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The Cotton Textiles Export Promotion Council [TEXPROCIL]
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IBTEX No. 105 of 2017 May 25, 2017

USD 64.55 | EUR 72.52 | GBP 83.81 | JPY 0.58

Cotton Market		
Spot Price (Ex. Gin), 28.50-29 mm		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
20079	42000	**82.99**
Domestic Futures Price (Ex. Gin), May		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
20980	43885	**86.68**
International Futures Price		
NY ICE USD Cents/lb (July2017)	77.22	
ZCE Cotton: Yuan/MT (Sept 2017)	15,625	
ZCE Cotton: USD Cents/lb	**6.86**	
Cotlook A Index – Physical	**89**	

Cotton guide:

Cotton futures for July ICE rebound a tad on Wednesday but barely dented the previous 6 days loss. The July ended at 77.54 up marginally by 32 points from the previous close. However the December ended positive at 73.08 up by 71 points indicating more buying's are seen in December due to position roll over from old crop to new crop contract and fresh speculative longs are building in the said December contract.

In fact as said earlier in our previous reports the spread between July/Dec has narrowed down to 4.50 cents from a recent high of 14 cents with July continues to remain in premium indicates more selling in July is taking place while buying in December is also noticed.

An ideal scenario for spread to correct further downside in the near term which very well suits to Miller's price and position fixation.
Compiled By Kotak Commodities Research Desk , contact us : mailto:research@kotakcommodities.com, Source: Reuters, MCX, Market source

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INTERNATIONAL NEWS

Will China cotton supply and demand balance in 2016/17?

In 2016/17 season, China's spinning mills are profitable and cotton textile industry is promising. As imported cotton yarn prices maintain high, the consumption for cotton may only decrease slightly in slack season, which is estimated at 645kt during May and Aug 2017. According to the sales of reserved cotton since Mar this year, this article analyzes the supply and demand from two extreme situation of reserved cotton transaction. In general, the supply is relatively loose.

Since the start of reserved cotton sales on Mar 6 2017, the reserved cotton has showed its price edge and is accepted by the market gradually. Reserved Xinjiang cotton is almost transacted fully per day, while for reserved upcountry cotton, buyers show lower interests due to its inferior quality, but there is no big problem to produce cotton yarn with counts 32 or below. Therefore, the planned selling volumes of Xinjiang cotton poses obvious impact on the whole trading volumes.

Since May, the planned selling volumes of Xinjiang cotton per day hovers around 35-50%. The lower volumes make cotton buyers confuse whether the cotton supply is sufficient before the new crop year. Then, we will have a forecast on the cotton supply and demand before Sep 2017 according to different expectation on state reserves sales.

1. Forecast based on average daily trading volumes of 22.3kt during Mar and Apr

For imported cotton, the supply is limited later as U.S. cotton sales have been very good previously. Import volumes of Indian cotton decreases sharply due to low competitiveness. Moreover, imported cotton sales are unsmooth in China. Therefore, the imports of cotton may be restricted later, to be around 80kt. For exports, the volumes can be negligible.

Due to the state cotton auction ended on Sep 31, 2016 last year, the supply of reserved cotton in 2016/17 season should add the trading volumes of 618.1kt in Sep 2016. The detailed supply and demand is showed below:

Daily trading volumes of reserved cotton at 22.3kt during May 12 and Aug 31 (unit: KT)							
Time	supply				demand		monthly consumption
	Beginning social stock	output	trading volumes of reserved cotton	import	consumption	ending social stock	
2016/17 season	1,223.70	4,500	3,221.70	1,073	7,770	2,248.40	647.50
2016/09-2017/04	1,223.70	4,500	1,487.70	753	5,453.30	2,511.10	681.70
2017/05-2017/08	2,511.10	0	1,734	320	2,317	2,248.40	579.2

According to CCFGroup, cotton consumption in 2016/17 season is estimated at 7.77 million tons. After calculation, the monthly cotton consumption from May to Aug is about 579.2kt and the ending social stocks are projected at 2.248 million tons.

In 2014/15 season, the social stocks by end Aug was about 1.47 million tons and during that time, the transactions were dull and ZCE cotton futures market moved downward. In 2015/16 season, the social stocks by end Aug 2016 was 1.22 million tons and during that time, supply was short with smooth sales and ZCE cotton futures market surged, so state reserves sales extended one month.

Under such condition, the ending stocks of 2.248 million tons are much higher than 1.468 million tons in 2014/15 season, so the supply is supposed to be loose in late months of 2016/17 season.

2. Forecast on average daily trading volumes of 15kt during May and Aug

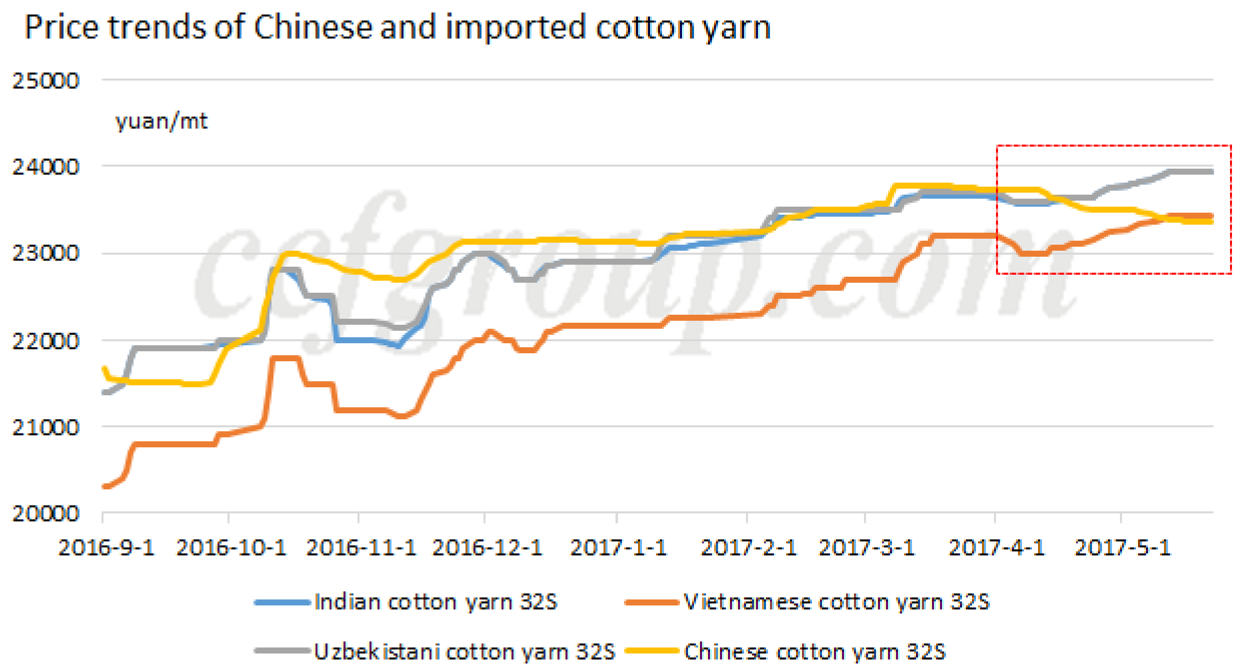
In May, planned selling volumes of reserved Xinjiang cotton is seldom over 50% per day. Later, if the selling volumes of reserved Xinjiang cotton are hard to rebound in slack season, demand from downstream sector on cotton may weaken somewhat. Therefore, we estimate the extreme situation that if the daily trading volumes of reserved cotton only reach 15kt to view the supply and demand.

Daily trading volumes of reserved cotton at 15kt during May 12 and Aug 31 (unit: KT)							
Time	supply				demand		monthly consumption
	Beginning social stock	output	trading volumes of reserved cotton	import	consumption	ending social stock	
2016/17 season	1,223.70	4,500	2,703.40	1,073	7,770	1,730.10	647.5
2016/09-2017/04	1,223.70	4,500	1,487.70	753	5,453.30	2,511.10	681.7
2017/05-2017/08	2,511.10	0	1,215.70	320	2,317	1,730.10	579.2

Then, the ending stocks by Aug 2017 (excluding state reserved cotton stocks) are estimated at 1.73 million tons, still higher than the 1.468 million tons in 2014/15 season, so the supply is relatively loose.

However, after the expectation that we estimate in two ways mentioned above, the monthly cotton consumption is about 580kt from May to Aug, which is lower by 100kt compared to the first eight months of 2016/17 season, which is not normal. In 2017, due to strong international cotton prices, imported cotton yarn saw no obvious competitiveness in China. In Apr, domestic cotton yarn sales turned thinner and prices also moved lower, but cotton costs reduced somewhat due to the use of reserved cotton, especially for cotton yarn 32S and below. Therefore, spinning mills still witnessed profits.

For high imported cotton yarn prices, some weavers who used imported cotton yarn turned to use China-made cotton yarn. So, the cotton consumption from mills is not expected to weaken largely and the forecast on cotton consumption needs to be revised.



3. Supply and demand forecast after the cotton consumption is adjusted

In 2015/16 season, monthly cotton consumption was about 620-630kt. In 2016/17, higher demand for domestic cotton yarn tends to increase the cotton consumption, so we revise up the cotton consumption during May and Aug, 2017. Meanwhile, Jun and Jul are the traditional slack season for textile industry, so the cotton consumption may be slightly lower than the average level of the first eight months of 2016/17. Therefore, the monthly cotton consumption is estimated at 645kt during May and Aug, 2017.

Daily trading volumes of reserved cotton at 22.3kt during May 12 and Aug 31 (unit: KT)							
Time	supply				demand		monthly consumption
	Beginning social stock	output	trading volumes of reserved cotton	import	consumption	ending social stock	
2016/17 season	1,223.70	4,500	3,221.70	1,073	8,033.30	1,985.10	669.44
2016/09-2017/04	1,223.70	4,500	1,487.70	753	5,453.30	2,511.10	681.66
2017/05-2017/08	2,511.10	0	1,734	320	2,580	1,985.10	645

Daily trading volumes of reserved cotton at 15kt during May 12 and Aug 31 (unit: KT)							
Time	supply				demand		monthly consumption
	Beginning social stock	output	trading volumes of reserved cotton	import	consumption	ending social stock	
2016/17 season	1,223.70	4,500	2,703.40	1,073	8,033.30	1,466.80	669.44
2016/09-2017/04	1,223.70	4,500	1,487.70	753	5,453.30	2,511.10	681.66
2017/05-2017/08	2,511.10	0	1,215.70	320	2,580	1,466.80	645

After revision, the ending stocks excluding state reserved cotton stocks in end Aug 2017 remains large under the two expectation, both higher than the 1.22 million tons in 2015/16 season.

4. Conclusion

After the cotton consumption is revised, the ending stocks are expected to be high. In 2016/17 season, global supply and demand is basically confirmed, while the largest uncertainty is the state reserves sales in China. The lower trading ratio of reserved cotton will ease the supply pressure. If the planned selling volumes of reserved Xinjiang cotton reduces largely later, the trading ratio may reduce to below 50%, then cotton prices may be firmer. But if the trading ratio of reserved cotton remains high, the market is likely to move lower in correction.

Source: ccfgroup.com- May 24, 2017

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Bangladesh bets big on UAE trade

Bangladesh is keen to boost bilateral trade with the UAE from the existing $1 billion to $5 billion in the next three to four years, its top diplomat says.

Muhammad Imran, ambassador of Bangladesh to the UAE, said his country is one of the fastest growing nations in South Asia sustaining six per cent plus growth rate annually despite a slowdown in global economy. It offers good investment opportunities in one of the most populous countries of the region with 160 million inhabitants, he added.

"We are exploring new avenues to expand existing bilateral trade relations between the two countries. There is huge scope to increase this trade volume in years to come due to new initiatives to be introduced soon," Imran told *Khaleej Times* on the sidelines of a seminar in Dubai.

Elaborating one of the initiatives, he said Bangladesh is planning to host a single country exhibition in the UAE to promote its products in the region.

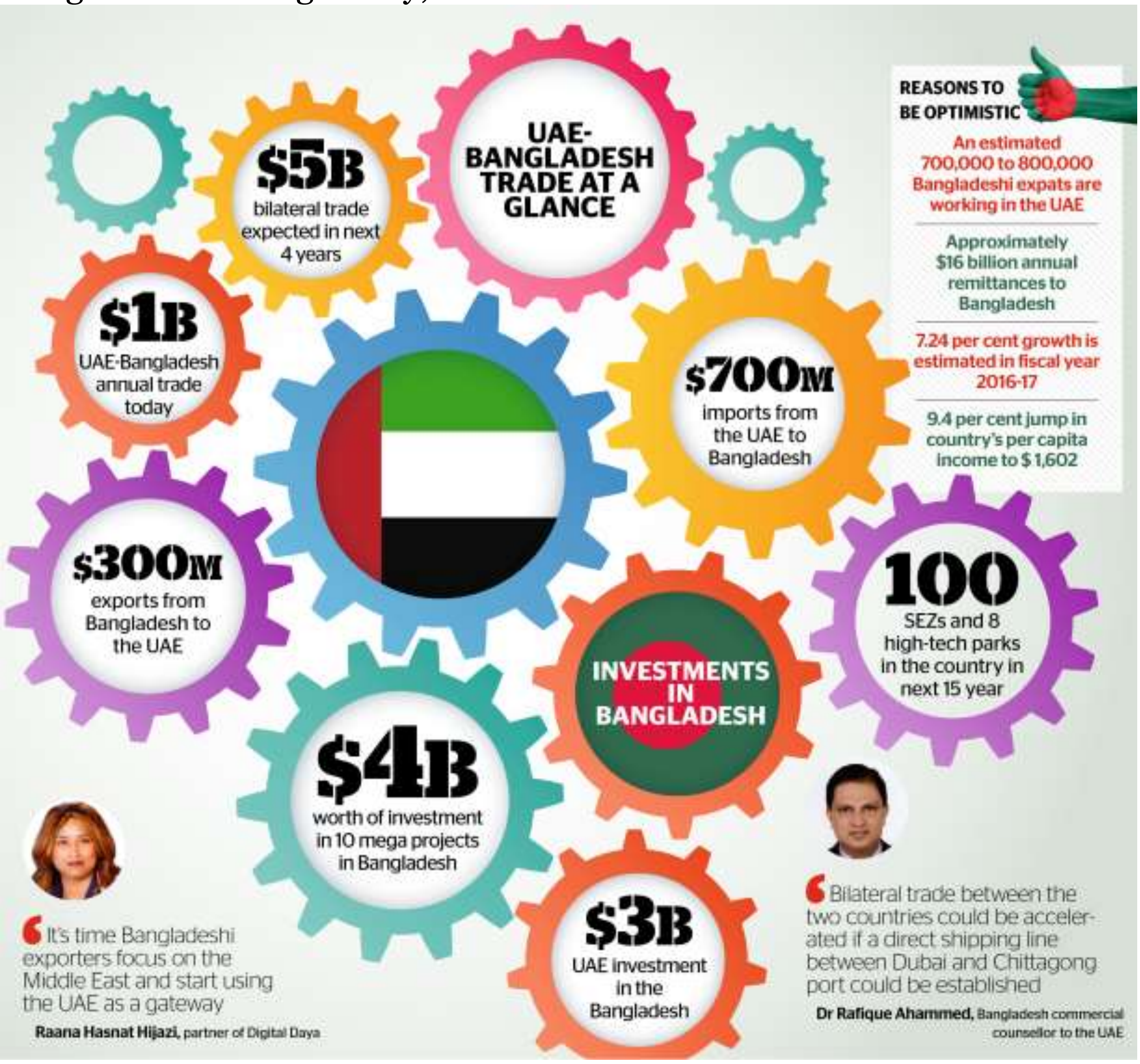
"Major Bangladeshi firms will be participating in this single country exhibition, which is expected later this year," he said, adding that Bangladeshi companies have regularly been participating in expos such as Gitex, Gulfood and the Dubai Shopping Festival, among others.

"Bangladeshi businessmen can't even get a visit visa to explore the tremendous possibilities of the UAE as a gateway to serve two billion consumers in the Middle East, Africa and Central Asia. Besides, the absence of a direct shipping line makes our products less price competitive. A direct shipping line could reduce the shipment time by half and reduce the price of goods," he said.

"Bangladesh is an emerging economy and most of our products are exported to the United States and European Union - much far away than the UAE. Governments of both the countries could look into these issues that would unlock a great potential for economic growth," he added.

Raana Hasnat Hijazi, partner at Digital Daya, said UAE-Bangladesh trade has a very high potential for growth as the level of bilateral trade is still quite low.

"The United States and European Union are Bangladesh's largest export markets dominated by readymade garments because of the high demand there. It's time Bangladeshi exporters focus on the Middle East and start using the UAE as a gateway," she added.



Balance of trade

Bangladesh concluded a General Trade Agreement with the UAE in 1984 and since then bilateral trade has been sustaining an upward trend. At present, the two-way trade stands firm at the $1 billion mark but has potential to increase manifold in line with the government's policy to explore new trade options.

The ambassador said balance of trade is hugely tilted in favour of the UAE, which imported goods worth $300 million annually and exported crude oil and other petroleum products worth $700 million per annum.

The major exports of Bangladesh to the UAE are readymade garments, woven and knitwear, vegetables, frozen fish, jute yarn and twine, home textiles and textile fabrics, fruit juices, tea in packets, spices, stainless steel ware, melamine tableware, electronics, cables and jute products, among others.

Some vegetable products, plastic articles, cotton and cotton yarn, fabrics, iron, steel and its products, electrical machinery and equipment are also re-exported from the UAE to Bangladesh.

"With 3.5 million tonnes of fish production, Bangladesh is the fourth largest producer in the world. It is also fourth major rice producer after China, India and Indonesia," he said.

Imran further said that Bangladesh has a promising growth outlook due to positive economic indicators. "We have a good growth prospects in the years to come," he said.

The Bangladesh Bureau of Statistics, the country's official statistics agency, estimated that economic output will grow by 7.24 per cent in fiscal year 2016-17. It also estimates the country's per capita income will increase to $1,602 at the end of the current fiscal year ending on June 30, up 9.4 per cent from $1,465 a year ago.

An estimated 700,000 to 800,000 Bangladeshi expats are working in the UAE, both in the skilled and unskilled sector.

Media reports suggest that a five-year ban preventing Bangladeshi citizens from seeking work in the UAE could soon be lifted due to increased construction labour needs for Expo 2020 projects.

More Bangladeshi workers in the UAE will help generate additional remittances, which currently stand at approximately $16 billion annually.

Investment options

Imran said both the countries have ample opportunities to further boost bilateral trade relations and investments. The UAE is one of the major foreign investors in Bangladesh with nearly $3 billion investment in the country.

"Power sector is one of the potential sectors for investment in the country. The government is keen to boost present installed power generation capacity of 16,000 megawatts to 39,000 megawatts by 2030," he said.

"We are investing $4 billion in these mega projects from our own resources," he said, adding that a plan is on the cards to develop 100 SEZs and eight high-tech parks in the country in the next 15 years.

"Bangladesh is a role model for socio-economic prosperity by investing in key sectors like agriculture, industry, health, education, ICT and infrastructure," he said.

Dr Rafique Ahammed, Bangladesh Commercial Counsellor to the UAE, said the UAE-Bangladesh trade relationship has a high potential for growth as Bangladesh's exports are growing and have crossed $33 billion in recent years, mostly dominated by readymade garments exports to the US and countries within the European Union, the biggest export markets. However, foodstuff dominates the country's exports to the UAE and are growing.

"Bilateral trade between the two countries could be accelerated if a direct shipping line between Dubai and Chittagong port is established - that will significantly reduce the transportation time and cost and make Bangladeshi products more competitive in price.

Besides, an ease in visit visa restriction will help more Bangladeshi businessmen explore the UAE market - that could boost the local economy as well," he said.

Source: khaleejtimes.com- May 24, 2017

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Demand for Dhaka products go up at home and abroad

The confidence of Dhankuta-based entrepreneurs involved in the production of garments made from dhaka has been going up these days, as demand for their products is continuously increasing in the international market.

Rajganga Dhaka Factory, located at Maunabudhuk, is one such manufacturer which has seen an uptick in demand for dhaka products abroad. Its director Rajkumari Limbu says his factory exported dhaka garments worth Rs600,000 in the last six months.

The biggest export market for Rajganga, which has been producing dhaka products for the last two decades, is the UK. But the factory also exports dhaka goods to South Korea, Germany, the US and Hong Kong.

“Demand for garments, such as daura suruwal, the national dress of Nepal, saris and kurtas, is relatively high abroad,” said Limbu. “Lately, we have also been exporting caps and shawls made of dhaka.” Demand for these goods increases during festivals such as Dashain, Tihar, Ubhauli and Udhauli, according to Limbu.

As consumption of dhaka products is growing abroad, Rajganga has started hiring more people, with the size of his workforce expanding to 265.

To cater to the growing demand for dhaka products abroad, Rajganga has also started outsourcing production works. And to maintain the quality of goods produced by outsiders, it has also started offering training. Most of those who receive the training are women.

Like Rajganga, Khada Dhaka Textile Factory and Gurans Dhaka Textile Factory have also seen a rise in demand for dhaka products abroad.

“The item that is most in demand is surke thaili, [a traditional purse that is carried by women],” said Beni Kumari Khada, the promoter of Khada Dhaka Textile Factory, adding, “Most of the surke thaili that we produce are exported to the US.”

As demand for dhaka products is growing in the international market, Nepalis settled abroad have started opening showrooms abraod.

Padam Lawati and Suman Lawati, for instance, have opened a showroom in Hong Kong, while Basundhara Rai has established an outlet in London.

Dhankuta, a district located in the east, is home to around three dozen small and cottage enterprises that are engaged in production of Dhaka textile and garments.

Source: kathmandupost.ekantipur.com- May 24, 2017

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Australia: Cotton On top performing fashion retailer of 2017: Report

Cotton On Group has become the top performing fashion retailer of 2017 in Australia, says a fashion report. The recognition solidifies the Group's commitment to ethical and sustainable retailing, highlighting the steps it takes towards ensuring a safe, fair and sustainable environment in which its products are being sourced and manufactured.

The Ethical fashion report by Baptist World Aid (BWA) grades companies on the efforts put in for a transparent and eco-friendly working condition. The research team assesses each company's labour rights management system according to 40 specific criteria. These assessments consider three critical stages of the supply chain as a proxy for the entire supply chain: raw materials, inputs production and final manufacturing.

"The environment in which our products are made and the materials used to make them form a critical part of our ethical responsibility – it's just the right way to do business," Cotton On Group's ethical sourcing manager David Nesbitt said.

"Over the last five years, we have worked closely with BWA to build on the strength of our existing ethical sourcing programme, allowing us to sense check and continually enhance our programmes with a focus on end-to-end mapping of our suppliers," added Nesbitt.

"We know we are on a continuous road to improvement and are committed to an ever-better supply chain for the long haul."

The Group's ethical sourcing programme, including its 14 Rules to trade, has been in existence since 2009 and governs the sourcing, manufacturing and supply of products.

Adherence to this code of conduct relies on the strength of the relationships the Group holds with its suppliers – some of which have been partners of the business for over 20 years.

Source: fibre2fashion.com - May 24, 2017

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Pakistan: Cotton sowing witnesses 18pc increase

Cotton cultivation during the current sowing season has witnessed 18 percent increase across the crop growing areas of the country as compared to the sowing during the corresponding period of the last year.

The government has fixed a target to cultivate the cotton crop over an area of 3.11 million hectares during the crop season 2017/18 to fulfill the domestic requirements of the commodity, as well as for export purposes, Dr Khalid Abdullah, cotton commissioner in the ministry of textile industry told APP on Wednesday.

The crop cultivation targets for Punjab were set at 2.42 million hectares and in Sindh it was set to cultivate the cotton over an area of 0.65 million hectares, he said.

So far, cotton crop has been cultivated over 1.54 million hectares of land in Punjab, whereas the Sindh province had put around 0.299 million hectares of land under the cotton crop cultivation.

Meanwhile, Dr Abdullah said that cotton has been cultivated over 1.84 million hectares across the crop growing areas of the country as against the set target of 3.11 million hectares.

Overall, the cotton crop has been cultivated over 59 percent area of the total targeted areas set for the current sowing season (2017/18).

Punjab had achieved 63.5 percent crop sowing targets set for the current season, whereas Sindh was able to achieve 46 percent area of the total cultivable land, he added.

Dr Abdullah also said that the cotton cultivation had witnessed 31.5 percent increase in Punjab; however, it was reduced by 21 percent in Sindh during the period under review.

Due to favourable weather conditions, the availability of certified seeds and other crop inputs, it was expected that the targeted areas for the current sowing season would be achieved, he said.

The cotton commissioner said agriculture experts from Balochistan and Khyber Pakhtunkhwa were provided three months training in order to bring the potential areas under cotton production to enhance the local crop output.

The Federal Committee on Cotton (FCC) had fixed cotton production targets at 14 million bales during the current crop sowing season.

Source: thenews.com.pk - May 24, 2017

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Pakistan reports increase in cotton yarn, cloth production

Cotton yarn and cotton cloth production in Pakistan have grown by 0.78 per cent and 0.51 per cent respectively during first three quarters of current financial year as compared to the corresponding period last year. During July 2016-March 2017, 2.572 million tonnes of cotton yarn was produced as compared to 2.552 million tonnes in the same period last year.

According to Pakistani media reports, domestic yarn production in March 2017 was recorded at 287,450 tonnes as against 282,695 tonnes in March last year.

During the last nine months, about 784.250 million square metres of cotton cloth were produced, in comparison to 780.233 million square metres in the corresponding period last year, the reports said.

Pakistan recorded cotton cloth production of 87,500 thousand square metres in March 2017 as against 86,500 square metres in March 2016.

However, the reports said, jute goods production decreased by 7.95 per cent during the period under review, at 41,793 tonnes against 45,402 tonnes in the same period last year. On month on month basis, 7,085 tonnes of jute goods were produced in March 2017 as compared to 2,681 tonnes in March 2016.

In last nine months, sacking production was recorded at 23,702 tonnes as compared to 25,095 tonnes during the same period last year, down by 5.55 per cent, the reports said.

Source: fibre2fashion.com- May 25, 2017

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Kenya has not reneged on ban on used clothing, says official

A senior Kenyan official, who is in Rwanda for the ongoing East African Manufacturing and Business Summit, has refuted claims that her government has reneged on a regional move to progressively ban used clothing.

Betty Maina, principal secretary in the Kenyan ministry of labour and EAC affairs, told The New Times that Kenya has not made a U-turn on reduction of consumption of used clothing and that East Africans should have the dignity of wearing new clothing.

Maina said: “That’s the aspiration of all regional heads of state and that’s something that has been upheld. Over the last few years, all the countries have been building up their textile industry with a view to ensuring that it can supply decent and competitively priced new cloths that will replace demand for used cloths.”

“Kenya has been at the forefront of this. In the last two months Kenya sold or made available to the market in Kenya and the region new clothing made in EPZs and there is great demand for those new cloths.”

An Export Processing Zone (EPZ) is a customs area where one is allowed to import plant, machinery, equipment and material for the manufacture of export goods under security, without payment of duty.

Contrary to what is being alleged, Maina said Kenya seeks to expand availability of new clothing made in the country to other east African countries and it is committed to ensuring that consumers “have an affordable choice of locally made textiles so that overtime, we can completely eliminate used clothing.”

EAC interests first

“Used clothing make a large part of exports from Europe and America to east Africa and, we are aware that their lobbyists obviously have an interest in this but east African interests come first,” Maina said.

She was emphatic that the communiqué of the 18th Ordinary Summit of the EAC Heads of State, held in Dar-es-Salaam, Tanzania, last weekend “clearly affirmed the commitment of east Africans to build up a competitive local textile industry” and Kenya was part and parcel of the Summit.

“The Heads of State received a progress report on the review of the textile and leather sector with a view to developing a strong and competitive domestic sector that gives consumers better choice than imported used textile and footwear and directed the Council to finalise the matter and report to the 19th summit,” reads the communiqué of the 18th ordinary summit of the EAC Heads of State.

Speaking on condition of anonymity as they are not allowed to speak about the issue, some regional leaders cited Kenya’s alleged caution to other partner states saying that they should refrain from using the word “ban” in the bloc’s plan to progressively do away with imports of used clothing, saying this contravenes international trade laws.

Kenya’s proposal, they say, is for EAC countries to continue with their agenda and increase duties on such imports as well as set up their own production structures and capacities to make available east African-made clothing and shoes but avoid the word “ban.”

"The EAC Summit did not use the word 'ban' but indicated that we will progressively phase out," the official said, explaining that the problem is being caused by the US which "has been complaining about why we are proposing a ban on used clothing and shoes."

In his remarks at the opening of the summit in Kigali on Tuesday, Dr Mukhisa Kituyi, the secretary-general of the United Nations Conference on Trade and Development (UNCTAD), had called upon the region to speak out with one voice.

'African dignity'

Kituyi, a Kenyan, said: "Kenya, you are wrong to reverse the stand on used clothing. East Africa should speak with one voice. If you speak as a group, there is no American lobby that will say that America is suspending relations with East Africa because you are refusing used clothing."

Most importantly, Kituyi said, the region has the potential and a peace dividend to take advantage of in spurring industrial growth.

Kituyi was Kenya's minister for trade and industry between 2002 and 2007 when he faced off with Western powers on the same matter.

"When I was minister for trade and industry in Kenya, the US government pushed me, as part of negotiating AGOA [Africa Growth Opportunity Act], that we should not reduce importation of used clothing," he said.

"But I told the US trade representative at the time, Robert Zoellick, who later became president of the World Bank, 'can you look me in the eye and tell me that in our democratic partnership, you want us to make clothing to sell to America and after you wear them and owners of those clothing die, you export them for us to wear?' He said, 'no, our industry demanded it but I had to explain.'"

According to François Kanimba, the minister for trade, industry and EAC affairs, the EAC Secretariat has completed a study on a roadmap how the region will implement the phase out and ultimate total ban of imports of used clothing.

The EAC study, he said, will be discussed at the end of the month during which they will approve a detailed strategy on how to develop textile and leather industry in the region.

Rwanda has already started implementing a phaseout of importing used clothing.

Lilian Awinja, the chief executive of the East African Business Council, said they have for a long time recommended the ban of usedd clothing imports.
“Why would we, for example, want east Africans to use inner garments that have been used by other people? There is no logic in that,” she said.

“As a region, we must make a decision and agree that we will trade with them in other products other than clothes and footwear that is used.”

Christophe Bazivamo, the EAC deputy secretary-general in charge of productive and social sectors, said the “problem behind used clothing come from a complaint on the American side.”

Bazivamo said: “Americans involved in used clothing business have written officially threatening to take this issue to the US Congress the argument being that people in America involved in that business are losing jobs.

“They wish East Africans to stop the campaign they are in and continue using used clothing. It is disrespectful to our citizens. It is not about defending the interests of east Africans but about protecting business interests of other countries.”

The bloc’s big picture is about promoting local industries with a multiplier effect on job creation and wealth creation, among others.

“We export more than 70 per cent of the cotton produced in East Africa and our local textile industries are underutilised,” Bazivamo said.

Source: newtimes.co.rw - May 25, 2017

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UK Fashion & Textiles Association (UKFT) plans fashion manufacturing hub in London

The UK Fashion & Textiles Association (UKFT) is exploring the creation of a fashion manufacturing hub in London.

The hub would operate as a "one-stop shop" to demonstrate what can be done by British manufacturers, said UKFT chairman Nigel Lugg. Backed by both public and private investment, it would take the form of a shared workspace in a building that is fit for purpose, and has its own pool of labour.

Lugg said the project is in its early days and its scale is still under debate, but he sees it as a 2018 project and described it as a "dream that is becoming a reality". If successful, it could be rolled out to other cities.

"There is a need for the manufacturing to come back," he told Drapers.

Lugg pointed out that the UK manufacturing industry is experiencing a resurgence, driven by demand for fast fashion and Made in Britain goods.

The UKFT already operates a database of UK-based manufacturers and suppliers called Let's Make It Here.

Customs and Revenue figures show that the export of textiles and clothing from the UK has steadily grown over the last five years to £8.5bn in 2015, up from £6.2bn in 2010

Interim findings of the Textiles Growth Programme showed revealed last month showed the value of UK clothing and textile production increased by 2.5% to £9.1bn between 2014 and 2016.

Source: drapersonline.com- May 24, 2017

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USA: AAFA reinforces opposition to Border Adjustment Tax

The American Apparel & Footwear Association (AAFA) has reinforced its opposition to the Border Adjustment Tax (BAT) provision, included in the 'A Better Way' tax blueprint, in comments submitted to the House Ways and Means Committee. The BAT provision will result in increased prices for consumers, lost jobs, and potential bankruptcies, according to AAFA.

AAFA submitted the comments in response to a request for input ahead of the committee's 'Increasing US Competitiveness and Preventing American Jobs from Moving Overseas' hearing.

"While it is clearly time to institute tax reform, the border adjustment tax would have a disturbing impact on the US apparel and footwear industry and refutes many of the positive provisions included in the overall House tax blueprint," said Rick Helfenbein, president and CEO of the American Apparel & Footwear Association.

"Unfortunately, and without question, the BAT would result in increased prices and job losses for our industry. Furthermore, this BAT provision would adversely impact low-income American families that rely on inexpensive essentials, such as clothes and shoes.

The BAT must not be included in corporate tax reform," he said.

AAFA said it refutes the claim that changes in the exchange rate would offset price increases, and list the unintended impacts the BAT would have on international trade relations.

Source: fibre2fashion.com- May 25, 2017

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European cities preferred for retailer expansion: EMEA

European cities were the preferred new destination for international retailer expansion attracting 43 per cent of new retail brands in 2016, up from 36 per cent in the previous year, according to the CBRE's annual report 'How Global is the Business of Retail?' which found that Hong Kong was the world's most popular destination for retailer expansion.

European retailers are redirecting their focus on expansion in their home continent rather than on places where currencies have become more expensive, the report said.

On a city level, Hong Kong retained its position as the world's most popular destination for retailer expansion in 2016 attracting 87 new retailers, according to the report.

Hong Kong was closely followed by London which witnessed the second highest presence of new retailer entrants, with a total of 65 international retailers opening stores in London for the first time in 2016. Retailers such as Nars, New Balance, and Dyson all opened new stores in London last year helping London to maintain its position as a global retail powerhouse.

London was followed by Dubai who welcomed 59 new entrants. Doha moved up six places from last year's new entrants ranking to take fourth place with 58 new retail brands and Tokyo being the fifth most sought after market with 48 new entrants to make up the top five most targeted retail cities globally.

Notably, Paris jumped to seventh place (from 20th last year) attracting 36 new retailers as the French capital continued to attract international retailers due to its strong tourism market and stable economy.

Thirty-three per cent of the new retailers to Paris were specialist clothing retailers such as Jordan, Rip Curl and Athlete's Foot who are all targeting the large number of Parisian millennials.

Moscow and Vienna also featured in the top 10 target markets with 33 and 29 new entrants, respectively.

The latest CBRE report which tracked and identified the target cities for international retailers in 2016 found that the majority of the new retail brands that had opened in London originated from the United States, demonstrating that London continues to be a magnet for international retailers who want to establish their brand before expanding into Europe, Middle East and Africa (EMEA). The year 2016 also set a record for the amount of money invested in retail property in London with £ two billion being spent by the end of last year.

David Close, senior director, Cross Border Retail, EMEA, ¸said, “The current economic climate has led to retail brands targeting tried-and-tested retail locations. Retailers are increasingly looking at the traditional strongholds of London, Paris and Hong Kong and stores in the most prominent cities remain a strategic opportunity to attract consumers, build brand loyalty and generate sales off-line and on.”

Source: fibre2fashion.com- May 25, 2017

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Sweden: H&M initiates steps to improve working conditions

H&M group has initiated several steps to improve working conditions of workers making H&M products at its suppliers. One of its major goals has been to ensure that factory employees are represented by trade unions to negotiate collectively, for this it is training factories on workplace cooperation, negotiation skills, collective bargaining and labour law.

“The work is at the top of our agenda and we stay true to our collaborative approach and methodical way of working, making it possible to take important steps forward,” H&M said.

The group facilitates dialogue between the employers and the employees at the factories and in the labour market in the countries where its products are made. This is fundamental to be able to improve working conditions, including wages, it said and added 290 factories are enrolled in the workplace dialogue and industrial relations programmes while more than 370,000 factory workers are directly covered by democratically elected worker representation through its programmes run in Bangladesh, Cambodia, China, Ethiopia and India.

"In 2018, the goal is to have democratically elected worker representatives in place at supplier representing 50 per cent of our product volume," the group said.

"Our collaboration within the Global Framework Agreement - pushing the development forward - was converted to a permanent agreement. H&M became an official supporter of the Global Deal partnership," it said.

The group is also trying to make sure that wage issues are negotiated and that workers have knowledge about their wage, benefits and rights. Wage should also take the individual worker's skills, experience, performance and responsibility into consideration. Such systems are being implemented at an increasing number of factories - 140 until the end of 2016, and an additional 96 during 2017.

Factories in Bangladesh, Cambodia, Indonesia, India, China, Turkey and Myanmar are participating in this programme. "In 2018, the goal is to have improved wage management systems in place at suppliers representing 50 per cent of our product volume," it said.

In a bid to herald change in the entire fashion industry, the group is focusing on close collaborations. This is important since the group shares suppliers with many other brands and the factory employees get the same wage regardless of which brand she/he saw garments for.

"We have collaboration projects together with partners such as Sida, the ILO and IF Metall to train management and workers on for example workplace cooperation and dispute resolution," it said.

The group is also engaging national governments, which set minimum wages and decide on labour laws and when wage revisions take place, on creating change within the textile industry. "During 2016, as an example we have together with other brands had a dialogue with the Cambodian government about the new Trade Union Law, to make sure that the law fully respects ILO conventions."

Source: fibre2fashion.com- May 24, 2017

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US exports rebound

Exports to the United States rebounded in the first quarter of the year, an increase of almost two percent on the same period last year, despite fears over protectionist trade policies to be ushered in by US President Donald Trump.

Garment, textile and footwear products made up the bulk of exports. According to figures from the Office of the US Trade Representative, total exports from Cambodia were more than $719 million in the first quarter of the year compared with more than $706 million in the same period last year – an increase of 1.86 percent.

However, the rise represents the lowest growth in exports for several years.

Kaing Monika, deputy secretary-general for the Garment Manufacturers Association in Cambodia yesterday told Khmer Times the increase marked a significant turnaround after a big drop in exports at the end of last year.

He said the US is still a big market for Cambodia despite rising competition.

“The market has bounded back after quite a significant drop last year. However, it’s still lower than it was in 2015,” he said.

“It’s also important to note that percentage share of exports to the US among total exports has reduced from about 75 percent in the past to just over 25 percent last year, due to increasing exports to other markets.”

In early April, Mr Trump issued an executive order to crackdown on trade imbalances between the states and 16 other countries, including Thailand, Vietnam, Malaysia and Indonesia. Cambodia was not on the list.

Mr Monika said the trade order had not affected Cambodia’s exports to the US.

“There’s no change in export procedures due to the Trump administration, but there is a significant change in the way the markets operate. The industry is moving toward fast fashion and small quantity orders,” he said.

Mr Monika said both buyers and investors are under huge pressure from shorter lead-times and demands for quick responses. The previous 12-18 week lead-times have been reduced to only seven to eight weeks.

“The unavailability of raw materials, especially fabric, poses a big threat to Cambodia.

“Both buyers and investors have expressed the need for Cambodia to introduce a vertical set-up with its own fabric mills if the industry is to survive.

“The pressure of shorter lead-times also requires more efficient import-export procedures,” he explained.

Last July, Cambodia was granted duty-free benefits for exports of travel goods such as luggage, backpacks, handbags and wallets to the US under the Generalised System of Preferences (GSP) for Least Developed Countries.

US Ambassador to Cambodia William Heidt said at the time it would lead to the largest expansion for Cambodian products into the US market in 20 years.

In September, the Ministry of Commerce, GMAC, the Council for the Development of Cambodia and the US embassy in Phnom Penh organised a two-day roadshow in Hong Kong to attract investors to set up travel goods factories in Cambodia.

According to figures from the Office of the US Trade Representative, total exports from Cambodia to the United States were more than $2.8 billion last year compared with more than $3 billion in 2015 – a decline of about seven percent.

Source: khmertimeskh.com- May 24, 2017

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NATIONAL NEWS

Africa a top priority for India's foreign and economic policy: PM

Prime Minister Narendra Modi while speaking at the inaugural session of the Annual Meeting of the African Development Bank (AfDB) at Gandhinagar lauded the centuries old India ties with African continent and said that Africa is a top priority for India's foreign and economic policy.

The Presidents of Benin and Senegal, the Vice President of Cote D'Ivoire, President of the African Development Bank, Secretary-General of the African Union, Commissioner of the African Union Commission and delegates of around 80 countries participated. Union Finance Minister Aruj Jaitely and the Gujarat Chief Minister vijay Rupani also participated.

PM said, "Over decades, our ties have become stronger. After assuming office in 2014, I have made Africa a top priority for India's foreign and economic policy. The year 2015 was a watershed. The third India Africa Summit held that year was attended by all fifty-four African countries having diplomatic relations with India. A record forty-one African countries participated at the level of Heads of State or Government. Since 2015, I have visited six African Countries. Our President has visited three countries, Namibia, Ghana and Ivory Coast.

The Vice-President visited seven countries, Morocco, Tunisia, Nigeria, Mali, Algeria, Rwanda and Uganda. I am proud to say that there is no country in Africa that has not been visited by an Indian Minister in the last three years. India's partnership with Africa is based on a model of cooperation which is responsive to the needs of African countries. It is demand-driven and free of conditions."

He said that, "As one plank of this cooperation, India extends lines of credit through India's Exim Bank. 152 credits have been extended to 44 countries for a total amount of nearly 8 billion dollars.

During the Third India-Africa Forum Summit, India offered 10 billion dollars for development projects over the next five years. We also offered grant assistance of 600 million dollars. India is proud of its educational and technical ties with Africa.

Thirteen current or former Presidents, Prime Ministers and Vice Presidents in Africa have attended educational or training institutions in India. Under the popular India Technical and Economic Cooperation Programme, more than thirty three thousand scholarships have been offered to officials from African countries since 2007."

He also lauded India-Africa partnership in the area of skills is the training of "solar mamas", telemedicine, education etc.

The PM also said that they will soon successfully complete the Cotton Technical Assistance Programme for African Countries launched in 2012.

PM also focused on further development of Indo-Africa business ties. "'Africa-India trade has multiplied in the last fifteen years. It has doubled in the last five years to reach nearly seventy-two billion US dollars in 2014-15.

India's commodity trade with Africa in 2015-16 was higher than our commodity trade with the United States of America. India is also working with United States and Japan to support development in Africa."

PM said that, "our partnership is not confined to Governments alone. India's private sector is at the forefront of driving this impetus. From 1996 to 2016, Africa accounted for nearly one-fifth of Indian overseas direct investments. India is the fifth largest country investing in the continent, with investments over the past twenty years amounting to fifty four billion dollars, creating jobs for Africans."

India joined the African Development Fund in 1982 and the African Development Bank in 1983. India has contributed to all of the Bank's General Capital Increases.

For the most recent African Development Fund replenishment, India pledged twenty nine million dollars. We have contributed to the Highly Indebted Poor Countries and Multilateral Debt Reduction Initiatives.

Source: timesofindia.com- May 23, 2017

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Cotton cropping area this Kharif season may see 7-10% increase

In the northern states of Punjab, Haryana and Rajasthan, cotton sowing began on a brisk note and by May 15, 60-70% of the cotton sowing has been completed.

While most industry experts have predicted a 15-20% increase in area under cotton for the 2017-18 season, Indian Council of Agricultural Research (ICAR)-Central Institute of Cotton Research (CICR) has preferred a more conservative approach towards crop outlook in the country.

It is predicted that the area under cotton is expected to increase by nearly 7-10 % due to higher cotton prices last season (2016-17), top officials of the institute have said.

Last season, the area under cotton during 2016-17 was 105 lakh hectares and there could be a 7-10% increase in this, ICAR-CICR director M S Ladaniya said.

"The weather is also predicted to be favourable during 2017-18 season with the early and an above average rainfall in most of the cotton growing regions," he said, adding that farmers are unlikely to go in for higher cropping after seeing what happened to other commodities after a bumper crop.

In the northern states of Punjab, Haryana and Rajasthan, cotton sowing began on a brisk note and by May 15, 60-70% of the cotton sowing has been completed.

"Initial indications are that during the current season the cotton area sown would be around 6 lakh hectares in Haryana (as against 4.98 lakh hectares during 2016-17) and 4 lakh hectare in Punjab (as against 2.56 lakh hectares in 2016-17)," he said.

In Haryana, farmers are expected to cut area under pulses as well as guar to grow more cotton, Ladaniya pointed out.

"In Punjab, cotton is likely to make revival in several south-western districts where paddy was grown in the last years. In Rajasthan, the area under cotton is expected to remain static at around 4.5 lakh hectares. There would be a likely reduction in the area under desi cotton in North India.

Bumper yields with hirsutum hybrids (due to the absence of leaf curl virus and minimal damage due to whitefly) and low price of desi cotton during 2016-17 would be the reasons," he said.

CICR has been working on incorporating BT gene into some desi varieties since these are drought resistant and not prone to whitefly.

However, reaching the commercial production levels will take some time, he said. The country will come back to desi cotton varieties in due course of time but as of now there is more pull towards BT cotton, he said.

The country has been using hybrid varieties for the last 40-50 years as opposed to countries such as Australia, Brazil and China that use compact varieties of cotton with high density plantation. India needs to move to such varieties with higher cropping density and with medium to long staple fibre and shorter crop durations, he said.

According to Ladaniya, the predictions of a good monsoon season and its timely onset have raised hopes of a good crop in the predominantly rainfed central and southern zones such as Maharashtra, Telangana, Andhra Pradesh.

The strategy to contain pink boll worm damage suggested by ICAR-CICR and implemented by state agricultural departments and state agricultural universities during 2016-17, paid rich dividends in central zone and south zone, helping farmers realise good yield in 2016-17, he said.

"Cotton prices in the local markets remained robust during January to April, 2017 that added to the profits of cotton farmers.

Cotton area is likely to increase in central and south India also during 2017-18," he said.

Source: financialexpress.com- May 25, 2017

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Peter England to launch khadi line

Aditya Birla Fashion and Retail Ltd (ABFRL), formerly known as Pantaloons Fashion, on Tuesday partnered with Khadi and Village Industries Commission (KVIC), ministry of micro, small and medium enterprises (MSME) for a period of five years, to launch a new line of Khadi products under the brand Peter England.

The menswear brand from Madura Fashion and Lifestyle, a unit of Aditya Birla Fashion and Retail Ltd (ABFRL) is the latest to partner with KVIC, after textile and apparel maker Raymond announced the launch of its Khadi label—Khadi by Raymond on Monday. Apart from Peter England, Madura Fashion and Lifestyle has brands like Louis Philippe, Van Heusen and Pantaloons in its portfolio.

"It is a big step for sustainable fashion which is our objective. Consumers understand the ethnicity and nationalism of Khadi. So far, the availability of Khadi and Khadi products in the branded space has been limited. That's the bridge we are trying to cross," said Ashish Dikshit, business head at ABFRL.

The collection named 'Khadi by Peter England' will be launched in the metros, starting October 2017. The garments will be priced between Rs1,000 and Rs3,000, which is the regular price range of Peter England. Going forward, ABFRL is also looking to introduce Khadi range of products under other brands (depending on the cost -benefit analysis) from its portfolio.

Last year, the brand had also partnered with India Handloom Brand (a government initiative to promote high quality handloom products) and collaborated with handloom weavers from Andhra Pradesh to develop an exclusive line of shirts. Currently, Peter England operates 700 exclusive brand outlets in India and around 15 stores outside the country.

"With this convergence, over 2 lakh man hours will be generated which will benefit our artisans to a great extent. The KVIC - Aditya Birla Fashion and Retail Ltd. convergence is a major initiative to bring Khadi into the branded garments market in a big way with better designs, colours, and style to cater to the youth segment and the high end market," said V.K. Saxena, chairman at the state-run KVIC.

This partnership comes after KVIC, in 2016, had sent notices to a few apparel companies including Madura Fashion and Lifestyle over unauthorized use of the word 'Khadi', following which most of the companies had stopped the production under their Khadi labels and revised their existing collections.

According to the Khadi Mark Regulations of 2013, notified by the ministry of micro, small and medium enterprises, brands that put out khadi products or garments have to apply for a Khadimark Regulation Certificate. No product can be sold as khadi without the Khadi mark tag, according to the regulation.

Earlier in February, KVIC had also sent a legal notice to garment retail chain Fabindia for continuing to sell garments in the name of khadi.

For the quarter ended March, ABFRL reported a net profit of Rs21.83 crore on standalone basis, up from a net loss of Rs108.97 crore in the year ago period. The company had reported a standalone net profit of Rs53.50 crore for the entire year 2016-17, compared with a net loss of Rs109.75 crore in 2015-16.

Source: livemint.com- May 24, 2017

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Artisan's block: How textile printing is helping Rajasthan

It is 5 AM and Kiran is hurrying to get the morning meal ready. Dawn is just about to break in Jhag, a small Rajasthan village about 40 km from Jaipur, and the young woman is eager to finish all household chores before she reports for her new job — a development that has given her a taste of economic freedom.

Kiran and her next door neighbour Mamta are part of a group of 11 women identified and trained in the *Ajrakh* process of block printing under ethnic-wear retailer Fabindia's cluster development programme and are now ready to be part of the workforce.

"It is very exciting to work outside the house and I share a table (for block printing) with my neighbour and friend, Mamta. It can be tiring as one has to do the household work as well, but I can use the money that I earn to buy nicer clothes for my children and give them better education," said Kiran taking a break from her work.

The block printing process observed in Jhag village draws in part from the *Ajrakh* process, but largely has its roots in the region itself.

"This cluster had been engaged in printing for over 120 years. Today, however, only one family, Prahlad Naagar's, is involved in printing in a village of over 750 households. For Fabindia, women empowerment was the central idea for the adoption of this cluster," points out Pamelaa Koul, production hub head, Jaipur, Fabindia.

Fabindia's interest in nudging women from Jhag to carry forward their village's traditional block-printing craft, under the mentorship of Naagar, also stems from the increased demand for hand-printed ethnic items in the domestic market.

According to the company, the rising popularity of hand-printed fabric and garments in the domestic market had led to a four-fold growth in its sourcing from Rajasthan over the past three-four years with more than a third of its total cloth being supplied by the State.

With a large number of retailers, including online companies such as Jaypore, Itokri, Gaatha and Jaipurfabric, reaching out to customers across the country, the enlarged market is slowly improving the livelihood of many craftspersons and affiliated workforce in Rajasthan.

Artisans now earn anything between ₹8,000 and ₹18,000 per month depending on the amount of work they do.

"About six-seven years ago, it was not possible for me to earn as much as I am earning today as there was neither enough demand nor was the payment good. Today, I earn around ₹16,000 per month. My son, who is young and more efficient, earns more," said Hanuman from village Bagru who works for master craftsman RK Derawala.

Derawala, who has been awarded the Padmashri for his contribution to promotion of Indian handicraft, belongs to the Chhipa community in Bagru which has been practising its tradition for roughly 450 years. He specialises in Dabu, an ancient mud resist hand block printing technique from Rajasthan.

"There is a huge increase in demand over the past few years for block printed cloth. I have put up 24 tables in my workshop and have also provided tables to 40 households in the village who work for me. There is now enough work for my entire village of over 400 families," Derawala said.

Source: thehindubusinessline.com- May 25, 2017

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India to fund river dredging in Bangladesh to ease cargo movement to North-East

As part of the India-Bangladesh cooperation for inland water transport, India will finance 80 per cent of the estimated ₹220 crore required for dredging to maintain navigability in the Sirajganj-Daikhawa on the Jamuna Ashugunj-Karimgunj stretch of the Kushiyara river in Bangladesh.

The Jamuna is the local name of the Brahmaputra in Bangladesh.

The Kushiyara is known as the Barak river in India. Both the stretches are part of the India-Bangladesh protocol routes. Dredging will help improve cargo movement from Kolkata to North-East through Bangladesh.

According to Pravir Pandey, vice-chairman of Inland Waterways Authority of India (IWAI), the tender for dredging will be floated by Bangladesh Inland Waterway Transport Authority (BIWTA) and only Indian and Bangladeshi companies can take part in the tender.

India signed an MoU for fairway development across the stretches with Bangladesh during the visit of Bangladeshi Prime Minister Sheikh Hasina in Delhi last month.

Dhaka allowed transhipment of goods through Ashugunj port, close to Tripura border, last year.

The Hasina government's decision to charge Taka 192 a tonne (₹155) transit fee triggered a controversy in Bangladesh as it was deemed too low.

Poor logistics facilities

However, transporters found the facility unviable due to long turnaround time and rudimentary logistics facilities at Ashugunj. Nearly n year since the treaty, only three consignments passed through Ashugunj.

Dhaka is now planning to upgrade the Ashugunj port facility using a part of the $2 billion second line of credit. (A third line of $5 billion was offered last month).

This, coupled with dredging, should improve the viability of river transport through Bangladesh.

Massive waterway

From the Indian perspective, the Sirajganj-Daikhawa stretch is more important as it would help create a nearly 4,000-km-long fairway from Varanasi in UP to Sadiya in upper Assam (bordering Arunachal Pradesh) through Bangladesh.

India is already developing the Varanasi-Kolkata stretch, called NW (National Waterway)-1 as a fairway at an estimated ₹5,369 crore under World Bank assistance.

Post development vessels capable to carry 1,500 to 2,000 tonne of cargo can travel through the stretch round the year.

A similar project for developing the NW-2 from Dhubri (bordering Daikhawa) to Sadiya, with World Bank assistance, is currently under consideration. IWAI recently organised a stakeholders' meet in Guwahati in this regard.

Source: thehindubusinessline.com- May 25, 2017

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IKEA: Will not use online route to push growth

Swedish retail giant IKEA is looking at using ecommerce only to supplement sales in cities it would open stores in as it aims to grow its business in India over the long term.

IKEA, which will open its first store in the country in December, is not looking at online selling as a way to hasten its reach across the country. Instead, it says it is predominantly a touch-and-feel company that will utilise ecommerce to improve convenience for customers.

"We are not an online company, but we will have online in India and this will add convenience to customers, but whether it is going to be one per cent, 10 per cent, 50 per cent, we don't know yet," said Juvencio Maeztu, chief executive of IKEA India.

Instead of using existing marketplaces such as Flipkart and Amazon, IKEA said it will only focus on selling its goods on its own platform. Further, it will use its megastores as a base to fulfil e-commerce deliveries at least initially, limiting the scope of deliveries only locally.

Even in the near future, when IKEA has warehouses and distribution centres which could take the load off the stores to handle online orders, it says it will not use e-commerce to dig into regions its stores do not service.

Maeztu says IKEA's move to remain predominantly offline is deliberate, since its stores not only facilitate selling to customers, but inspire them about how their homes and other spaces could look. This is in contrast to the way India's online furniture and home decor players such as Pepperfry and Urban Ladder function, selling exclusively online.

"After leaving the IKEA store, your thinking changes completely. You may buy some dinnerware online but a month later you will want to come walk around, have a coffee and a veggie bowl in our restaurant," added Maeztu. "At the end of the day, it's not one or the other, everything gets melted."

Similar to its online presence which will give customers more choices, the company will ensure it can deliver and assemble its products at customer homes. Unlike in other markets, where only three per cent of customers opt for delivery and assembly, Maeztu expects that number to be much higher in India.

For this, IKEA has already floated tenders to partner with service providers in the country. The company says it will demand similar stringent quality and ethicality standards from service providers as it does from its suppliers. While home delivery and assembly services will not be free, the company says that including the added cost for this, its products will offer customers the best value.

"We are not going to be more expensive than IKEA in the rest of the world, which means we will be less expensive...If you decide that for kitchen you ordered everything must be taken care of by IKEA (delivery and assembly), even then the price will be unbeatable in the market," said Maeztu.

Source: business-standard.com- May 25, 2017

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