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IBTEX No. 108 of 2017 May 30, 2017

USD 64.64 | EUR 71.96 | GBP 82.91 | JPY 0.58

Cotton Market

Spot Price (Ex. Gin), 28.50-29 mm		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
20270	42400	**83.76**
Domestic Futures Price (Ex. Gin), May		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
21200	44345	**87.60**

International Futures Price	
NY ICE USD Cents/lb (July2017)	77.22
ZCE Cotton: Yuan/MT (Sept 2017)	15,625
ZCE Cotton: USD Cents/lb	**6.94**
Cotlook A Index – Physical	**89**

Cotton guide:

The both US and China markets were closed on Monday.

The Indian cotton price continued to trade steady near Rs. 43K-43100 per candy ex-gin for the past three consecutive trading sessions.

Therefore, the MCX cotton future for June advanced in the early trading session to make a high of Rs. 21,390 per bale however, gave up most of its gain and ended the session at Rs. 21200 up by Rs. 100 from the previous close.

No major activity is taking place in Indian context. The daily arrivals are slowing shrinking and entire last week the average daily arrivals (ADA) continues to be lower than 42K bales.

On Monday the estimated arrivals were around 41,400 bales out of which 12K from Gujarat and 16K from Maharastra.

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

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INTERNATIONAL NEWS

Denims and jeans ready for its second edition in Vietnam on June 7 and 8

The pioneer of Denim Show – Denims and jeans is ready for their second edition in Vietnam this June where 50 global denim supply chain brands to join. The theme of show is 'Street Style' and brings into focus the important role that denim plays in street wear.

A very timely aggregation of the apparel industry will happen at the Denims and jeans show in expectation of Vietnam's FTA with EU becoming effective in 2018.

In fact, there are other events coming up in anticipation of FTA, including the EU-Vietnam Business Network (EVBN), European Art of Living in Vietnam on June 16-17, 2017, which will host about 80 European companies, including fashion and accessories, food and other industries.

The Denims and jeans show aims to bring together the denim supply chain in this region and will showcase talks from internationally renowned experts. There will be a panel discussion, ' Create Denim for the Future with the Care for People and the Planet,' with senior panelists like Denim Connoisseurs Mr. Sanjeev Bahl, Owner of Saitex; Mr. Christian from Bluesign Technologies and Ms. Sara Fesser from G-Star. The session will be moderated by Mr. Bill Watson, MD-Coats, Vietnam on the 7th June.

Mr. Stefano Aldigheri, Former Creative Director - 7 For All Mankind, will hold a seminar and the topic would be - Denim Is Dead, Long Live Denim, where he talks about what direction denim has taken and where it is going.

Ms. Dilek Erik, a renowned denim consultant from Turkey will share her views while presenting on, 'Denim Producers Guide To Success In Foreign Market' on the second day, followed by an important session by Mr. Bill Watson on 'Vietnam's FTAs with Europe and other regions - An Analysis of Impact on Textile and Apparel.'

Denimsandjeans.com has been serving the global denim industry since 2007 through their website and provides various platforms for the industry to come together.

Their online platform De-brands also enables global companies to create showrooms and take their products to buyers electronically.

The Denims and jeans show will be held on June 7-8 at the most premium venue in Vietnam - The Gem Center.

Denims and jeans is also coming up with a show in Bangalore on September 25-26, themed 'Flexx Menn' and the next one in Dhaka on October 4-5, themed 'Denim Hyggae.'

Source: yarnsandfibers.com- May 29, 2017

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Bangladesh: BGMEA asks government for 5% incentive for 2 years in Budget

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has urged the government to support the apparel sector in the upcoming Budget 2017-18 by providing additional 5 per cent cash incentive for two years. The association has said that it would be difficult for the sector to remain competitive in the global markets without additional support.

The cash incentive will only be applicable to the members of BGMEA and Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), said Md Siddiqur Rahman, president BGMEA during a press conference.

Rahman also urged the government to withdraw tax at source for next two years, reducing corporate tax to 10 per cent for five years. He called upon the government to ensure policy stability for investment.

The RMG industry has been facing a number of challenges, including fall in apparel prices, increase in production cost, and strong currency against dollar, which have slowed down the growth, according to him.

The BGMEA president also said that production cost has increased by 18 per cent in the last two years while prices of apparel items exported by Bangladesh have fallen by 40 per cent in the last 15 years.

Besides, there is huge pressure of remediation works in the factory. Against this backdrop, the RMG industry needs the support from the government to retain competitiveness in the global market.

Source: fibre2fashion.com- May 29, 2017

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Bangladesh: BBS survey: 2.6 million jobless despite labour gains

The labour force participation rate that sheds light on the economic activity of a nation rose to 58.5 percent in 2015-16 from 57.1 percent in 2013 in signs of an improvement in the job market, according to the survey released to the media on Sunday.

Of the 62.1 million workforce, 59.5 million people were employed, while 2.6 million persons were still unemployed in 2015-16.

The Quarterly Labour Force Survey, the first quarterly survey by BBS, shows 1.4 million new jobs have been created in Bangladesh since 2013.

The majority of the population outside the workforce was female, but the number decreased by 4.4 percent to 34.5 million in 2015-16, compared to 2013. Meanwhile, men outside the workforce remained stable at 9.5 million in the same period.

Bangladesh also decreased the number of unpaid family helpers to 8.6 million in 2015-16 from 10.6 million in 2013. For women, it declined by 20.2 percent in the same period.

The new study is a major transition from a one-shot survey over 4-5 years to a quarterly, continuous survey. The statistical agency said it increased the sample size to 123,000 households in the latest survey from 36,000 in the previous study.

Agriculture is still the biggest contributor to job creation, followed by the services sector. However, the farm sector's contribution fell to 42.7 percent in 2015-16 from 45.1 percent in 2013.

The majority of manufacturing jobs came from the garment industry. Garment factories created 52 percent of all manufacturing jobs, while textile companies accounted for 23.7 percent of them.

Source: bdnews24.com - May 29, 2017

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Over 45% US retailers to use Artificial Intelligence in next 3 years: Report

Over 45 per cent retailers in the US plan to utilise artificial intelligence (AI) within 3 years to enhance the customer experience, says a recent survey. Savvy retailers plan to use innovative technologies to improve customer service. Over 55 per cent retailers are focused on improving mobile shopping experience for a unified experience across channels.

The 2017 Customer Experience/Unified Commerce Benchmark Survey conducted by BRP Consulting notes that stores must now encompass both worlds – the sensory experience generally available in the physical world, such as touching and feeling merchandise and personally interacting with a knowledgeable associate – whether simply human or a combination of AI and human characteristics – married with the unique and personalised shopping experience common in the digital world.

"The customer experience in a unified commerce world is much more complex than it is in a pure play e-commerce or brick-and-mortar retail environment and we are seeing retailers map out the entire customer journey to design the optimal customer experience. This complexity expands exponentially as the proliferation of social media, the Internet of Things, (IoT), AI and machine learning influence the retail world and more specifically, the customer journey," said Perry Kramer, vice president and practice lead at BRP.

The key customer experience capabilities according to the report are educate, engage, execute, enhance and enablers. One of the areas of greatest improvement is the offering of social media as a research option for customers to learn more about the brand and products.

Overall utilisation is up from 73 per cent of retailers utilising it last year to 92 per cent this year, however, many retailers indicate that their current social media offerings need improvement.

Most retailers have plans to implement new technologies to identify customers via their smartphones, mobile applications and other emerging technologies. Within three years, 59 per cent of retailers plan to use Wi-Fi and 63 per cent plan to use mobile apps to identify customers in their stores.

About 67 per cent of retailers are offering a consistent product assortment across channels; however, many retailers are still struggling with manual processes as 43 per cent indicate the processes need improvement. Retailers realise the importance of utilising customer insights gathered from social media as 89 per cent of retailers are now using social media comments as a critical customer satisfaction measurement, up from 59 per cent last year.

Enhanced networks are a critical requirement for a unified commerce environment and 76 per cent of retailers plan to enhance or replace their network within the next three years, adds the report.

Source: fibre2fashion.com - May 29, 2017

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Kenyan apparel exports to US down 2% in 2016: EPZA

Apparel exports from Kenya to the US decreased by 2 per cent to Sh 34.4 billion in 2016 from Sh 35.2 billion in 2015, mainly owing to uncertainty around general election held in the US.

The number of apparel pieces exported by Kenya in 2016 reduced to 74 million from 84.6 million in 2015, says the annual performance report for the Export Processing Zones (EPZ).

The EPZ Authority (EPZA) also experienced market diversification for apparel exports by increasing the export volume to Europe and Canada. These alternative markets are evolving as Kenya exported apparel worth Sh 2.4 billion in 2016 to them, up from exports worth Sh 2.2 billion in 2015.

Direct employment also increased by 2.2 per cent to 42,496, said African media reports quoting EPZA.

Investments in Kenya also increased by 3.1 per cent to Sh 16.1 billion in 2016 from Sh 15.7 billion in 2015, said EPZA.

Source: fibre2fashion.com- May 27, 2017

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Pakistan: Budget pulled wool over apparel industry eyes

Federal Budget 2017-18 has betrayed the hardly buoyant value-added textile sector as it bore no measures to stabilise the exports that are almost in a freefall for the last very many years, disgruntled industry leaders said on Saturday.

"It is a very disappointing budget for the value-added sector," Ijaz Khokhar, central chairman Pakistan Readymade Garments Manufacturers and Exporters Association, said while talking to The News.

"We were expecting some funds and implementation of Textile Policy, but there was no mention of these in the finance minister Ishaq Dar's budget speech."

Khokhar said the finance minister only announced that refund payment orders (RPOs) would be issued in two phases, but the deadline for the first phase was until the end of August, while no deadline was given for the next phase. "These RPOs are mere 20 percent of total refunds of above Rs200 billion," he said.

He noted that liquidity crunch was the major hurdle slowing down the exports but the government was not even ready to realise the gravity of the issue let alone address it. "There was no announcement about a policy for ensuring sustainable exports," Khokhar said.

He said the government's attitude, as exhibited in the budget, left the stakeholders with no doubt that the private sector was on its own. "The budget dashed all the hopes that this government would pay up the refunds," he said and added, "We don't see the exports going anywhere near the target set in the budget."

Javed Bilwani, chairman Pakistan Apparel Forum and All Pakistan Exporters Association, said that except for the continuation of zero-rated scheme, there was nothing encouraging in the budget. "Clothes from the neighbouring countries are being smuggled into Pakistan because the rising cost of production has pushed the local prices up," Bilwani said.

Giving a regional comparison, he said that Pakistan's exports' share in the GDP was only 6.34 percent, Bangladesh 13.9 percent, while Indian exports contribute above 10 percent.

"In order to support the textile sector, the government must announce separate utility tariff for it and bring it at par with the neighbouring countries," he said and added, "Also, the textile sector should be exempted from the rampant load shedding," Bilwani stressed.

He came down heavy on the budget calling it extremely upsetting. "I don't think there will be any improvement in the textile exports going forward. They will just continue to languish the way they have been for quite a while now," Bilwani remarked.

Naseem Usman, chairman Karachi Cotton Brokers Association, minced no words, saying that there was nothing new in the budget for the sector. "The proposals of textile associations and ginners were nowhere to be seen in it," Usman said. On the other hand, he added, the debt burden of the government remains there, while no incentive was announced to salvage the sinking exports.

"Some incentives have been announced for the farmers but they will never reach them," a dismayed Usman said ironically.

Source: thenews.com.pk- May 29, 2017

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Vietnam consistent in enhancing trade ties with US

According to the America Market Department under the Ministry of Trade and Industry, Vietnam-US trade has maintained a high annual growth of about 20% since their Bilateral Trade Agreement (BTA) took effect in 2001. Last year, the two-way trade hit US$47 billion, 33.5 times higher than the 2001 figure of US$1.4 billion.

In the first four months of 2017, Vietnam exported US$12.4 billion worth of commodities to the US, mostly textile-garment, footwear, computers, seafood, farm products, timber and timber products, electronics and components.

The figure represented 20% of the country's total exports and an increase of 8.7% from the same period last year.

Vietnam is now the US' 16th largest trade partner with Vietnam enjoying high trade surplus.

Vietnam has put its name on the US's international trade partner map, said Tran Duy Dong, director general of the America Market Department, adding that in spite of difficulties posed by the US's anti-dumping or anti-subsidy duties, Vietnamese exporters have learned from experience to grow stronger, continuing entering the market.

Despite the US's withdrawal from the TPP, the bilateral Vietnam-US trade and investment relationship will continue to grow, US Consul General in HCM City Mary Tarnowka confirmed.

She expected the ties to grow stronger as Vietnam's recent efforts on international economic integration reaffirmed its intention to continue its economic reforms and further open its economy.

Tarnowka noted that those reforms will promote the establishment of a fair and transparent management system, allowing of the prediction of a new wave of trade and investment in the future.

Experts believed that Vietnam is yet to become a major market for the US but increasing incomes of its citizens will stimulate consumption of luxurious brands, including those from the US.

When US President Donald Trump launches a series of plans in Asia, the Vietnam-US ties will be a lever for the two countries' mutual trade and economic benefits. The upcoming meeting between the two nations' leaders will be a good opportunity to promote their shared strategic interests and create more jobs for their people.

Authorities from both sides are closely working to improve their trade cooperation mechanisms for better facilitation of the bilateral trade.

Tami Overby, Senior Vice President for Asia at the US Chamber of Commerce said the chamber is making effort to find ways for further boosting the Vietnam-US trade, including the possibility of a free trade agreement. She added that US companies need to be more creative in dealing with obstacles when entering the Vietnamese market.

To support local companies in gaining access to the US market, Minister of Trade and Industry Tran Tuan Anh said besides programmes to build national competitiveness through branding and removals of duties and other technical barriers, the ministry has devised master plans to improve competitive edges for export products with the emphasis placed on those in manufacturing and processing industry.

At the same time, enterprises must also take an active role in enhancing production capacity, developing market overseas, and becoming part of the global supply chain.

Source: customsnews.vn - May 29, 2017

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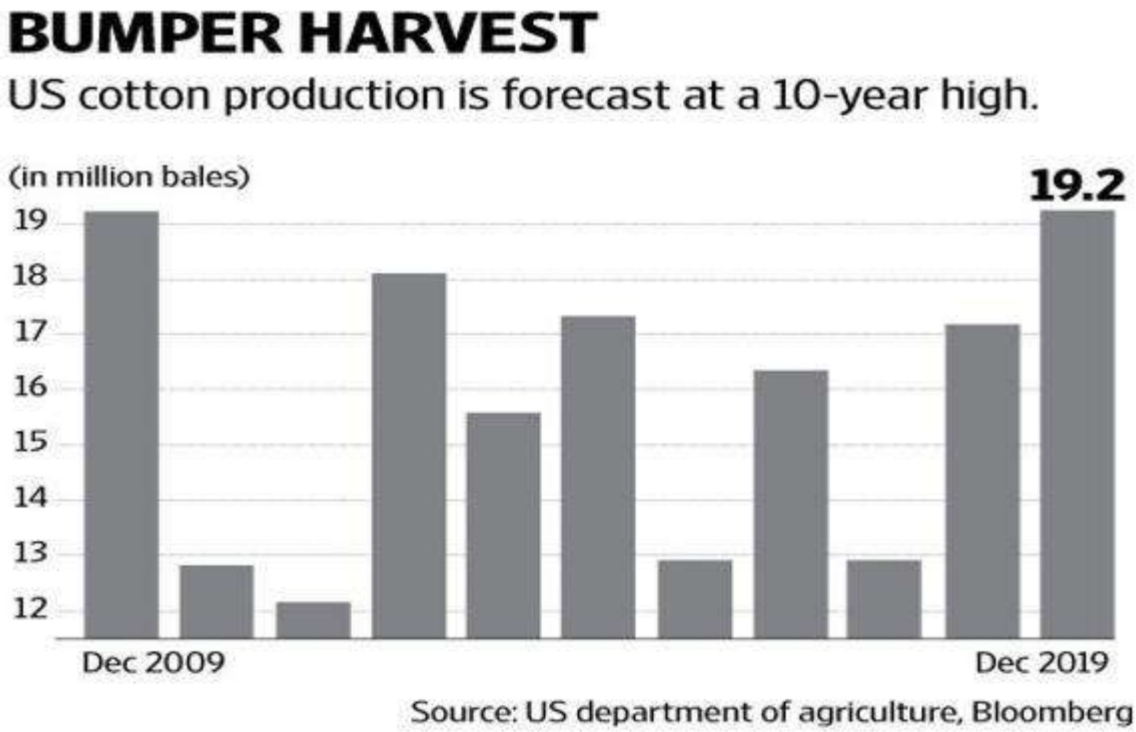
World is about to be flooded with cotton

The world is about to be inundated with cotton as farmers take advantage of high prices to produce more and China floods the market with excess supply from its strategic inventory.

Global output will climb 6.9% in the season starting 1 August, helping push stockpiles outside China to a record, the US department of agriculture estimates.



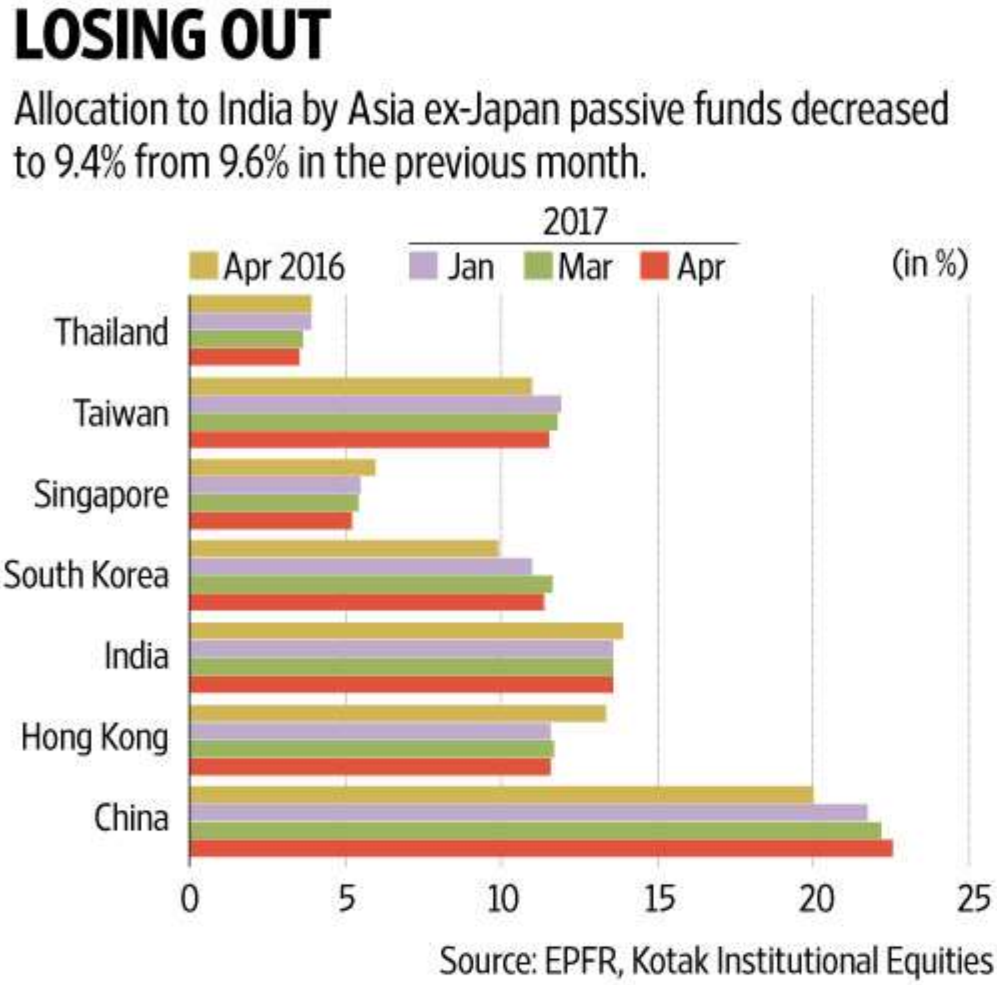
American farmers, the biggest exporters, are forecast to have their biggest harvest in a decade, and crop increases are expected in Australia and top grower India.

Growers planted more acres after cotton futures jumped 12% last year, when most other crops were mired in slumps. At the same, there are no signs that China's sales of its state inventories are slowing down. The ample supply outlook means prices are now heading for the biggest monthly loss since August. Bloomberg

India receives 13.6% from Asia ex-Japan funds in April

Allocation to India by Asia ex-Japan funds remained around 13.6% in April, according to Kotak Institutional Equities' latest foreign fund-flow tracker. Fund allocation to India by global emerging market (GEM) funds fell marginally to 11.1% from 11.2% in March.

"Allocation by Asia ex-Japan ETF funds to India were at 9.4% in April compared to 9.6% in March," said Kotak, adding that allocation to India by GEM ETF funds increased to 10% from 9.9% in March.



Allocations to India and China constitute more than one-third of the average Asia ex-Japan fund portfolio.

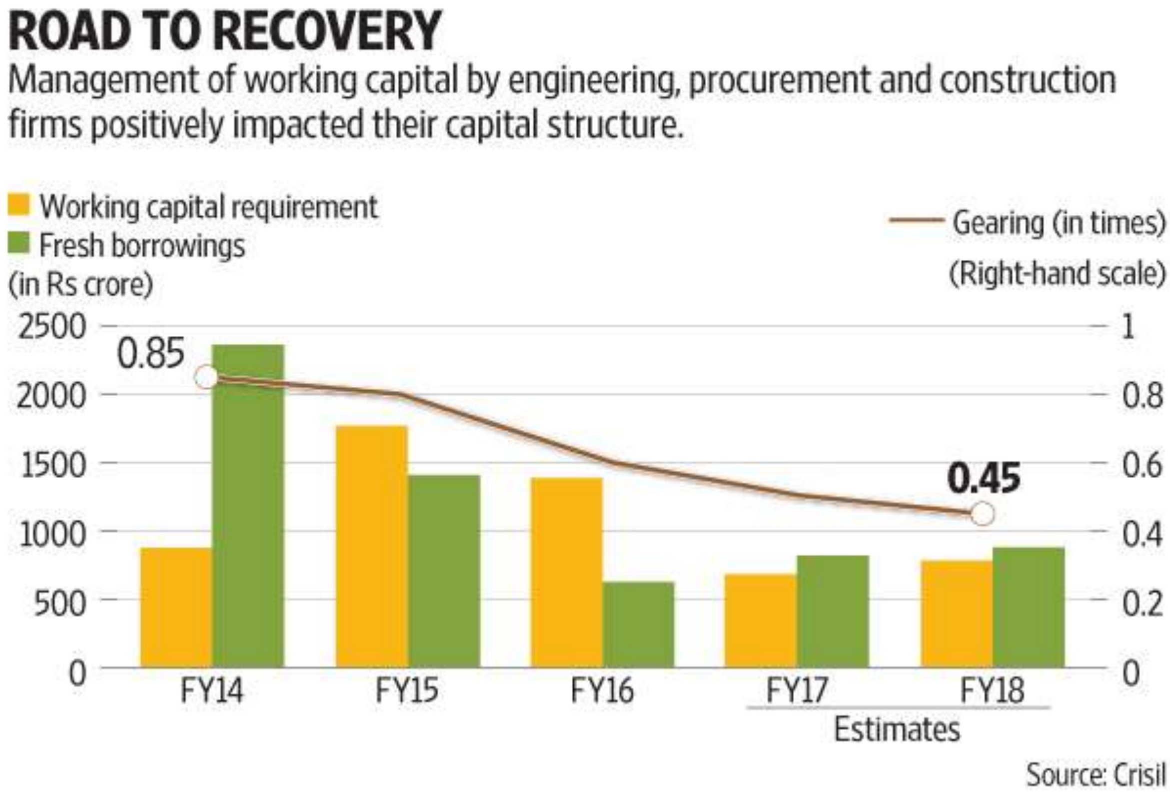
Interest coverage of road EPC firms to rise in FY18

Engineering, procurement and construction (EPC) firms in the road sector have seen a gradual improvement in their key credit metrics.

As per a report by rating agency Crisil Ltd, interest coverage of firms in this segment rated by it stood at four times in fiscal year 2017.

It is likely to rise to five times in this fiscal year.

This ratio helps to determine how easily a firm can pay interest expenses on outstanding debt.



Despite scaling up in business, road EPC firms managed to reduce their dependence on external borrowings courtesy efficient working capital management, lower capital expenditure and policy support for build-operate-transfer projects.
This resulted in better interest coverage.

Crisil expects improvement in their credit profiles to sustain over the medium term, given strong and diversified order books and proven execution capabilities, it said.

Source: livemint.com - May 30, 2017

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NATIONAL NEWS

Cotton output for 2016-17 expected at 340.50 lakh bales

The cotton output is estimated at 340.50 lakh bales for 2016-17 crop year, same as March, an industry association said in its April projection.

Cotton production stood at 337.75 lakh bales last year, Cotton Association Of India (CAI) said in a release here.

One bale is of 170 kg.

The projected balance sheet drawn by the CAI estimated total cotton supply for the season at 410.50 lakh bales, while the domestic consumption is estimated at 300 lakh bales, which will leave an available surplus of 110.50 lakh bales.

The arrival of cotton during April is estimated at 30.75 lakh bales compared to 22.25 lakh bales arrived during the same month last year, CAI said.

The total arrival this season up to April are estimated at 306.25 lakh bales, which is around 90 per cent of the total estimated crop, it added.

Source: thehindubusinessline.com- May 30, 2017

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A trade pact that could hit India hard

There was clearly huge pressure on India to conclude negotiations this year and to make major concessions in goods, services and investment at the ministerial of the Regional Comprehensive Economic Partnershipin Hanoi (May 21-22).

Minister of Commerce and Industry Nirmala Sitharaman said at a press briefing that India has not yet conceded ground, though she outlined several challenges India faces. Clearly there are problems.

Reasons for caution

RCEP is being negotiated between India and 15 other countries including the 10-member Asean, Japan, South Korea, New Zealand, Australia and China. With a high rate of poverty, a large rural population consisting mainly of small and marginal farmers and landless labourers, an immature industrial sector, a growing but narrow service sector and vulnerable health and education sectors, India had very rightly maintained a cautious approach in its FTAs on goods, intellectual property rights, and many new issues such as investment, government procurement and competition policy.

India's cautious approach faces a major paradigm-shift given the current negotiations in RCEP. It has the potential to overthrow India's policies of rural development and industrialisation especially 'Make in India', and the promise of the Prime Minister to provide accessible healthcare and medicines to all. Most important, it threatens the policy flexibility and sovereignty to pursue independent economic, social and environmental policies.

In *goods trade*, India has already agreed to give up the three-tier tariff reduction proposal that offered different coverage for Asean, Japan and South Korea, and a much lower level of tariff reduction coverage for New Zealand, Australia and China. Currently, it is believed to be under pressure to agree to uniform and very high product coverage of around 92 per cent for all partners.

According to Commerce Ministry officials, India has offered 80 per cent coverage with 5 per cent margin (lower) for more developed partners. It has also asked for a longer implementation period for China. While 92 per cent coverage is inconceivable, even 80 per cent will have serious implications for both agriculture and industrial products.

In agriculture and allied products, the plantation sector is already reeling from the impact of the India-Asean FTA even with relatively high protection of agriculture and a tariff-coverage of 73-80 per cent. If tariff cuts cover 92-80 per cent of products, the impact will be huge. On the other hand, New Zealand's export-oriented dairy products will decimate India's growing dairy sector, which is still largely small-scale.

If India offers to reduce/eliminate import tariffs on a larger number of *industrial products* than already committed to Asean, Japan and South Korea, its industrial sector could be under stress. Even without an FTA, India faces a total trade deficit of ₹3.45 lakh crore in 2015-16 with China. If India has to cut duties on 92 per cent of goods in RCEP, India will face threats from both Asean and China.

Self-defeating tactics

But manufacturing woes will not end there. E-commerce commitments, if any, will allow companies such as Alibaba from China to displace Indian manufacturing especially in the SME segment. Further, India is being asked to eliminate export restrictions on minerals and raw material by Japan and South Korea; this may threaten domestic raw material availability for industrialisation and encourage over-mining.

India is openly pitching *services* as its offensive area of interest and may be willing to sacrifice goods tariffs for gains in services. This can be the most dangerous of India's current trade policy stance and can backfire very easily. India has demands for both Mode 3 (investment) and Mode 4 (movement of people) with a proposal for a RCEP business visa for professionals. India's demand for Mode 4 is unlikely to be granted. What India hopes to gain in Mode 3 for its outward FDI is not clear as it is not competitive in most services except for IT and ITES.

In spite of placing the new Model Bilateral Investment Treaty (BIT) text as a basis for *investment* protection negotiations and already facing 20 BITs cases, India is under heavy pressure to agree to the investor state dispute settlement provision in RCEP without the safeguards provided in the Model BIT. The investment chapter in RCEP is also pitching for strong provisions on IPRs. This framework will increase India's liability and severely limit its policy space to implement any policy reform that is seen as detrimental to investors' profits.

IPR and e-commerce

In the area of *intellectual property rights*, several members have been pushing provisions that go beyond TRIPS, with serious adverse consequences for access to generic medicines manufactured in India. The minister denied having agreed to any so far.

Agreeing to data exclusivity, extending patent terms and unduly strong enforcement measures will weaken the entire generic medicine sector and take away several health safeguards in India's Patent Act, notably section 3(d). This will make medicines inaccessible not only for Indian patients but for those in the entire developing world. In addition, since India has rightly fought against 'TRIPS plus' provisions in its FTA negotiations with EU and European Free Trade Association, there is no rationale for it to change its stance in RCEP.

Finally, it seems India may agree to binding *e-commerce* rules in RCEP. This will have several implications including compromising government revenues by losing potential customs duties, compromising regulation and control over the new and emerging trading space, threatening data privacy and security not only of individuals but also of the government, and compromising regulation across a number of government ministries including that of the finance, commerce and industry, health and education, labour and so on.

For example, by giving away control over data, the Government may compromise potential future industrial policy and lose control over financial policy.

India seems to have resisted the pressure to agree to specific commitments in goods, services, and investment and other areas in Hanoi. But a push for negotiations to be concluded by this year seems to have been agreed, even if not in very specific terms. Conclusion this year will be highly premature.

India needs to assess its own choices and weigh the impact on its whole policy space vis-a-vis the narrow base of the advantages that RCEP may offer.

Source: thehindubusinessline.com- May 28, 2017

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India loses global market share in 61 export items

Readymade garments, gems and jewellery, and agricultural products, which have traditionally represented India's exporting prowess, all lost market share in the past five years.

Cars, diamonds, maize, trousers, make-up and skincare items, handbag and cotton sweaters figure in the list of 61 products where India lost market share between 2011 and 2016.

Although India failed to cater to increasing demand for high-end cars and handbags, it lost market share in gold and silver jewellery due to the rise of competitors such as China, and Cambodia and Bangladesh in readymade garments.

India's market share in the medium-end car segment fell from 8.84% in 2011 to 5.77% in 2016 and for high-end cars, it fell from 1.77% to 1.57%. This considerable loss in share is attributed to South Korea and Japan, the leaders in manufacturing passenger vehicles.

Lack of skilling of artisans in the gems and jewellery sector has cost India heavily, especially in diamonds, in which the country's share declined from 31.36% in 2011 to 30.79% in 2016.

India ceded much of the market to China and Vietnam, which emerged as the key competitors. Exporters have raised the red flag on 61 such products and asked the commerce ministry to revisit its strategy to promote their exports.

"We have asked export promotion councils and the department of commerce to revisit the strategy for export of these items," said Ajay Sahai, director general of the Federation of Indian Export Organisations.

In case of agricultural items such as maize and oil cakes, currency fluctuations played a big role in India losing market share. As the Brazilian real weakened, India lost its competitiveness in oilcakes to the South American country.

"We need to build domestic capability or give them a greater impetus to increase their share," Sahai said.

The government, on its part, could give higher support to these products in the Merchandise Exports from India Scheme (MEIS). The MEIS was introduced in the Foreign Trade Policy 2015-20 with product and market focused incentives, under which rewards are payable by way of the MEIS duty credit scrip, which can be transferred or used for payment of a number of duties including the basic customs duty.

The government later announced higher support to several products such as industrial machinery, machine tools, bicycle parts and hand tools used in agriculture that are manufactured by small and medium enterprises.

Source: economictimes.com- May 30, 2017

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Gujarat's first cooperative cotton spinning plant set-up at Mangrol

The Surat Vankar Sahkari Sangh Limited has set up Gujarat's first cotton yarn spinning plant in the cooperative sector at Dinod village in the tribal-dominated Mangrol taluka.

The state-of-the-art cotton spinning plant has been set up on the 17 acre land in the tribal-dominated Mangrol taluka at the cost of Rs 140 crore, supported by the Gujarat government.

The plant has around 30,000 spindles producing around 17 tones of cotton yarn on daily basis. The plant will have 10 unit of weaving, five units of knitting and three units of garmenting.

Sources said that the cotton park has been set-up at Mangrol to tap the ever growing demand of cotton yarn in India and abroad. The yarn manufactured at the Mangrol facility is of international quality, which has a huge market in China, Pakistan and Indonesia.

The plant will be inaugurated by the minister of state for cooperative Ishwarsinh Patel on June 1.

President of Surat Vankar Sahkari Sangh Limited, Rajnikant Bachkaniwala said, "In the last three decades, this is the first state-of-the-art cotton spinning plant set up by us in the whole of Gujarat. The production of cotton yarn had started in April and until now we have exported around nine containers of yarn to Pakistan, China and Indonesia"

Bachkaniwala added, "The manufacturing of cotton fabric is on the rise in Surat and surrounding areas. Most of our members are manufacturing cotton fabric. We will supply the cotton yarn at economical rates to our members and rest will be exported"

Source: timesofindia.com- May 29, 2017

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India Could See Double-Digit Growth If Govt Pushes Reforms To Increase Women In Workforce: World Bank

India's economy could achieve double-digit growth if New Delhi pushes reforms to increase women's participation in the country's workforce, a World Bank report said on Monday.

Such reforms would boost household earnings and reduce poverty, besides creating better health and education conditions for the women's children, it said.

Asia's third-largest economy has been growing at around 7% for the past three years. Policy makers aspire to copy China's three decades-long double-digit growth miracle that dramatically reduced poverty and increased per capita income there.

Women's labour force participation in India declined to 27% in 2011-2012 - among the lowest in the world - from near 40% in early 2000s.

While one-third of this decline was due to better education opportunities for girls in the age group of 15-24 years, the rest was because of India's inability to create enough jobs in the manufacturing and services sectors.

Underscoring the gravity of the situation, the World Bank said nearly two-thirds of Indian women with college degrees are without jobs.

The unemployment rate for educated graduates is far higher than that in Bangladesh, Indonesia and Brazil.

The report urged the Indian government to adopt a more female- and labour-intensive export growth strategy along the lines being practiced in Bangladesh. It also asked New Delhi to improve work connectivity and support female entrepreneurs to create more jobs for women.

Since taking office in 2014, Prime Minister Narendra Modi has launched a programme for skills development and also set up a subsidised loan scheme for businesses led by women.

He has unveiled a near $1 billion fiscal package for the textile sector, aiming to create more jobs for women.

To improve flexibility for female employees, the Indian parliament recently passed a law that has doubled maternity leave and allowed female employees to work from home.

Source: huffingtonpost.in - May 30, 2017

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Labour reforms will create quality jobs: Bandaru Dattatreya

Labour minister Bandaru Dattatreya on Monday reiterated the government’s resolve to pursue labour reforms in a manner that will lead to creation of quality jobs, seeking to dismiss criticism that the BJP-led NDA government has presided over three years of jobless growth in the country.

"Labour reforms are on the agenda. Group of ministers has cleared the wage code. This will now go to the Cabinet and will come up in the next session of Parliament," Dattatreya said while recounting his ministry’s achievements over the past three years.

Highlighting the combined efforts of 23 ministries in imparting skills training to 1.25-crore people, Dattatreya said, "Employment generation is our top priority. So far six lakh jobs have been created under the Pradhan Mantri Rozgar Protsahan Yojana and going forward, we aim to give jobs to 50 lakh youths in the country."

The minister said that in the next few months, the labour ministry will bring Anganwadi and Asha workers under the social security net while launching the U-WIN (Unorganised Workers Identification Number) cards for 40-crore workers. "This will help establish a unique identity for all of them while helping them avail social security schemes such as Atal Pension Yojana," Dattatreya said.

Earlier in the day, at the start of a three-hour long event to mark the three years of Narendra Modi government, labour secretary M Sathiyavathy said the labour ministry has outpaced other ministries as far as passage of legislations is concerned. In the past three years, the ministry has overseen the passage of amendment to Child Labour Regulation Act, the Employees Compensation Act, the Bonus Amendment Act and the Maternity Benefit Act, which it said benefited different sections of the society.

Besides, the ministry has significantly reduced the burden of compliance and is pursuing amalgamation of 44 labour laws in four codes to further enhance the ease of doing business in the country.

Source: economictimes.com- May 30, 2017

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India is well positioned in the cotton space: KK Lalpuria, ED, Indo Count Industries

In an interview with ET Now, KK Lalpuria, ED, Indo Count Industries said that with changing lifestyle, the made ups are well positioned for the upcoming years.

10 x in 10 years, what is coming in the next three years?

The next three years look quite positive with the kind of government we have. With stable policies which we are formulating, India is becoming a pride in the world; with the kind of GDP numbers, it is ranking upon so I think we have a good opportunity worldwide. India is well positioned in the cotton space and in the made up sector. It has grown 9% CAGR. The macro indicators looking good in consuming countries like the US and in Europe - they are growing at a level of 4%. So we have a big opportunity here as far as our sector is concerned textile and as far as made ups is concerned.

A stable government means a stable rupee and an appreciating rupee. For an exporter it is not great news. So you want an environment where macro is bad because if macro is mad you will make more money?

We should look at rupee from a broader scope not just the USD-INR ratio. You see a stable government provides you the stability in rupee that gives you much better performance because you can plan better. In an export oriented company we always sell a year in advance or six months in advance so we can be in a better position and we can deliver consistently, and at the same price levels, for a longer period. We always make business happen on a cost plus way.

Secondly you see India is now having a good current account deficit and a good reserve position. The banks have liquidity and the FIIs and FDI inflows are good. The remittances are good so all these factors will keep the rupee stable and when the rupee is stable we are able to transact business much more and we have been doing business at Rs 60 and Rs 63 and Rs 58 even. So we are in business like it is just a transactional mode.

You are expecting volumes of 62-63 million ton in FY18. How does that number translate over the next three years? What kind of volume growth do you see from the space?

See we have just finished adding up a capacity of 22 million. We were at 68 million and we clocked 56 million which is around 85% because you can never clock 68 million in textile; you can reach up to a level of 62-63. Since we sell a year in advance, we have to scale up our capacity expansion to 90 million and as I mentioned earlier, we as a company can never look upon building capacity per se. We compliment our sales to the capex and we look upon just three to four years as a payback period. So we scale up our capacity accordingly and that is how what we have done now. So we feel that in the next three years we should be able to reach up to an 85 million meters of capacity utilisation and that is what we have planned for.

You are growing because market is growing or you are growing because you are gaining market share from the Chinese and from your other peers?

Both, because as I mentioned the consumer lifestyle is changing; earlier there were like only two seasons then it become spring, summer and fall. Now there are six seasons because the millennials entering the consumer base there is an instinct buying and they are so aware about the product, we have to merchandise it well; we have to communicate it well.

And the lifestyle of the consumer is changing which is prompting them to buy better quality goods and we feel that we will be able to build on this market share further and we would gain in those market share which the prime segment is moving up to.

Generally saying that how our lifestyle and our preferences are really changing?

Earlier people were focussing only on the living room, now it is the bedroom part and let me tell you one thing in the US they decorate their homes so well like you have to climb on the bed literally and they spend so much of money on the bedrooms.

What happened to your numbers for the quarter gone by and what happened to cotton prices for the quarter gone by. Have cotton prices come down, fresh cotton crop has come out I have been told, so what is the update there?

On the cotton front actually the prices have tapered a little bit because there is new about better sowing in the US and in India as well. The prices would come down because the export demand for Indian cotton is also slowing down as China is consuming its reserves.

China is also scaling up its imports through the US which is growing in cotton base. So overall you see the stock to end use ratio is higher. We have a better balance sheet of cotton like the closing stock is at reasonable levels and so we feel that in time to come this will taper down to at reasonable levels.

How should I understand your business because I mean is it a simple business to understand where you work on cost plus basis irrespective of the volatility in currency and cotton prices. We should look at the total capital commitment you have, add your margins and then add a 15% growth and then we will

understand what your numbers are like, I mean is that as simple?

That is how we make our business plan in fact. See that is the way you run your business.

Is there scope for margin expansion?

We are in a made to order business. We are not in a made to stock business like I have made my goods at a particular point of time with the cost and with a margin and if the cost goes down or goes up it will affect my MRP. So when I have the visibility of an order I calculate my price accordingly, my exchange accordingly and quote to the customers, of course there are challenges during that.

What is the scope of margin expansion there? How do you look at margin because you are saying that EBITDA would remain at 15% CAGR compounded growth over the next three years. So what can we expect in terms of margin expansion there given that there is lot of customisation?

We have set the fundamentals right. We have a good customer base. We have established our product. We are an innovative company wherein we spend a lot of money and time on R&D and developing the team to deliver fashion and the product range. So we feel that as a company we are margin driven rather than price driven.And we are focussing on the product to scale up our qualities, to scale up our service level and how to provide a better solution to the customer. So we spend a lot of time on the front end of the market, where basically the marketing, distribution and branding happens. Many of the companies have spent in India most of their time on the backend so the real value addition is on the front end.

Source: economictimes.com- May 28, 2017

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