing to India and export from here. Benefits for China include low labour cost with easy raw material availability which keeps them competitive. Benefits for India include high volume job creation, higher economic activity and increased export revenue resulting in higher GDP. This would be a win-win for both Asian economies.

Source: opindia.com- May 30, 2018

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State govt to organise synergy for MSME & Textiles sector

The state government is going to organise a synergy for the Micro, Small and Medium Enterprises and Textiles sector. If everything goes as planned then the synergy is going to get organised in September.

According to the sources in the Micro, Small and Medium Enterprises and Textiles department, there was a detailed discussion in this connection. But final decision on the date and other aspects of the synergy will be taken in meetings to be held soon.

It has been learnt that the event is going to be held in Biswa Bangla Convention Centre. The final decision on the venue is also yet to be taken. A senior official of the department said:

"It has been finalised that the synergy is going to take place in September itself and the rest of the aspects are going to be finalised soon." There will be discussions in the synergy on different issues related to the sector and at the same time, there will be a platform for the direct discussions on different issues that will ensure sharing of knowledge.

It may be mentioned that the Mamata Banerjee government has taken several steps for the development of the MSME sector in the past seven years. Now, the synergy is going to help the entrepreneurs from the sector to grow their businesses.

It may be mentioned that a major step was taken to ensure online pollution clearance and at the same time, the website www.silpasathi.in was also introduced for the benefit of the entrepreneurs. Moreover, the online application for fiscal incentive through www.wbmsme.gov.in was introduced in 2017. The MSME department also introduced the "Service With a Smile" (SWAS) app to extend online support to entrepreneurs.

Source: millenniumpost.in- May 30, 2018

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Another fortnightly drive to expedite GST refunds

The government will undertake a second special fortnightly drive since March to liquidate pending refund claims made by exporters amounting to Rs 14,000 crore, the finance ministry said in a statement. The refunds include those on account of integrated GST (IGST) paid on exports, unutilised input tax credit (ITC) and other GST refunds submitted in form GST RFD-01A (for manual processing of refunds).

The government admitted that refunds of GST have been a concern for the past several months. Till now, the government has sanctioned more than Rs 30,000 crore as GST refund (including those for exporters), which includes Rs 16,000 crore of IGST and Rs 14,000 crore of ITC, it said. The ITC part of refunds has been sanctioned by the Centre as well as states.

Denying the claims of the Federation of Indian Export Organisations (FIEO), which said on Wednesday that Rs 20,000 crore of refund claims were stuck, the government said that it was much lower at Rs 14,000 crore (Rs 7,000 crore IGST and Rs 7,000 crore ITC).

“Contrary to the press reports that there has been a dip in refund sanction after the first refund fortnight in March 2018, the refund sanctioned during May 2018 is to the tune of Rs 8,000 crore,” it said.

Further, the indirect tax department issued two circulars clarifying many of the issues plaguing the processing of refund claims. This include claims made by input service distributor, composition dealers, exports of services and supplies made to SEZ.

The circular also clarifies issues related to requirement of letter of undertaking in cases of export of exempted or non-GST goods and scope of restriction imposed in the GST Act.

Similarly, another circular issued on Wednesday by the customs department said that it was implementing a solution whereby the refunds held in GSTN, in cases where the exporters have mistakenly declared their export supplies as domestic supplies, would now be transmitted to customs electronic data interchange (EDI) system.

On receipt of the records from GSTN, the customs system would automatically process the refunds for sanction, if no other errors are committed by exporters.

Source: financialexpress.com- May 31, 2018

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Exports from SEZs rise 5% to Rs 20,548 cr in April: EPCES

Exports from the country's special economic zones (SEZs) grew 5.44 per cent in April to Rs 20,548 crore as against Rs 19,488 crore in the same month a year ago, EPCES today said.

According to Export Promotion Council for EOUs & SEZs (EPCES), highest growth in outward shipments was recorded from the Cochin SEZ which witnessed a 704 per cent jump from Rs 461 crore in April last year to Rs 3,708 crore this year

"Total exports in April this year from SEZs amounted to Rs 20,548 crore as against Rs 19,488 crore in April 2017," said Vinay Sharma, Officiating Chairman of EPCES, adding that the government's policies have managed to register a healthy growth roadmap for manufacturing and service industry.

EPCES said the major sectors recording healthy growth include biotech, chemicals, pharmaceuticals, computer, electronics, non-conventional energy, plastic, rubber, trading and services.

Source: economictimes.com- May 31, 2018

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Growing demand pushes up cotton prices

Cotton prices have increased from around Rs 350 to Rs 400 per quintal and are likely to remain high due to an increase in international market prices.

According to P Alli Rani, CMD, Cotton Corporation of India (CCI), cotton prices usually increase during this time in the season due to slowdown in arrival. And with increasing demand from spinning mills and ginners, these prices are likely to remain firm for sometime.

So far, 320 lakh bales have arrived in the market and the season is likely to continue for another 30 days.

Arrivals have slackened to 0.5 lakh bales a day, thus increasing the prices.

According to cotton ginners, market sentiment is positive due to the speculation that demand from China is surging due to depleting buffer stock.

China, earlier, had a buffer stock for one-and-a-half years and this has now reduced to a year's stock. Exports from India, therefore, are likely to touch 75 lakh bales instead of the originally estimated 65 lakh bales.

Source: fashionatingworld.com- May 30, 2018

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With missed-call campaign, Maharashtra farmers pitch for GM seeds

At a time when there is a massive controversy over genetically modified crops, a farmers' organisation in Maharashtra is making a strong pitch for GM seeds.

For about 15 days now, farmers across Maharashtra have been getting social media forwards urging them to give a missed call if they wish to fight for the availability of the GM seed technology.

The posts being circulated by Shetkari Sanghatana, a farmers' organisation, say "Bheek nako, GM biyana dya" (don't give us your alms, give us GM seeds instead).

The organisation is also organising conferences for farmers on this issue.

The Shetkari Sanghatana, founded by former Rajya Sabha member and farmers' leader Sharad Joshi, has always been in favour of GM technology.

However, with the state government now cracking down on farmers using unapproved variants of GM cotton, the organisation has raised its pitch on the need to make latest seed technology commercially available to farmers.

There is ample opposition to introducing GM food in India with activists, environmentalists and politicians raising fears of it adversely affecting food safety and biodiversity in the country.

Its proponents have been stressing on the increased yield, lower use of pesticides and thus lower production cost for farmers as advantages of having GM technology.

Currently, cotton is the only GM crop that the government has allowed to be sold in India. There were attempts to commercially release Bt Brinjal, a GM variety of the vegetable, but the then environment minister Jairam Ramesh imposed a temporary, but an open-ended moratorium on it.

Last year, the environment ministry's Genetic Engineering Appraisal Committee recommended a genetically modified variety of mustard,

developed by a Delhi University institution, for commercial use. The government, however, referred it back to the committee for more tests.
Farmers' conferences to popularise GM seeds

The Shetkari Sanghatana is organising conferences for farmers and consumers to create awareness about GM seeds and its volunteers are also going directly to villages to speak to farmers about it.

"We have been getting about 100-150 missed calls on a daily basis supporting the cause," said Shetkari Sanghatana leader Ajit Narde.

"We have now started sending these farmers information about GM seed technology and updates on our activities to fight for technological independence for farmers," he added.

According to Narde, "the government has allowed technological advancements in every sector, but expects India's farmers to stick to primitive practices."

'700 farmers attended conference'

The organisation held its first such workshop in Akola in Maharashtra's Vidarbha district last week. In the first half of the conference, experts in the field of agriculture and seed technology spoke to the audience explaining how GM technology came into existence, what the experience of other countries has been and the various tests that have been conducted worldwide to dispel doubts of activists and environmentalists.

In the second half, Shetkari Sanghatana gave the stage to farmers who have used Bt Cotton in farming to share their experience with the GM crop. As per the organisation's estimates, about 700 farmers from across 10 districts in Maharashtra attended the technology conference.

The Shetkari Sanghatana has scheduled its next conference for 7 June in Pune.

Row over using unapproved HT cotton seeds

The Shetkari Sanghatana has also offered its support to farmers who have been using herbicide-tolerant cotton seeds, which have not been approved by the government, promising to stand by them against any government action.

HT seeds can tolerate some specific herbicides. They kill the surrounding weeds, but leave the cultivated crop intact. Farmers have used such unapproved herbicide-tolerant seeds as they let the herbicides destroy weeds without harming the crop, saving expenditure on manual labour for weeding.

While there are no official estimates of the number of farmers in Maharashtra using these seeds, Shetkari Sanghatana leaders peg the total farming area in Maharashtra being cultivated with HT cottonseeds to be about 4 lakh hectares.

In 2017-18, Maharashtra registered a total kharif cotton sowing of more than 38 lakh hectares.

Shital Rajoba, a farmer from Sangli district's Narde village, and a supporter of the Shetkari Sanghatana said he does not use the HT variety of cotton, but has heard of a number of farmers using it.

"I mostly grow capsicum and brinjal on my six-acre land. Every alternate day, I have to spray pesticides worth Rs 2,000 to Rs 3,000 on my crops," Rajoba said. "It would have been a blessing if the commercial sale of Bt Brinjal had been approved," he claimed.

"What we are saying is that let trials take place. If it is proved that the seeds are bad, we will not support them, but there is pressure from the lobby of pesticide companies and some people with vested interests to not even let the trials take place," Rajoba added.

Source: theprint.in- May 30, 2018

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